Offering Period: Two (2) days

starting from Monday 22/06/1446H (corresponding to 23/12/2024G)

until the end of Tuesday 23/06/1446H (corresponding to 24/12/2024G).

Almoosa Health Company Prospectus

الموسى الصحية
Almoosa Health

A Saudi closed joint-stock company pursuant to Ministry of Commerce Resolution No. 59, dated 18/03/1442H (corresponding to 04/11/2020G), and registered under Commercial Registration No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G).

Offering of thirteen million, two hundred and ninety-one thousand and seventy-four (13,291,074) ordinary Shares. representing 30% of the share capital of Almoosa Health after the Offering (and representing 37.97% of the Company's share capital before the capital increase) through a public offering at an Offer Price of one hundred twenty-seven Saudi Riyals (SAR 127) per Share.

Almoosa Health Company (hereinafter referred to as the "**Company**" or the "**Issuer**") is a closed Saudi joint-stock company established pursuant to Ministry of Commerce Resolution No. 59, dated 18/03/1442H (corresponding to 04/11/2020G), and registered under Commercial Registration No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G), with its registered address at 3256 Dhahran Road, Al Khars District, P.O. Box 5098, Postal Code 31982, Al Mubarraz City, Kingdom of Saudi Arabia (hereinafter referred to as the "**Kingdom**" or "**Saudi Arabia**").

In 1994G, the Company commenced its operations as a branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship under the name "Al Moosa Specialist Hospital (Al Ahsa)," which is registered in the Commercial Register of the city of Al Mubarraz under No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G). Pursuant to the Company's Articles of Association reviewed by the Ministry of Commerce and registered with the notary public by the Partners under No. 391474381, dated 22/09/1439H (corresponding to 06/06/2018G), the branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship was transformed into a limited liability company under the name "Al Moosa Specialist Hospital" with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) cash shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. In accordance with the Partners' resolution approved by the Ministry of Commerce under No. 100002504, dated 04/03/1442H (corresponding to 21/10/2020G), Abdulaziz Abdullah Almoosa, who owned one hundred thousand (100,000) Shares of the Company's share capital, transferred ten thousand (10,000) Company Shares through the transfer of one thousand (1,000) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Sara Abdulaziz Almoosa, (5) Zainab Abdulaziz Almoosa, (6) Omaima Abdulaziz Almoosa, (7) Yaser Abdulaziz Almoosa, (8) Yousef Abdulaziz Almoosa, (9) Lama Abdulaziz Almoosa, and (10) Ahmed Abdulaziz Almoosa without consideration. Pursuant to the Partners' resolution dated 04/03/1442H (corresponding to 21/10/2020G) and Ministry of Commerce resolution No. 47, dated 04/03/1442H (corresponding to 21/10/2020G), the Company was transformed from a limited liability company into a closed joint-stock company under the name "Al Moosa Specialist Hospital" with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) ordinary Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per Share. In accordance with the decision of Abdulaziz Abdullah Almoosa dated 24/02/1444H (corresponding to 21/09/2022G), Abdulaziz Abdullah Almoosa, who owned ninety thousand (90,000) Shares of the Company's share capital, transferred ten thousand (10,000) Shares in the Company by transferring (i) one thousand, five hundred (1,500) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Ahmed Abdulaziz Almoosa, (5) Yousef Abdulaziz Almoosa, and (6) Yaser Abdulaziz Almoosa; and (ii) two hundred and fifty (250) Shares to each of (1) Sara Abdulaziz Almoosa, (2) Zainab Abdulaziz Almoosa, (3) Lama Abdulaziz Almoosa, and (4) Omaima Abdulaziz Almoosa without consideration. Pursuant to the Extraordinary General Assembly resolution dated 11/06/1445H (corresponding to 24/12/2023G), the Company's share capital was increased from one million Saudi Riyals (SAR 1,000,000) to three hundred and fifty million Saudi Riyals (SAR 350,000,000), divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. The increase, amounting to three hundred and forty-nine million Saudi Riyals (SAR 349,000,000), was satisfied through the capitalization of three hundred and forty-nine million Saudi Riyals (SAR 349,000,000) from a Shareholder's contribution account (resulting from: (1) the net assets transferred upon the conversion of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship into a limited liability company, and (2) a contribution of land valued at SAR 53.7 million by one of the Company's Shareholders). On 04/08/1445H (corresponding to 14/02/2024G), Abdulaziz Abdullah Almoosa, who owned twenty-eight million (28,000,000) Shares of the Company's share capital, transferred one million, seven hundred and fifty thousand (1,750,000) of the Company Shares to Abdulaziz bin Abdullah Almoosa Charity Company. On 04/08/1445H (corresponding to 14/02/2024G), the Extraordinary General Assembly approved changing the name of the Company from "Al Moosa Specialist Hospital" to "Almoosa Health Company". On 16/09/1445H (corresponding to 26/03/2024G), (1) Abdulaziz Abdullah Almoosa, (2) Habiba Abdulrahman Almoosa, (3) Mohammad Abdulaziz Almoosa, (4) Malek Abdulaziz Almoosa, (5) Sara Abdulaziz Almoosa, (6) Zainab Abdulaziz Almoosa, (7) Omaima Abdulaziz Almoosa, (8) Yaser Abdulaziz Almoosa, (9) Yousef Abdulaziz Almoosa, (10) Lama Abdulaziz Almoosa, and (11) Ahmed Abdulaziz Almoosa transferred all their Shares in the Company, totaling thirty-three million, two hundred and fifty thousand (33,250,000) Shares to Abdulaziz bin Abdullah Almoosa Investment Company in exchange for granting them Shares therein. On 16/10/1445H (corresponding to 25/04/2024G), the Company's Extraordinary General Assembly approved the Company's capital increase from three hundred and fifty million Saudi Riyals (SAR 350,000,000) divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share to four hundred and forty-three million, thirty-five thousand, eight hundred Saudi Riyals (SAR 443,035,800), divided into forty-four million, three hundred and three thousand, five hundred and eighty (44,303,580) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share (hereinafter collectively referred to as the "**Shares**") through the public offering of nine million, three hundred and three thousand, five hundred and eighty (9,303,580) new Shares (hereinafter referred to as the "**New Shares**") (for further information regarding the Company's history, please refer to Section 4.1.2 "**The Company's History and Evolution of its Ownership and Capital Structure**" of this Prospectus).

As of the date of this Prospectus, the Company's share capital is three hundred and fifty million Saudi Riyals (SAR 350,000,000), divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share.

The Company's share capital after the Offering will be four hundred and forty-three million, thirty-five thousand, eight hundred Saudi Riyals (SAR 443,035,800), divided into forty-four million, three hundred and three thousand, five hundred and eighty (44,303,580) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, as a result of the Company's capital increase through the issuance and public offering of nine million, three hundred and three thousand, five hundred and eighty (9,303,580) New Shares (representing 21% of the Company's share capital after the Offering).

The initial public offering (hereinafter referred to as the "**Offering**") consists of the offering of thirteen million, two hundred and ninety-one thousand and seventy-four (13,291,074) ordinary Shares through (1) the sale of three million, nine hundred and eighty-seven thousand, four hundred and ninety-four (3,987,494) ordinary Shares of the Company's existing Shares (hereinafter referred to as the "**Sale Shares**") by Abdulaziz bin Abdullah Almoosa Investment Company (hereinafter referred to as the "**Selling Shareholder**"), and (2) the issuance and sale of nine million, three hundred and three thousand, five hundred and eighty (9,303,580) ordinary New Shares (the Sale Shares and New Shares are collectively referred to as the "Offer Shares" and individually as an "**Offer Share**") at an Offer Price of one hundred twenty-seven Saudi Riyals (SAR 127) per Share, with a nominal value of ten Saudi Riyals (SAR 10) per Share (hereinafter referred to as the "**Offer Price**"). The Sale Shares and New Shares represent 9% and 21%, respectively, of the Company's total share capital after the Offering, which is equivalent to a total of 30% of the Company's share capital after the Offering. On 08/05/1446H. (corresponding to 10/11/2024G), the Company and the Selling Shareholder obtained a binding undertaking from the Company for Cooperative Insurance (Tawuniya) and Alfozan Holding Company to subscribe as Cornerstone Investors to two-million, nine-hundred and twenty-four thousand and thirty six (2,924,036) Shares representing 22% of the Offer Shares, from pursuant to which the Company for Cooperative Insurance (Tawuniya) and Alfozan Holding Company committed to subscribe to one-million, eight-hundred and seventeen thousand and three-hundred and ninety-seven (1,817,397) Shares and one-million, one-hundred and six thousand and six-hundred and thirty-nine (1,106,639) Shares, each respectively, of the Offer Shares (representing approximately 4.1% and 2.5%, respectively, of the Company's capital post-completion of the Offering) (the "**Cornerstone Investors' Shares**") and the Company agreed to allocate the Cornerstone Investors' Shares to them as part of the Offering process. In conjunction with the Offering, the Employee Investment Fund will purchase a maximum of one hundred thirty-one thousand two hundred and fifty (131,250) ordinary shares (representing up to 0.30% of the Company's capital after the capital increase) from the Selling Shareholder after completing the Book Building process and determining the final Offer Price, according to the final price determined by the Participating Parties. The Fund will determine the number of shares to be purchased. Shares allocated to the Employee Investment Fund are not included in the Offer Shares and are additional shares from the Selling Shareholder (for more information, please refer to Section No. 5.12 "**Shares Allocated for Subscription by the Company's Employees**" of this Prospectus).

Subscription to the Offer Shares is limited to two tranches of investors (hereinafter referred to as the "**Investors**"):

Tranche (A): Participating Parties: This tranche includes the categories that are entitled to participate in the book building process in accordance with the Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) issued by the Board of the Capital Market Authority (hereinafter referred to as the "**CMA**") pursuant to Resolution No. 2-94-2016, dated 15/10/1437H (corresponding to 20/07/2016G), as amended by CMA Resolution No. 1-103-2022, dated 02/03/1444H (corresponding to 28/09/2022G) (hereinafter referred to as the "**Book Building Instructions**"). These categories include investment funds, qualified foreign companies and institutions, GCC corporate investors and other foreign investors under swap agreements (these categories are collectively referred to hereinafter as the "**Participating Parties**") (for further details, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus). The number of Offer Shares that will be provisionally allocated to the Participating Parties is thirteen million, two hundred and ninety-one thousand and seventy-four (13,291,074) Offer Shares, representing 100% of the total Offer Shares, two-million, nine-hundred and twenty-four thousand and thirty six (2,924,036) Offer Shares shall be allocated to the Cornerstone Investors, representing 22% of the total Offer Shares, and the allocation of three-million, nine-hundred, eighty-seven thousand and three hundred twenty-two (3,987,322) shares to the Public Funds category, representing 30% of the total number of Offer Shares. In the event that Individual Subscribers (defined as Tranche (B) below) subscribe to the total Offer Shares allocated thereto, the Financial Advisor shall have the right to reduce the number of Offer Shares allocated to the Participating Parties to a minimum of ten million, six hundred and thirty-two thousand, eight hundred and sixty (10,632,860) Offer Shares, representing 80% of the total Offer Shares, provided that such reduction shall not apply to the Cornerstone Investors and the final allocation to them shall be two-million, nine-hundred and twenty-four thousand and thirty six (2,924,036) Offer Shares in all cases. The number of shares allocated to Public Funds will be reduced to three-million one-hundred eighty-nine thousand eight hundred fifty-eight shares (3,189,858) shares representing a minimum of 24% of the total Offer Shares following completion of the Individual Subscription process. Accordingly, four-million, five-hundred and eighteen thousand and nine-hundred and sixty-six (4,518,966) Offer Shares will be allocated to the remaining Participating Parties. The Financial Advisor, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Shares as deemed appropriate by the Financial Advisor in coordination with the Company.

Tranche (B): Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom, or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution (collectively referred to as the "**Individual Subscribers**" and each an "**Individual Subscriber**", and together with the Participating Parties, the "**Subscribers**"). A subscription for Shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of two million, six hundred and fifty-eight thousand, two hundred and fourteen (2,658,214) Offer Shares, representing 20% of the total Offer Shares, will be allocated to Individual Subscribers. If the Individual Subscribers do not subscribe for all the Shares allocated thereto, the Financial Advisor, in coordination with the Company, may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares to which they subscribed.

The entire Offering proceeds, after deduction of the Offering Expenses (hereinafter referred to as "**Net Offering Proceeds**"), will be distributed and allocated as follows: (1) an amount of four hundred ninety million six hundred ninety-one thousand sixty-one Saudi Riyals (SAR 490,691,061) will be distributed to the Selling Shareholder, and (2) an amount of one billion one hundred forty-four million eight hundred seventy-five thousand three hundred thirty-seven Saudi Riyals (SAR 1,144,875,337) obtained from the sale of the New Shares resulting from the capital increase for the purpose of the Offering (hereinafter referred to as the "**IPO Proceeds**") will be distributed to the Company to be used to repay the outstanding debt and finance the Company's expansion plans and general objectives (for further information regarding the Offering proceeds, please refer to Section 8 "**Use of the Offering Proceeds**" of this Prospectus).

The Offering has been fully underwritten by the Underwriters (for further information regarding the underwriting, please refer to Section 12 "**Underwriting**" of this Prospectus). The Substantial Shareholders who own 5% or more of the Company's share capital are prohibited from disposing of their Shares for a period of six (6) months (hereinafter referred to as the "**Lock-up Period**") as of the date of commencement of trading of the Company's Shares on the Saudi Stock Exchange (hereinafter referred to "**Tadawul**" or the "**Exchange**") as described on page (vi) of this Prospectus.

The Company's Substantial Shareholders who own 5% or more of its Shares are: (1) Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital before the Offering; and (2) Abdulaziz Abdullah Almoosa Charity Company, which owns 5% of the Company's share capital before the Offering (hereinafter referred to as the "**Substantial Shareholders**"). Table 1.2 "**Substantial Shareholders, the Number of Their Shares, and Their Ownership Percentages Before and After the Offering**" of this Prospectus sets out the ownership percentages of the Substantial Shareholders in the Company's share capital before and after the Offering. After completion of the Offering, Abdulaziz bin Abdullah Almoosa Investment Company will own 65.75% of the Company's Shares and will thus retain a controlling interest.

The Offering Period will commence on Monday 22/06/1446H (corresponding to 23/12/2024G) and will remain open for a period of two (2) days, up to and including the closing day, which falls on Tuesday 23/06/1446H (corresponding to 24/12/2024G) (hereinafter referred to as the "**Offering Period**"). Subscription applications for the Offer Shares may be submitted by Individual Subscribers to through the websites and online platform of the Receiving Agents listed on pages (ix) and (x) of this Prospectus (hereinafter referred to as the "**Receiving Agents**") during the Offering Period (for more information, please refer to Section 16.3.2 "**Subscription by Individual Subscribers**" of this Prospectus). Participating Parties may subscribe for the Offer Shares through the Bookrunners during the book building process, which will take place prior to the Offering of the Shares to Individual Subscribers.

Each Individual Subscriber must apply for a minimum of ten (10) Offer Shares and a maximum of two hundred and fifty thousand (250,000) Offer Shares. The minimum number of Shares that can be allocated to each Individual Subscriber is ten (10) Shares. The balance of the Offer Shares, if any, will be allocated pro-rata based on the percentage of Offer Shares requested by each Individual Subscriber and the total number of Offer Shares applied for. In the event that the number of Individual Subscribers exceeds two hundred and sixty-five thousand, eight hundred and twenty-one (265,821) subscribers, the Company will not guarantee the minimum allocation. In this case, the allocation will be determined at the discretion of the Financial Advisor in coordination with the Company using the discretionary allocation mechanism. Excess subscription monies, if any, will be refunded to the Individual Subscribers without any charge or commission being withheld by the relevant Receiving Agents. An announcement of the final allocation will be made no later than Sunday, 28/06/1446H (corresponding to 29/12/2024G), and the refund of the excess subscription monies, if any, will be made no later than Thursday, 02/07/1446H (corresponding to 02/01/2025G) (for more information, please refer to the "**Key Dates and Subscription Procedures**" section on page (xvii) and Section 16 "**Subscription Terms and Conditions**" of this Prospectus).

The Company has one class of ordinary Shares. Each Share entitles its holder to one vote, and each Shareholder in the Company (hereinafter referred to as a "**Shareholder**") has the right to attend and vote at shareholders' general assembly meetings (hereinafter referred to as the "**General Assembly**"). Each Shareholder also has the right to authorize another Shareholder, other than one of the Directors, to represent them in attending General Assembly meetings and voting on resolutions thereof. No Shareholder benefits from any preferential voting rights. The Offer Shares will entitle holders to receive their portion of any dividends declared by the Company as of the date of this Prospectus (hereinafter referred to as the "**Prospectus**") and for subsequent financial years (for further information regarding the dividend distribution policy, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).

Prior to the Offering, there has been no public market for the Shares in the Kingdom or elsewhere. The Company has submitted an application for registration and offer of the Shares to the CMA, and an application for listing of the Shares on the Exchange. All required documents have been submitted to the competent authorities, all requirements have been met, and all approvals related to the Offering process have been obtained, including this Prospectus. It is expected that trading of Shares on the Exchange will commence shortly after completion of the Share allocation process and fulfillment of all relevant regulatory requirements (for further details, please refer to the "**Key Dates and Subscription Procedures**" section on page (xvii) of this Prospectus). Saudi Arabian nationals, non-Saudi Arabian nationals holding valid residency permits in the Kingdom, companies, banks and investment funds established in the Kingdom or in GCC countries, as well as GCC nationals, will be permitted to trade in the Shares after the Shares are registered with the CMA and listed on the Exchange. Foreign Strategic Investors will be permitted to trade in the Offer Shares in accordance with the Instructions for the Foreign Strategic Investors' Ownership in Listed Companies (as defined in Section 1 "**Definitions and Abbreviations**" of this Prospectus). Moreover, the following categories will also be able to invest in the Company's Shares in accordance with the Rules for Foreign Investment in Securities (as defined in Section 1 "**Definitions and Abbreviations**" of this Prospectus): (1) Qualified Foreign Investor; (2) Foreign Strategic Investors; and (3) any foreign natural or legal person who is a client of a Capital Market Institution licensed by the CMA to exercise management activities, provided that the Capital Market Institution has been appointed on terms that enable it to make all investment decisions on behalf of the client without the need to obtain prior approval therefrom. Non-GCC nationals who are not residents in the Kingdom and non-GCC institutions registered outside the Kingdom (hereinafter referred to as "**Foreign Investors**") will be permitted to invest indirectly in the Offer Shares by acquiring an economic interest in the same through entering into swap agreements with a Capital Market Institution authorized by the CMA (hereinafter referred to as the "**Capital Market Institutions**") to purchase and trade in shares listed on the Exchange for the benefit of Foreign Investors in accordance with the Rules for Foreign Investment in Securities (as defined in Section 1 "**Definitions and Abbreviations**" of this Prospectus). Under such swap agreements, the Capital Market Institutions will be registered as the legal owner of such Shares.

Persons wishing to subscribe to the Company's Shares should carefully read and examine the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus before deciding to invest in the Offer Shares.

This Prospectus includes information which has been provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom (the "CMA") and the application for listing of securities in compliance with the requirements of the Listing Rules of the Saudi Stock Exchange. The Directors, whose names appear on page (v), collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus, and having made all reasonable inquiries, confirm that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange do not take any responsibility for the contents of this Prospectus, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus is an unofficial English translation of the official Arabic Prospectus and is provided for information purposes only. The Arabic Prospectus published on the CMA's website (www.cma.org.sa) remains the only official, legally binding version and shall prevail in the event of any conflict between the two language versions.

Financial Advisor and Lead Manager

BSF Capital

Underwriters and Bookrunners

EFG Hermes
An EFG Holding Company

BSF Capital

Receiving Agents

BSF Capital
alrajhi capital
Albilad Capital
Riyad Capital
SNB Capital
anb capital
derayah
SAB Invest
alinma investment
Alistithmar Capital
Yaqeen
Aljazira Capital
Alkhabeer Capital
Sahm

Advisor to the Selling Shareholder

Moelis

This Prospectus is dated 27/03/1446H (corresponding to 30/09/2024G).

www.almoosahealthgroup.org

Important Notice

This Prospectus contains sufficient detailed information regarding the Company and the Offer Shares. When submitting an application for the Offer Shares, Participating Parties and Individual Subscribers will be treated as applying solely on the basis of the information contained in this Prospectus, copies of which can be obtained by visiting the websites of the Company (www.almoosahealthgroup.org), the CMA (www.cma.org.sa) the Exchange (www.saudiexchange.sa) or the Financial Advisor, Saudi Fransi Capital (www.bsfcapital.sa).

The Company has appointed Saudi Fransi Capital as its Financial Advisor in connection with the Offering (hereinafter referred to as the "**Financial Advisor**"), Saudi Fransi Capital and EFG Hermes KSA as the Underwriters (hereinafter referred to as the "**Underwriters**") and Bookrunners (hereinafter referred to as the "**Bookrunners**") in relation to the Offer Shares described in this Prospectus. The Company has also appointed Saudi Fransi Capital as the Lead Manager for the subscription of the Individual Subscribers (hereinafter referred to as the "**Lead Manager**").

This Prospectus includes information that has been presented in accordance with the Rules on the Offering of Securities and Continuing Obligations issued by the CMA. The Directors of the Company, whose names appear on page (v) of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus, and, having made all reasonable inquiries, confirm that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

While the Company has made all reasonable inquiries as to the accuracy of the information contained in this Prospectus as of the date hereof, a substantial portion of the information in this Prospectus which is relevant to the markets and industry in which the Company operates is derived from external sources. While neither the Company nor the Selling Shareholder, the Directors or any of the Advisors, whose names appear on pages (vii) and (viii) of this Prospectus, have any reason to believe that any of the market or industry information in this Prospectus is materially inaccurate, none of this information has been independently verified, and therefore, no representation or assurance can be made with respect to its accuracy or completeness.

The information contained in this Prospectus as of the date hereof is subject to change. In particular, the Company's financial position and value of the Offer Shares may be adversely affected by future developments such as inflation, interest rates, taxation or any economic, political or other factors over which the Company has no control (for further details, please refer to Section 2 "**Risk Factors**" of this Prospectus). Neither the delivery of this Prospectus nor any oral or written communication in relation to the Offer Shares is intended to be or should be construed as or relied upon in any way as a promise, affirmation or representation as to future earnings, results or events.

This Prospectus should not be regarded as a recommendation on the part of the Company, the Directors, the Selling Shareholder, the Receiving Agents, or any of their advisors to participate in the Offering. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the Offer Shares. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA-licensed financial advisor in relation to their subscription for the Offer Shares to assess the appropriateness of the investment opportunity and the information provided herein with regard to their individual objectives, financial conditions and needs, including the advantages and risks associated with investing in the Offer Shares. An investment in the Offer Shares may be appropriate for some investors but not others. Therefore, prospective investors should not rely on another party's decision whether to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances.

Subscription to the Offer Shares will be limited to two tranches of Investors:

Tranche (A) Participating Parties: This tranche includes a number of the parties entitled to participate in the book building process as per the Book Building Instructions (for further information, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus).

Tranche (B) Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution. A subscription for Shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

This Prospectus shall not constitute an offer to sell or solicitation of an offer to purchase any of the Offer Shares by any person in any country where the applicable law in such country does not permit such person to make such an offer or solicitation. The Offer Shares will be offered outside the United States of America through offshore transactions based on the relevant securities regulations.

It is expressly prohibited to distribute this Prospectus or to sell the Offer Shares to any person outside the Kingdom, other than to Qualified Foreign Investors, Foreign Strategic Investors, clients of Capital Market Institutions licensed by the CMA to undertake management activities in accordance with the conditions specified in the Rules for Foreign Investment in Securities or Foreign Investors through swap agreements. The Company, the Selling Shareholder and the Financial Advisor request that recipients of this Prospectus review and adhere to all regulatory restrictions related to the Offering and the sale of the Offer Shares. All Individual Subscribers and Participating Parties must read this Prospectus in its entirety and obtain professional advice from a CMA-licensed financial advisor, their own attorneys, accountants and professional advisors regarding the various legal, tax, regulatory and economic considerations relating to their investment in the Offer Shares and will be responsible for the fees associated with such advice. Neither the Company nor the Selling Shareholders or Financial Advisor can provide any assurance that profits will be achieved.

Market and Industry Information

The information contained in Section 3 "**Market and Industry Information**" of this Prospectus has been obtained from the market and industry research advisor, PricewaterhouseCoopers Public Accountants – PwC (hereinafter referred to as the "**Market Consultant**"), an independent consulting firm operating from 151 countries across the globe with nearly 364,000 people committed to delivering quality in assurance, tax, and advisory services (which includes consulting, deals and strategy & practices).

The Board believes that the information and data derived from other sources contained in this Prospectus, including that provided by the Market Consultant, is reliable and have no reason to believe that such information is materially inaccurate, but neither the Board nor any of the Advisors, have independently verified such information and data, and therefore no guarantee can be provided as to its accuracy or completeness.

It should be noted that neither the Market Consultant, nor any of its shareholders, directors or their relatives hold any shares or any interest of any kind in the Company or any of its subsidiaries. The Market Consultant has provided and not withdrawn its written consent to the use of the information supplied by it to the Company in the manner and form set out in this Prospectus.

Financial Information

The Company applied the International Financial Reporting Standards (IFRS) as adopted in the Kingdom and other standards and issuances issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) when preparing its financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G and the nine-month period ended 30 September 2024G.

In 2021G, the Company implemented the IFRS for SMEs as adopted in the Kingdom and other relevant issuances approved by SOCPA. For the purpose of the Offering, KPMG Professional Services Company, in its role as Chartered Accountant, has reviewed the special-purpose audited financial statements for the financial year ended 31 December 2021G in accordance with the International Financial Reporting Standards (IFRS) as adopted in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These financial statements have been included in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus. The Company publishes its financial statements in Saudi Riyals.

Certain financial and statistical information contained herein has been rounded to the nearest integer. Therefore, if summed, the numbers in the tables may differ from those stated in the Prospectus.

Forecasts and Forward-looking Statements

The forecasts set forth in this Prospectus have been prepared on the basis of assumptions based on the Company's information according to its market experience, as well as on publicly available market information. Future operating conditions may differ from the assumptions used, and consequently, no affirmation or warranty is made with respect to the accuracy or completeness of any of these forecasts or estimates. The Company confirms that, to the best of its reasonable knowledge, all due diligence has been exercised in preparing the statements contained in this Prospectus.

Certain statements in this Prospectus constitute or can be deemed to constitute "forward-looking statements." Such statements can generally be identified by their use of forward-looking words such as "plans," "intends," "estimates," "believes," "expects," "is expected," "could," "possible," "likely," "probably," "will," "may" or the negative thereof, or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Key risks and factors that could have such an effect have been described in more detail in other sections of this Prospectus (for further details, please refer to Section 2 "**Risk Factors**" of this Prospectus). If one or more of these factors materialize or if it is proven that any of the future expectations or statements contained in this Prospectus are incorrect or inaccurate, the actual results of the Company and its subsidiaries may differ materially from those mentioned in this Prospectus.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus if, at any time after this Prospectus has been published and before the completion of the Offering, the Company becomes aware that: (a) there has been a significant change in material information contained in the Prospectus or any document required by the Rules on the Offer of Securities and Continuing Obligations (OSCOs); or (b) the occurrence of additional significant matters that would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the aforementioned and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Accordingly, Subscribers should consider all forward-looking statements in light of these explanations and should not place undue reliance thereon.

Definitions and Abbreviations

For an explanation of certain terms and abbreviations contained in this Prospectus, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus.

Type and Format of Figures in the Prospectus

This Prospectus has been prepared using Arabic numerals, namely 1, 2, 3, 4, 5, 6, 7, 8, 9 and 0. Certain figures have been written in decimal format, in which a decimal point is placed to the right of the decimal place with the base value. Each digit to the right of this decimal point has a base value of a tenth of the value of the previous digit on the left, hence the number 123.4 represents one hundred and twenty-three and four-tenths.

General Provisions

Certain figures provided in this Prospectus have been rounded off to the nearest integer. Therefore, the figures shown for the same item may differ slightly across different tables, and the total figures set out in certain tables may not be the arithmetic sum of the numbers that precede them.

In this Prospectus, Hijri dates are mentioned along with their corresponding Gregorian dates. The Hijri calendar is prepared based on the expected lunar cycles. However, the beginning of each month is determined through actual observation and viewing of the moon. For this reason, conversions between the Hijri and Gregorian calendars are often subject to discrepancies of one or a few days. Furthermore, any reference to "year" or "years" is a reference to Gregorian years, unless otherwise expressly specified in this Prospectus.

Corporate Directory

Board of Directors

Table 1.1: The Company's Board of Directors

No.	Name	Position	Nationality	Age	Status	Direct Ownership (%)		Indirect Ownership (%)[1]		Date of Appointment[2]
						Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1	Abdulaziz Abdullah Abdulwahab Almoosa	Chairman	Saudi	74 years	Non-Executive	N/A	N/A	77.20%	53.92%	14/02/1442H (corresponding to 01/10/2020G)
2	Zainab Abdulaziz Abdullah Almoosa	Vice Chairman	Saudi	42 years	Executive	N/A	N/A	1.43%	0.99%	14/02/1442H (corresponding to 01/10/2020G)
3	Mark Clyde Gebhardt	Director	American	75 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)
4	Patrick Anthony Charmel	Director	American	65 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)
5	Mosaed Abdulrahman Abdulwahab Almoosa	Director	Saudi	48 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)
6	Sara Abdulaziz Abdullah Almoosa	Director	Saudi	44 years	Executive	N/A	N/A	1.43%	0.99%	14/02/1442H (corresponding to 01/10/2020G)
7	Malek Abdulaziz Abdullah Almoosa	Managing Director and CEO	Saudi	41 years	Executive	N/A	N/A	2.85%	1.97%	14/02/1442H (corresponding to 01/10/2020G)
8	Moaath Naeem Ibrahim Al Naeem	Director	Saudi	38 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)
9	Hassan Abdulrahman Abdullah Al Afaliq	Director	Saudi	37 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)

(1) Under the Corporate Governance Regulations, the following are inconsistent with the independence required of an independent board member, for example, but not limited to:

- (1) Owning 5% or more of the Company's shares or the shares of another company in its Group, or being related to a person who owns this percentage.
- (2) Being related to any of the Board Members of the Company or another company in its Group.
- (3) Being related to any of the Senior Executives of the Company or another company in its Group.
- (4) Being a member of the Board of Directors of another company in the Company's Group nominated for membership on its Board of Directors.
- (5) Working or having worked as an employee during the past two years for the Company or another company in its Group, or owning controlling shares in the Company or any party dealing with the Company or another company in its Group, such as auditors and major suppliers, during the past two years.
- (6) Having a direct or indirect interest in the business and contracts concluded on behalf of the Company.
- (7) Receiving financial amounts from the Company in addition to remuneration for membership on the Board of Directors or any of its committees in excess of SAR 200,000 or more than 50% of their remuneration in the previous year that they received for membership on the Board of Directors or any of its committees, whichever is less.
- (8) Participating in a business that would compete with the Company, or trading in one of the branches of activity carried out by the Company.
- (9) Having spent more than nine consecutive or separate years as a member of the Company's Board of Directors.

(2) The indirect ownership of the Directors resulted from the following: (1) Abdulaziz Abdullah Abdulwahab Almoosa owns 76% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital. Abdulaziz Abdullah Abdulwahab Almoosa also owns 100% of the share capital of Abdulaziz bin Abdullah Almoosa Charity Company, which owns 5% of the Company's share capital. (2) Malek Abdulaziz Abdullah Almoosa owns 3% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital. (3) Zainab Abdulaziz Abdullah Almoosa owns 1.5% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital. (4) Sara Abdulaziz Abdullah Almoosa owns 1.5% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital.

(3) The dates listed in this table are the dates of appointment of Directors for the current Board term. The respective biographies of the Directors indicate the date of their appointment to the Board or to any other position (for further information, please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus).

Source: The Company

Company Address

Almoosa Health Company
3256 Dhahran Road, Al Khars District
P.O. Box 5098, Postal Code 31982
Kingdom of Saudi Arabia
Tel: +966135369666
Fax: +966135304440
Website: www.almoosahealthgroup.org
Email: info@almoosahospital.com.sa

Company Representatives

Malek Abdulaziz Almoosa
Managing Director and CEO
P.O. Box 3028 Al Basateen District,
Al Mubarraz, Eastern Province, 36347
Kingdom of Saudi Arabia
Tel: +966 135369666 (Ext. 9555)
Fax: +966 135304440
Website: www.almoosahealthgroup.org
Email: malek@almoosahealth.com.sa

Shailesh Chander
CFO
P.O. Box 7943 Dammam Al Faisal,
Al Mubarraz City – 36342
Kingdom of Saudi Arabia
Tel: +966 135369666 (Ext. 9698)
Fax: +966 135304440
Website: www.almoosahealthgroup.org
Email: shailesh.chander@almoosahealth.com.sa

Board Secretary

Abdullah Muhanna Al Hubail
P.O. Box 8592, King Abdullah Road
Al Ahsa, Eastern Province, 36362
Kingdom of Saudi Arabia
Tel: +966 135369666 (Ext. 4642)
Fax: +966 135304440
Website: www.almoosahealthgroup.org
Email: abdullah.alhubail@almoosahealth.com.sa

Stock Exchange

Saudi Tadawul Group (Tadawul)
Tawuniya Towers - North Tower
King Fahd Road - Al Olaya 6897
Unit No. 15
Riyadh 3388-12211
Kingdom of Saudi Arabia
Tel: +966 11 92000 1919
Fax: +966 11 218 9133
Website: www.saudiexchange.sa
Email: csc@saudiexchange.sa

Depository Center

Securities Depository Center Company (Edaa)
King Fahd Road - Al Olaya 6897
Unit No.: 11
Riyadh 3388 – 12211
Kingdom of Saudi Arabia
Tel: +966 92002 6000
Website: www.edaa.com.sa
Email: cc@edaa.com.sa

Advisors

Financial Advisor and Lead Manager
Saudi Fransi Capital King Fahd Road Al Olaya 8092 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Tel: +966 11 2826666 Fax: +966 11 2826823 Website: www.bsfcapital.sa Email: Almoosa.IPO@bsfcapital.sa

Underwriters and Bookrunners
Saudi Fransi Capital King Fahd Road Al Olaya 8092 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Tel: +966 11 2826666 Fax: +966 11 2826823 Website: www.bsfcapital.sa Email: Almoosa.IPO@bsfcapital.sa
EFG Hermes KSA Third Floor, Northern Tower, Sky Towers, King Fahd Road, Al Olaya, Riyadh P.O. Box 300189, Riyadh 11372 Kingdom of Saudi Arabia Tel: +966 11 2938048 Fax: +966 11 2938032 Website: www.efghermesksa.com Email: contact-ksa@efg-hermes.com

Legal Advisor to the Company
The Law Firm of Latham & Watkins King Fahd Road Al Tatweer Towers - First Tower - Seventh Floor P.O. Box 17411, Riyadh 11484 Kingdom of Saudi Arabia Tel: +966 11 2072500 Fax: +966 11 2072577 Website: www.lw.com Email: projectvital.lwteam@lw.com

Legal Advisor to the Financial Advisor, Lead Manager, Bookrunners and Underwriters
Mohammed Al Dhabaan & Partners Legal Consultancy Al Arouba Road Office House Complex, Office No. 11-10 P.O. Box 245550, Riyadh 11312 Kingdom of Saudi Arabia Tel: +966 11 2779829 Fax: +966 11 2816611 Website: www.aldhabaan.eversheds.com Email: projectvital@aldhabaan-es.com

Advisor to the Selling Shareholder

Moelis & Company Saudi Limited
Faisaliah Tower, Unit T15B, 15th Floor
Riyadh 11461
Kingdom of Saudi Arabia
Tel: +966 11 827 8300
Website: www.moelis.com
Email: Almoosahealthipo_ext@moelis.com

Financial Due Diligence Advisor

PricewaterhouseCoopers Public Accountants
King Fahd Road
P.O. Box 8282, Riyadh 11482
Kingdom of Saudi Arabia
Tel: +966 11 211 0400
Fax: +966 11 211 0401
Website: www.pwc.com/middle-east
Email: mer_project_vital@pwc.com

Auditor for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G and the Nine-Months Period Ended 30 September 2024

KPMG Professional Services Company
KPMG Tower
Riyadh Front, Airport Road
P.O. Box 92876, Riyadh 11663
Kingdom of Saudi Arabia
Tel: +966 11 8748500
Fax: +966 11 8748600
Website: www.kpmg.com/sa
Email: malkhlaiwi@kpmg.com

Market Consultant

PricewaterhouseCoopers Public Accountants
King Fahd Road
P.O. Box 8282, Riyadh 11482
Kingdom of Saudi Arabia
Tel: +966 11 211 0400
Fax: +966 11 211 0401
Website: www.pwc.com/middle-east
Email: mer_project_vital@pwc.com

Note:

Each of the above-mentioned Advisors and Auditor has provided their written consent to the publication of their names and logos and the inclusion of their statements in this Prospectus in the context in which they appear herein, and none of them have withdrawn such consent as of the date of this Prospectus. In addition, none of the Advisors, their employees-forming part of the engagement team providing services to the Company-or their relatives own any Shares in the Company nor do they have any interest of any kind in the Company as of the date of this Prospectus which would impair their independence.

Receiving Agents

BSF Capital
King Saud Road - Al Moather District
P.O. Box 56006, Riyadh 11554
Kingdom of Saudi Arabia
Phone: +920000579966
Website: www.bsf.com.sa
Email: IPO_BSFC@BSFCapital.sa

Al Rajhi Capital Company
Headquarters, King Fahad Road, Almurooj District
P.O. Box 5561, Riyadh 12263
Kingdom of Saudi Arabia
Tel: +966 920005856
Fax: +966 11 4600625
E-mail: InvestmentBankingTeam@alrajhi-capital.com
Website: www.alrajhi-capital.com

SNB Capital Company
King Saud Road, SNB Regional Building
P.O. Box 22216, Riyadh 11495
Kingdom of Saudi Arabia
Tel: +966 920000232
Fax: +966 11 4060052
E-mail: Snbc.cm@alahlicapital.com
Website: www.alahlicapital.com

Riyad Capital Company
2414 – Al Shuhada District, Unit No. 69
Riyadh 13241-7279
Kingdom of Saudi Arabia
Tel: +966 9220012299
Fax: +966 11 4865908
E-mail: ask@riyadcapital.com
Website: www.riyadcapital.com

Al Bilad Investment Company
Riyadh – Olaya District
King Fahd Road – P.O. Box 140, Riyadh 11411
Kingdom of Saudi Arabia
Tel: +966 920003636
Fax: +966 11 2906299
E-mail: investmentbanking@albilad-capital.com
Website: www.albilad-capital.com

Al Jazira Financial Markets Company (Al Jazira Capital)
King Fahd Road - Al Rahmaniyah District
P.O. Box. 20438 Riyadh 11455
Kingdom of Saudi Arabia
Tel: +966 11 2256000
Fax: +966 11 2256182
Email: contactus@aljaziracapital.com.sa
Website: www.aljaziracapital.com.sa

Investment Securities and Brokerage Company
Riyadh, King Fahd Road
Kingdom of Saudi Arabia
P.O. Box 6888, Riyadh 11452
Phone: +966 11 2547666
Fax: +966 11 4896253
Email: WebEcare@icap.com.sa
Website: www.alistithmarcapital.com

Receiving Agents

Derayah Financial Company
Prestige Center - Third Floor, Altakhassusi Street
Riyadh, Kingdom of Saudi Arabia
Tel: +966 11 2998000
Fax: +966 11 4195498
Email: support@derayah.com
Website: www.derayah.com

Alinma Investment Company
Al Anoud Tower 2 – King Fahad Road – Riyadh
P.O. Box 55560
Riyadh 11554
Kingdom of Saudi Arabia
Tel: +966 11 2185999
Fax: +966 11 2185970
E-mail: info@alinmainvest.com.sa
Website: www.alinmainvestment.com.sa

Al-Arabi Capital Company (ANB Capital)
Al-Arabi Capital Company Building,
King Faisal Street,
P.O. Box 22209 Riyadh 11311
Kingdom of Saudi Arabia,
Tel: +966 11 406 2500
Fax: +966 11 406 2548
E-mail: investment.banking@anbcapital.com.sa
Website: www.anbcapital.com.sa

Yaqeen Capital Company (Yaqeen Capital)
Riyadh – Al Worood District – Al-Olaya Street
P.O. Box 884, Riyadh 11421
Kingdom of Saudi Arabia
Tel: +966 800 429 8888
Fax: +966 11 205 4827
Website: www.yaqeen.sa
E-mail: AddingValue@yaqeen.sa

Alkhabeer Capital Company
Madinah Street
P.O. Box 128289, Jeddah 21362
Kingdom of Saudi Arabia
Tel: +966 800 1247555
Email: info@alkhabeer.com
Website: www.alkhabeer.com

Al Awal Investment Company (SAB Invest)
Olaya Street, Kingdom of Saudi Arabia
P.O. Box 1467, Riyadh - 11431
Phone: 8001242442
Fax: +966 11 2169102
Email: customercare@sabinvest.com
Website: www.sabinvest.com

Sahm Capital Company (Sahm Capital)
King Abdullah Financial District, Tower 305,
Riyadh 13519, Kingdom of Saudi Arabia
Tel: +966 11 414 5260
E-mail: info@sahmcapital.com
Website: www.sahmcapital.com

Offering Summary

This Offering Summary is intended to provide a brief overview of the detailed information related to the Offering contained in this Prospectus. However, this summary does not include all the information that may be important to prospective investors which should be taken into consideration before deciding to invest in Offer Shares. Therefore, persons wishing to subscribe to the Offer Shares must read and review this Prospectus in full, and any decision related to investing in the Offer Shares should be based on a consideration of this Prospectus as a whole. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus should be reviewed carefully before making any decision related to investing in the Offer Shares. This summary should not be solely relied upon when making investment decisions.

Company Name, Description and Incorporation	Almoosa Health Company is a closed Saudi joint-stock company established pursuant to Ministry of Commerce Resolution No. 59, dated 18/03/1442H (corresponding to 04/11/2020G), and registered under Commercial Registration No. 2252022248 dated 06/09/1414H (corresponding to 17/02/1994G), with its registered address at 3256, Dhahran Road, Al Khars District, P.O. Box 5098, Postal Code 31982, Al Mubarraz City, Kingdom of Saudi Arabia. In 1994G, the Company commenced its operations as a branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship under the name "Al Moosa Specialist Hospital (Al Ahsa)," which is registered in the Commercial Register of the city of Al Mubarraz under No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G). Pursuant to the Company's Articles of Association reviewed by the Ministry of Commerce and registered with the notary public by the Partners under No. 391474381, dated 22/09/1439H (corresponding to 06/06/2018G), the branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship was transformed into a limited liability company under the name "Al Moosa Specialist Hospital" with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) cash Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per Share. In accordance with the Partners' resolution approved by the Ministry of Commerce under No. 100002504, dated 04/03/1442H (corresponding to 21/10/2020G), Abdulaziz Abdullah Almoosa, who owns one hundred thousand (100,000) Shares of the Company's share capital, transferred ten thousand (10,000) Company Shares through the assignment of one thousand (1,000) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Sara Abdulaziz Almoosa, (5) Zainab Abdulaziz Almoosa, (6) Omaima Abdulaziz Almoosa, (7) Yaser Abdulaziz Almoosa, (8) Yousef Abdulaziz Almoosa, (9) Lama Abdulaziz Almoosa, and (10) Ahmed Abdulaziz Almoosa without consideration. Pursuant to the Partners' resolution dated 04/03/1442H (corresponding to 21/10/2020G) and Ministry of Commerce resolution No. 47, dated 04/03/1442H (corresponding to 21/10/2020G), the Company was transformed from a limited liability company into a closed joint-stock company under the name "Al Moosa Specialist Hospital" with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) ordinary Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per Share. In accordance with the decision of Abdulaziz Abdullah Almoosa dated 24/02/1444H (corresponding to 21/09/2022G), Abdulaziz Abdullah Almoosa, who owns ninety thousand (90,000) Shares of the Company's share capital, transferred ten thousand (10,000) Shares in the Company through the assignment of (i) one thousand, five hundred (1,500) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Ahmed Abdulaziz Almoosa, (5) Yousef Abdulaziz Almoosa, and (6) Yaser Abdulaziz Almoosa; and (ii) two hundred and fifty (250) Shares to each of (1) Sara Abdulaziz Almoosa, (2) Zainab Abdulaziz Almoosa, (3) Lama Abdulaziz Almoosa, and (4) Omaima Abdulaziz Almoosa without consideration. Pursuant to the Extraordinary General Assembly resolution dated 11/06/1445H (corresponding to 24/12/2023G), the Company's share capital was increased from one million Saudi Riyals (SAR 1,000,000) to three hundred and fifty million Saudi Riyals (SAR 350,000,000), divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. The increase, amounting to three hundred and forty-nine million Saudi Riyals (SAR 349,000,000), was satisfied through the capitalization of three hundred and forty-nine million Saudi Riyals (SAR 349,000,000) from a Shareholder's contribution account (resulting from: (1) the net assets transferred upon the conversion of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship into a limited liability company, and (2) a contribution of land valued at SAR 53.7 million by one of the Company's Shareholders). On 04/08/1445H (corresponding to 14/02/2024G), Abdulaziz Abdullah Almoosa, who owns twenty-eight million (28,000,000) Shares of the Company's share capital, assigned one million, seven hundred and fifty thousand (1,750,000) of the Company Shares to Abdulaziz bin Abdullah Almoosa Charity Company. On 04/08/1445H (corresponding to 14/02/2024G), the Extraordinary General Assembly approved changing the name of the Company from "Al Moosa Specialist Hospital" to "Almoosa Health Company." On 16/09/1445H (corresponding to 26/03/2024G), (1) Abdulaziz Abdullah Almoosa, (2) Habiba Abdulrahman Almoosa, (3) Mohammad Abdulaziz Almoosa, (4) Malek Abdulaziz Almoosa, (5) Sara Abdulaziz Almoosa, (6) Zainab Abdulaziz Almoosa, (7) Omaima Abdulaziz Almoosa, (8) Yaser Abdulaziz Almoosa, (9) Yousef Abdulaziz Almoosa, (10) Lama Abdulaziz Almoosa and (11) Ahmed Abdulaziz Almoosa assigned all their Shares in the Company, totaling thirty-three million, two hundred and fifty thousand (33,250,000) Shares to Abdulaziz bin Abdullah Almoosa Investment Company in exchange for granting them Shares therein. On 16/10/1445H (corresponding to 25/04/2024G), the Company's Extraordinary General Assembly approved the Company's capital increase from three hundred and fifty million Saudi Riyals (SAR 350,000,000) divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share to four hundred and forty-three million, thirty-five thousand, eight hundred Saudi Riyals (SAR 443,035,800), divided into forty-four million, three hundred and three thousand, five hundred and eighty (44,303,580) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share through the public offering of nine million, three hundred and three thousand, five hundred and eighty (9,303,580) New Shares (for further information regarding the Company's history, please refer to Section 4.1.2 "**The Company's History and Evolution of its Ownership and Capital Structure**" of this Prospectus).

Company Activities	The Company operates primarily in the healthcare sector, providing integrated healthcare services that include primary, acute and rehabilitative care services at Al Moosa Specialist Hospital (Al Ahsa) and Al Moosa Rehabilitation Hospital (Al Ahsa). The Company also provides subsidiary services to this sector, such as pharmaceutical, home healthcare and telemedicine services (for further information regarding the Company's business, please refer to Section 4.3 "**Overview of the Company's Business**" of this Prospectus). The Company's activities, according to its Bylaws, are as follows: 1. transportation and storage – warehousing; 2. human health and social work activities – hospitals; 3. human health and social work activities – medical and dental clinic activities; 4. human health and social work activities – other aspects of human health; and 5. arts, leisure and entertainment – sports club activities. The Company's activities, according to its Commercial Registration Certificate, are as follows: 1. hospitals; 2. long-term care and convalescent hospitals; 3. hospitals for treatment and rehabilitation of addicts; 4. medical operation of hospitals; 5. specialist medical complexes; 6. day surgery centers; 7. general medical complexes; 8. medical clinics; 9. critical medical care centers; 10. health co-working centers; 11. fertility, embryology and infertility treatment centers; 12. medical operation of medical complexes and day surgery centers; 13. radiology centers; 14. plasma collection centers; 15. ambulance transportation service centers; 16. medical laboratories; 17. complementary and alternative medicine complexes; 18. medical rehabilitation facilities; 19. speech and swallowing therapy centers; 20. hemodialysis centers; 21. foot and ankle care centers; 22. prosthetics and orthotics centers; 23. nutrition centers; 24. home medical service centers; 25. mobile medical clinics; 26. occupational therapy centers; 27. physiotherapy centers; 28. emergency care centers; 29. pain relief centers; 30. hearing treatment centers; 31. telecare and telemedicine centers; 32. artificial eye centers; 33. teleradiology centers; 34. medical operation of medical laboratories, radiology centers and supporting medical services; 35. sample collection centers; 36. IV centers; 37. sport clubs; 38. men's gyms and sport centers; and 39. women's gyms and sport centers.

<table>
<tr><td>Substantial Shareholders</td><td>

The Substantial Shareholders who directly own 5% or more of the Company's share capital are Abdulaziz bin Abdullah Almoosa Investment Company and Abdulaziz Abdullah Almoosa Charity Company. The following table sets forth the number of Shares directly owned by the Substantial Shareholders and their ownership percentages in the Company before and after the Offering:

<h3>Table 1.2: Substantial Shareholders, the Number of Their Shares, and Their Ownership Percentages Before and After the Offering</h3>

<table>
<tr><th rowspan="2">Shareholder</th><th colspan="3">Pre-Offering</th><th colspan="3">Post- Offering</th></tr>
<tr><th>Number of Shares</th><th>Total Nominal Value (SAR)</th><th>Percentage</th><th>Number of Shares</th><th>Total Nominal Value (SAR)</th><th>Percentage</th></tr>
<tr><td>Abdulaziz bin Abdullah Almoosa Investment Company</td><td>33,250,000</td><td>332,500,000</td><td>95%</td><td>29,131,256</td><td>291,312,560</td><td>65.75%</td></tr>
<tr><td>Abdulaziz Abdullah Almoosa Charity Company</td><td>1,750,000</td><td>17,500,000</td><td>5%</td><td>1,750,000</td><td>17,500,000</td><td>3.95%</td></tr>
<tr><td>Total</td><td>35,000,000</td><td>350,000,000</td><td>100%</td><td>30,881,256</td><td>308,812,560</td><td>69.70%</td></tr>
</table>

Source: The Company
</td></tr>
<tr><td>Share Capital of the Company</td><td>SAR 350,000,000 paid in full before the Offering. The Company's share capital after the Offering will be SAR 443,035,800.</td></tr>
<tr><td>Total Number of the Company's Shares</td><td>35,000,000 fully paid ordinary Shares before the Offering. The number of Company's Shares after the Offering will be 44,303,580 ordinary Shares.</td></tr>
<tr><td>Nominal Value per Share</td><td>SAR 10per Share.</td></tr>
<tr><td>Offering</td><td>The initial public offering of 13,291,074 ordinary Shares, through (1) the sale of 3,987,494 ordinary Sale Shares by the Selling Shareholder (which represent 11.4% of the Company's total Shares before the capital increase and 9% of the Company's total Shares after the capital increase); and (2) the issuance and sale of 9,303,580 ordinary New Shares (which represent 26.6% of the Company's total Shares before the capital increase and 21% of the Company's total Shares after the capital increase) (which together represent 30% of the Company's share capital after the Offering) through an initial public offering at an Offer Price of one hundred twenty-seven Saudi Riyals (SAR 127) per Share, which includes a binding undertaking submitted to subscribe to 2,924,036 Shares, representing 22% of the Offer Shares, by the Company for Cooperative Insurance (Tawuniya) and Alfozan Holding Company on 08/05/1446H. (corresponding to 10/11/2024G) to the Company and the Selling Shareholder, pursuant to which the Company for Cooperative Insurance (Tawuniya) and Alfozan Holding Company committed to subscribe as Cornerstone Investors to 1,817,397 Shares and 1,106,639 Shares, respectively, of the Offer Shares (representing approximately 4.1% and 2.5%, respectively, of the Company's capital post-completion of the Offering) and the Company agreed to allocate the Cornerstone Investors' Shares to them as part of the Offering process.</td></tr>
<tr><td>Total Number of Offer Shares</td><td>13,291,074 fully paid ordinary Shares.</td></tr>
<tr><td>Percentage of the Offer Shares to the Company's Share Capital</td><td>The Offer Shares represent 30% of the Company's share capital after the Offering (and 37.97% of the Company's Shares before the capital increase).</td></tr>
<tr><td>Offer Price</td><td>One hundred twenty-seven Saudi Riyals (SAR 127).</td></tr>
<tr><td>Total Value of the Offering</td><td>One billion six hundred eighty-seven million nine hundred sixty-six thousand three hundred ninety-eight (SAR 1,687,966,398).</td></tr>
<tr><td>Use of the Offering Proceeds</td><td>The net Offering proceeds, estimated at one billion six hundred thirty-five million five hundred sixty-six thousand three hundred ninety-eight Saudi Riyals (SAR 1,635,566,398) (after deduction of all expenses and costs related to the Offering, which are estimated at SAR 52.4 million), will be distributed and allocated as follows: (1) an amount of four hundred ninety million six hundred ninety-one thousand sixty-one Saudi Riyals (SAR 490,691,061) will be distributed to the Selling Shareholder, and (2) the IPO Proceeds amounting to one billion one hundred forty-four million eight hundred seventy-five thousand three hundred thirty-seven Saudi Riyals (SAR 1,144,875,337) will be distributed to the Company to repay the outstanding debt and finance the Company's expansion plans and general objectives (for further information regarding the Offering proceeds, please refer to Section 8 "Use of the Offering Proceeds" of this Prospectus).</td></tr>
<tr><td>Number of Offer Shares Underwritten</td><td>13,291,074 ordinary Shares.</td></tr>
<tr><td>Total Amount Underwritten</td><td>One billion six hundred eighty-seven million nine hundred sixty-six thousand three hundred ninety-eight Saudi Riyals (SAR 1,687,966,398).</td></tr>
</table>

Categories of Targeted Investors	Subscription to the Offer Shares is limited to two categories of investors: **Tranche (A): Participating Parties:** This tranche includes the parties entitled to participate in the book building process as per the Book Building Instructions (for further information, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus). The number of Offer Shares that will be provisionally allocated to the Participating Parties is 13,291,074 Offer Shares, representing 100% of the total Offer Shares, 2,924,036 Shares shall be allocated to the Cornerstone Investors representing 22% of the Offer Shares, and the allocation of 3,987,322 shares to the Public Funds category, representing 30% of the total number of Offer Shares. In the event that Individual Subscribers subscribe to the total Offer Shares allocated thereto, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to the Participating Parties to a minimum of 10,632,860 Shares, representing 80% of the total Offer Shares, provided that such reduction shall not apply to the Cornerstone Investors and the final allocation to them shall be 2,924,036 Offer Shares in all cases. The number of shares allocated to Public Funds will be reduced to 3,189,858 shares representing a minimum of 24% of the total Offer Shares following completion of the Individual Subscription process. In furtherance of the above, 4,518,966 Offer Shares will be allocated to the remaining Participating Parties. The Financial Advisor, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Shares as deemed appropriate by the Financial Advisor in coordination with the Company. **Tranche (B): Individual Subscribers:** This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution.
Total Number of Offer Shares Allocated for Each Category of Targeted Investors	
Number of Offer Shares for Participating Parties	13,291,074 Offer Shares, representing 100% of the total Offer Shares, 2,924,036 Shares shall be allocated to the Cornerstone Investors, representing 22% of the total Offer Shares, and the allocation of 3,987,322 shares to the Public Funds category, representing 30% of the total number of Offer Shares. In the event that Individual Subscribers subscribe to all the Offer Shares allocated thereto, the Financial Advisor shall have the right, in coordination with the Company, to reduce the number of Shares allocated to the Participating Parties to a minimum of 10,632,860 Shares, representing 80% of the total Offer Shares, provided that such reduction shall not apply to the Cornerstone Investors and the final allocation to them shall be 2,924,036 Offer Shares in all cases. The number of shares allocated to Public Funds will be reduced to 3,189,858 shares representing a minimum of 24% of the total Offer Shares following completion of the Individual Subscription process. In furtherance of the above, 4,518,966 Offer Shares will be allocated to the remaining Participating Parties excluding the Offer Shares allocated to the Cornerstone Investors and Individual Subscribers.
Number of Offer Shares for Individual Subscribers	2,658,214 Offer Shares as a maximum, representing 20% of the total Offer Shares.
Subscription Method for Each Category of Targeted Investors	
Subscription Method for Participating Parties	Participating Parties shall be entitled to submit bids during the book building process by filling out the Bid Form provided by the Bookrunners to Participating Parties during the book building. After the provisional allocation, the Bookrunners shall provide Subscription Application Forms to the Participating Parties, which shall be completed in accordance with the instructions set forth in Section 16 "**Subscription Terms and Conditions**" of this Prospectus.
Subscription Method for Individual Subscribers	Individual Subscribers who wish to subscribe in the Offer Shares must submit an online subscription application through the websites and online platforms of the Receiving Agents which offer such service to subscribers, or through any other method offered by the Receiving Agents through which Individual Subscribers may subscribe in the Company's Shares during the Offering Period (for further information, please refer to Section 16 "**Subscription Terms and Conditions**" of this Prospectus).
Minimum Number of Shares that can be Subscribed to by each Category of Targeted Investors	
Minimum Number of Shares that can be Subscribed to by Participating Parties	100,000 Shares.
Minimum Number of Shares that can be Subscribed to by Individual Subscribers	10 Shares.
Value of the Minimum Number of Shares that can be Subscribed to by Each Category of Targeted Investors	
Value of the Minimum Number of Shares that can be Subscribed to by Participating Parties	Twelve million seven hundred thousand Saudi Riyals (SAR 12,700,000).
Value of the Minimum Number of Shares that can be Subscribed to by Individual Subscribers	One thousand two hundred seventy Saudi Riyals (SAR 1,270).

Maximum Number of Shares that can be Subscribed to by Each Category of Targeted Investors	
Maximum Number of Shares that can be Subscribed to by Participating Parties	2,215,178 Shares.
Maximum Number of Shares that can be Subscribed to by Individual Subscribers	250,000 Shares.
Value of the Maximum Number of Shares that can be Subscribed to by Each Category of Targeted Investors	
Value of the Maximum Number of Shares that can be Subscribed to by Participating Parties	Two hundred eighty-one million three hundred twenty-seven thousand six hundred six Saudi Riyals (SAR 281,327,606).
Value of the Maximum Number of Shares that can be Subscribed to by Individual Subscribers	Thirty-one million seven hundred fifty thousand (SAR 31,750,000).
Method of Allocation and Refund of Surplus (if any) for each Category of Targeted Investors	
Method of Allocation and Refund of Surplus for Participating Parties	The provisional allocation will be made as deemed appropriate by the Financial Advisor in coordination with the Company, using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Shares as deemed appropriate by the Financial Advisor in coordination with the Company. The final allocation of the Offer Shares to the Participating Parties will be made through the Financial Advisor after completion of the subscription process for Individual Subscribers. The number of Offer Shares that will be provisionally allocated to Participating Parties is 13,291,074 Shares of the Offer Shares, representing 100% of the Offer Shares, 2,924,036 Shares shall be allocated to the Cornerstone Investors, representing 22% of the total Offer Shares, and the allocation of 3,987,322 shares to the Public Funds category, representing 30% of the total number of Offer Shares. the Financial Advisor shall have the right, in coordination with the Company, to reduce the number of Shares allocated to the Participating Parties to a minimum of 10,632,860 Shares, representing 80% of the total Offer Shares, provided that such reduction shall not apply to the Cornerstone Investors and the final allocation to them shall be 2,924,036 Offer Shares in all cases. The number of Shares allocated to public funds shall be reduced to a minimum of 3,189,858 Shares, representing 24% of the total Offer Shares after completion of the subscription process for Individual Subscribers. In furtherance to the above, 4,518,966 Shares of the Offer Shares shall be allocated to the remaining Participating Parties.
Allocation Method for Individual Subscribers	The Offer Shares are expected to be allocated no later than Sunday, 28/06/1446H (corresponding to 29/12/2024G), noting that the minimum allocation is 10 Shares for each Individual Subscriber, while the maximum allocation is 250,000 Shares for each Individual Subscriber. The remainder of the Offer Shares, if any, shall be allocated on a pro-rata basis of the number of Shares applied for by each Subscriber to the total Shares subscribed for. If the number of Individual Subscribers exceeds 265,821 subscribers, the Company shall not guarantee the minimum allocation. In such case, the Shares will be allocated as deemed appropriate by the Financial Advisor in coordination with the Company (for further information, please refer to Section 16 "**Subscription Terms and Conditions**" of this Prospectus).
Refund of Excess Subscription Monies (if any)	The Lead Manager or Receiving Agents (as the case may be) will notify the Subscribers of the final number of Offer Shares allocated to each of them along with the amounts to be refunded. Excess subscription monies (if any) will be refunded to Subscribers without any commissions or deductions and will be deposited in the Subscriber's account specified in the Subscription Application Form. Announcement of the final allocation and refund of excess subscription monies (if any) shall be made no later than Thursday, 02/07/1446H (corresponding to 02/01/2025G).
Offering Period	The Offering Period shall begin on Monday on 22/06/1446H (corresponding to 23/12/2024G) and will remain open for a period of two (2) days, up to and including the closing day, which falls on Tuesday 23/06/1446H (corresponding to 24/12/2024G).
Entitlement to Dividends	The Offer Shares will entitle holders to receive their portion of any dividends declared and paid by the Company as of the date of this Prospectus and for subsequent financial years (for further information, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).
Voting Rights	All the Company's Shares are ordinary Shares of one class. The Shares do not grant any preferential voting rights. Each Shareholder shall have one vote per Share. Each Shareholder has the right to attend and vote at General Assembly meetings. A Shareholder may delegate another person who is not a Director to attend General Assembly meetings on their behalf (for further information, please refer to Section 11.3 "**Summary of the Company's Bylaws**" of this Prospectus).
Restrictions Imposed on Shares (Lock-up Period)	The Substantial Shareholders are subject to a lock-up period of 6 months as of the date on which the Company's Shares commence trading on the Exchange. During such period, they may not dispose of their Shares. After the Lock-up Period, Substantial Shareholders may dispose of their Shares without the prior approval of the CMA.
Shares Previously Listed by the Company	Prior to the Offering, there has been no public market for the Shares in the Kingdom or elsewhere. The Company has submitted an application to the CMA for the registration and offer of the Shares in accordance with the Rules on the Offer of Securities and Continuing Obligations, and an application to the Exchange for the listing of the Shares in accordance with the Listing Rules. All relevant approvals necessary for the Offering have been obtained, and all supporting documents requested by the CMA have been satisfied. It is expected that trading of the Shares will commence on the Exchange shortly after completion of the Share allocation process (for further information, please refer to the "**Key Dates and Subscription Procedures**" section on page (xvii) of this Prospectus).

Risk Factors	Investment in the Offer Shares involves certain risks. Such risks can be classified as follows: 1. risks related to the Group's activity and operations; 2. risks related to the market and sector in which the Group operates; and 3. risks related to the Offer Shares. These risks are described in Section 2 "**Risk Factors**" of this Prospectus and should be considered carefully prior to making an investment decision in relation to the Offer Shares.
Offering Expenses	The Selling Shareholder and the Company will bear all expenses and costs related to the Offering, which will be deducted from the Offering proceeds on a pro-rata basis according to the number of Offer Shares that will be sold or issued by each of them. The Offering Expenses are estimated at approximately SAR 52.4 million and include the fees of the Financial Advisor, Lead Manager, Bookrunners, Underwriters, the Exchange, the Legal Advisor to the Company, the Legal Advisor to the Underwriters, the Auditor, the Market Consultant and the Financial Due Diligence Advisor, in addition to the fees of the Receiving Agents, as well as marketing, printing, distribution, translation and other expenses related to the Offering.
Financial Advisor and Lead Manager	**Saudi Fransi Capital** King Fahd Road Al Olaya 8092 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Phone: +966 11 2826666 Fax: +966 11 2826823 Website: www.bsfcapital.sa Email: Almoosa.IPO@bsfcapital.sa
Bookrunners and Underwriters	**Saudi Fransi Capital** King Fahd Road Al Olaya 8092 P.O. Box 23454, Riyadh 11426 Kingdom of Saudi Arabia Tel: +966 11 2826666 Fax: +966 11 2826823 Website: www.bsfcapital.sa Email: Almoosa.IPO@bsfcapital.sa **EFG Hermes KSA** Third Floor, Northern Tower, Sky Towers, King Fahd Road, Al Olaya, Riyadh P.O. Box 300189, Riyadh 11372 Kingdom of Saudi Arabia Tel: +966 11 2938048 Fax: +966 11 2938032 Website: www.efghermesksa.com Email: contact-ksa@efg-hermes.com

Note: The "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus should be carefully considered prior to making a decision to invest in the Offer Shares under this Prospectus.

Key Dates and Subscription Procedures

Key Dates

Table 1.3: Expected Offering Schedule

Event	Date
Application Registration Period for Participating Parties and Book Building Process	A period of five (5) days, commencing on Wednesday, 03/06/1446H (corresponding to 04/12/2024G) until the end of Tuesday 09/06/1446H (corresponding to 10/12/2024G).
Subscription Period for Individual Subscribers	A period of two (2) days, commencing on Monday, 22/06/1446H (corresponding to 23/12/2024G) until the end of Tuesday 23/06/1446H (corresponding to 24/12/2024G).
Deadline for Submission of Subscription Application Forms by the Participating Parties Based on the Number of Shares Provisionally Allocated to Each of Them	Wednesday, 17/06/1446H (corresponding to 18/12/2024G).
Deadline for Payment of Subscription Amounts by the Participating Parties Based on the Number of Shares Provisionally Allocated to Each of Them	Monday, 22/06/1446H (corresponding to 23/12/2024G).
Deadline for Submission of the Subscription Application Forms and Payment of Subscription Amounts for Individual Subscribers	Tuesday 23/06/1446H (corresponding to 24/12/2024G).
Announcement of the Final Allocation of the Offer Shares	Sunday, 28/06/1446H (corresponding to 29/12/2024G).
Refund of Excess Subscription Monies (if any)	Thursday, 02/07/1446H (corresponding to 02/01/2025G).
Expected Commencement Date of Share Trading on the Exchange	It is expected that trading of the Company's Shares on the Exchange will commence after all requirements have been met and all relevant regulatory procedures have been completed. Commencement of the trading of Shares shall be announced on the website of Saudi Tadawul (www.saudiexchange.sa).

Note: The schedule and dates above are approximate. Actual dates shall be announced on the websites of Tadawul (www.saudiexchange.sa), the Company (www.almoosahealthgroup.org) and the Financial Advisor, Saudi Fransi Capital (www.bsfcapital.sa).

How to Apply for Subscription

Subscription to the Offer Shares is limited to two tranches of investors:

A. Participating Parties:

This tranche includes the parties entitled to participate in the book building process as per the Book Building Instructions (for further details, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus).

Participating Parties can obtain Bid Forms from the Bookrunners during the book building process, and Subscription Application Forms from the Bookrunners after the provisional allocation. After the approval of the CMA, the Bookrunners shall offer the Offer Shares to Participating Parties during the Book Building period only. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, in accordance with the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to the Bookrunners, representing a legally binding agreement between the Company, the Selling Shareholder and the relevant Participating Party submitting the same.

B. Individual Subscribers:

This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution. Subscription of a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

Individual Subscribers who wish to subscribe in the Offer Shares must submit an online subscription application through the websites and online platforms of the Receiving Agents which offer such service to subscribers, or through any other method offered by the Receiving Agents through which Individual Subscribers may subscribe in the Company's Shares during the Offering Period, provided that:

- the Individual Subscriber has an investment account and an active portfolio with a Receiving Agent that offers such services;
- there have been no changes to the personal information or data of the Individual Subscriber (removal or addition of any family member) since the Subscriber last participated in a recent initial public offering; and
- Individual Subscribers who are not Saudi nationals or citizens of GCC countries must have an investment account and an active portfolio with a Capital Market Institution that provides such service.

Subscription Application Forms must be completed in accordance with the instructions contained in Section 16 "**Subscription Terms and Conditions**" of this Prospectus. Each applicant must complete all relevant sections of the Subscription Application Form. The Company shall reserve the right to reject any investment, in full or in part, if any of the Subscription terms and conditions are not met. Subscription Application Forms may not be amended or withdrawn once they have been submitted. Submission of a Subscription Application Form constitutes a legally binding agreement between the relevant Subscriber, the Selling Shareholder and the Company (for further information, please refer to Section 16 "**Subscription Terms and Conditions**" of this Prospectus).

Excess subscription monies, if any, shall be refunded to the Individual Subscriber's investment account with the Receiving Agent from which the subscription amount was initially debited, without any commissions or deductions being withheld by the Lead Manager or the Receiving Agents. Subscription monies shall not be refunded in cash or transferred to a third-party account.

For further information regarding subscription by Individual Subscribers or Participating Parties, please refer to Section 16 "**Subscription Terms and Conditions**" of this Prospectus.

Summary of Key Information

This summary of key information is intended to provide a brief overview of the information detailed in this Prospectus. However, this summary does not include all the information that may be of interest to prospective investors which must be taken into consideration before making a decision to invest in the Offer Shares. Therefore, persons wishing to subscribe to the Offer Shares must read and review this Prospectus in full. Any decision related to investing in the Offer Shares should be made based on the consideration of this Prospectus as a whole. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus should be reviewed carefully prior to making any decision related to investing in the Offer Shares. This summary must not be solely relied upon when making an investment decision.

Overview of the Company

Almoosa Health Company is a closed Saudi joint-stock company established pursuant to Ministry of Commerce Resolution No. 59, dated 18/03/1442H (corresponding to 04/11/2020G), and registered under Commercial Registration No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G), with its registered address at 3256 Dhahran Road, Al Khars District, P.O. Box 5098, Postal Code 31982, Al Mubarraz City, Kingdom of Saudi Arabia.

In 1994G, the Company commenced its operations as a branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship under the name "Al Moosa Specialist Hospital (Al Ahsa)," which is registered in the Commercial Register of the city of Al Mubarraz under No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G). Pursuant to the Company's Articles of Association reviewed by the Ministry of Commerce and registered with the notary public by the Partners under No. 391474381, dated 22/09/1439H (corresponding to 06/06/2018G), the branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship was transformed into a limited liability company under the name "Al Moosa Specialist Hospital" with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) cash Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per Share. In accordance with the Partners' resolution approved by the Ministry of Commerce under No. 100002504, dated 04/03/1442H (corresponding to 21/10/2020G), Abdulaziz Abdullah Almoosa, who owns one hundred thousand (100,000) Shares of the Company's share capital, transferred ten thousand (10,000) Company Shares through the assignment of one thousand (1,000) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Sara Abdulaziz Almoosa, (5) Zainab Abdulaziz Almoosa, (6) Omaima Abdulaziz Almoosa, (7) Yaser Abdulaziz Almoosa, (8) Yousef Abdulaziz Almoosa, (9) Lama Abdulaziz Almoosa, and (10) Ahmed Abdulaziz Almoosa without consideration. Pursuant to the Partners' resolution dated 04/03/1442H (corresponding to 21/10/2020G) and Ministry of Commerce resolution No. 47, dated 04/03/1442H (corresponding to 21/10/2020G), the Company was transformed from a limited liability company into a closed joint-stock company under the name "Al Moosa Specialist Hospital" with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) ordinary Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per Share. In accordance with the decision of Abdulaziz Abdullah Almoosa dated 24/02/1444H (corresponding to 21/09/2022G), Abdulaziz Abdullah Almoosa, who owns ninety thousand (90,000) Shares of the Company's share capital, transferred ten thousand (10,000) Shares in the Company through the assignment of (i) one thousand, five hundred (1,500) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Ahmed Abdulaziz Almoosa, (5) Yousef Abdulaziz Almoosa, and (6) Yaser Abdulaziz Almoosa; and (ii) two hundred and fifty (250) Shares to each of (1) Sara Abdulaziz Almoosa, (2) Zainab Abdulaziz Almoosa, (3) Lama Abdulaziz Almoosa, and (4) Omaima Abdulaziz Almoosa without consideration. Pursuant to the Extraordinary General Assembly resolution dated 11/06/1445H (corresponding to 24/12/2023G), the Company's share capital was increased from one million Saudi Riyals (SAR 1,000,000) to three hundred and fifty million Saudi Riyals (SAR 350,000,000), divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. The increase, amounting to three hundred and forty-nine million Saudi Riyals (SAR 349,000,000), was satisfied through the capitalization of three hundred and forty-nine million Saudi Riyals (SAR 349,000,000) from a Shareholder's contribution account (resulting from: (1) the net assets transferred upon the conversion of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship into a limited liability company and, (2) a contribution of land valued at SAR 53.7 million by one of the Company's Shareholders). On 04/08/1445H (corresponding to 14/02/2024G), Abdulaziz Abdullah Almoosa, who owns twenty-eight million (28,000,000) Shares of the Company's share capital, assigned one million, seven hundred and fifty thousand (1,750,000) of the Company Shares to Abdulaziz bin Abdullah Almoosa Charity Company. On 04/08/1445H (corresponding to 14/02/2024G), the Extraordinary General Assembly approved changing the name of the Company from "Al Moosa Specialist Hospital" to "Almoosa Health Company." On 16/09/1445H (corresponding to 26/03/2024G), (1) Abdulaziz Abdullah Almoosa, (2) Habiba Abdulrahman Almoosa, (3) Mohammad Abdulaziz Almoosa, (4) Malek Abdulaziz Almoosa, (5) Sara Abdulaziz Almoosa, (6) Zainab Abdulaziz Almoosa, (7) Omaima

Abdulaziz Almoosa, (8) Yaser Abdulaziz Almoosa, (9) Yousef Abdulaziz Almoosa, (10) Lama Abdulaziz Almoosa, and (11) Ahmed Abdulaziz Almoosa assigned all their Shares in the Company, totaling thirty-three million, two hundred and fifty thousand (33,250,000) Shares to Abdulaziz bin Abdullah Almoosa Investment Company in exchange for granting them Shares therein. On 16/10/1445H (corresponding to 25/04/2024G), the Company's Extraordinary General Assembly approved the Company's capital increase from three hundred and fifty million Saudi Riyals (SAR 350,000,000) divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share to four hundred and forty-three million, thirty-five thousand, eight hundred Saudi Riyals (SAR 443,035,800), divided into forty-four million, three hundred and three thousand, five hundred and eighty (44,303,580) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share through the public offering of nine million, three hundred and three thousand, five hundred and eighty (9,303,580) New Shares (for further information regarding the Company's history, please refer to Section 4.1.2 "**The Company's History and Evolution of its Ownership and Capital Structure**" of this Prospectus).

Key Activities

The Company operates primarily in the healthcare sector, providing integrated healthcare services that include primary, acute and rehabilitative care services at Al Moosa Specialist Hospital (Al Ahsa) and Al Moosa Rehabilitation Hospital (Al Ahsa). The Company also provides subsidiary services to this sector, such as pharmaceutical, home healthcare and telemedicine services (for further information regarding the Company's business, please refer to Section 4.3 "**Overview of the Company's Business**" of this Prospectus).

The Company's activities, according to its Bylaws, are as follows:

1. transportation and storage – warehousing;
2. human health and social work activities – hospitals;
3. human health and social work activities – medical and dental clinic activities;
4. human health and social work activities – other aspects of human health; and
5. arts, leisure and entertainment – sports club activities.

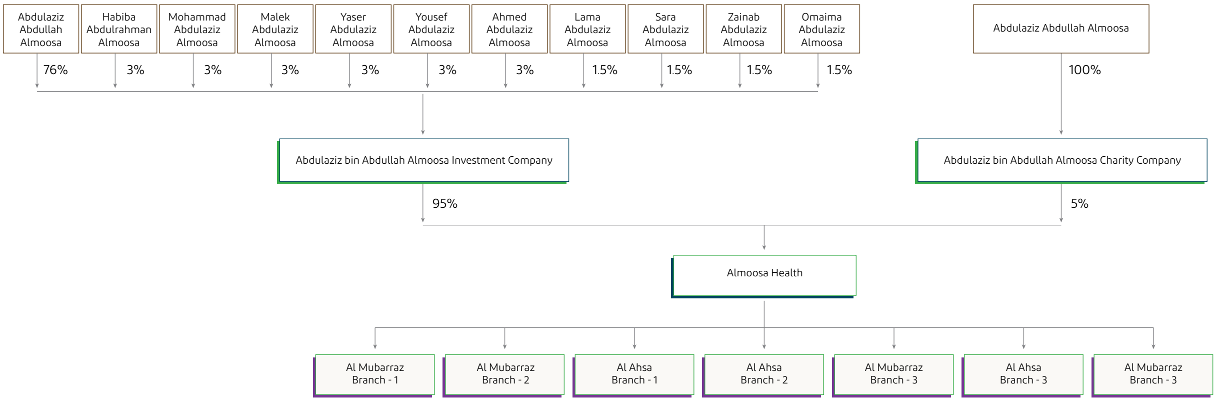
The Company's activities, according to its Commercial Registration Certificate, are as follows:

1. hospitals;
2. long-term care and convalescent hospitals;
3. hospitals for treatment and rehabilitation of addicts;
4. medical operation of hospitals;
5. specialist medical complexes;
6. day surgery centers;
7. general medical complexes;
8. medical clinics;
9. critical medical care centers;
10. health co-working centers;
11. fertility, embryology and infertility treatment centers;
12. medical operation of medical complexes and day surgery centers;
13. radiology centers;
14. plasma collection centers;
15. ambulance transportation service centers;
16. medical laboratories;
17. complementary and alternative medicine complexes;
18. medical rehabilitation facilities;
19. speech and swallowing therapy centers;
20. hemodialysis centers;
21. foot and ankle care centers;

22. prosthetics and orthotics centers;
23. nutrition centers;
24. home medical service centers;
25. mobile medical clinics;
26. occupational therapy centers;
27. physiotherapy centers;
28. emergency care centers;
29. pain relief centers;
30. hearing treatment centers;
31. telecare and telemedicine centers;
32. artificial eye centers;
33. teleradiology centers;
34. medical operation of medical laboratories, radiology centers and supporting medical services;
35. sample collection centers;
36. IV centers;
37. sport clubs;
38. men's gyms and sport centers; and
39. women's gyms and sport centers.

Ownership Structure of the Company

Figure 1: Ownership Structure of the Company



Source: The Company

Vision and Mission

Vision

A trusted global health system that spreads health and fights disease.

Mission

We serve with passion and lead societal transformation by providing effective healthcare services.

Strategy

A. People

Educate, develop, and retain talented professionals who deliver excellent care and promote wellness.

B. Promoting Wellness

Foster and spread health awareness in its broadest definition, encompassing physical, emotional, and social wellness by incorporating these dimensions in all of the Company's decisions and actions.

C. Patient Safety and Quality

Be a regional leader in quality outcomes and patient safety through continuous and effective improvement.

D. Patient Experience

Leadership in elevating the experience for patients and their families.

E. Performance Improvement

Continuously improve personal, professional, company, and financial performance to achieve the Company's mission and vision.

Strengths and Competitive Advantages

A. Reliable Health System

To ensure enhanced patient satisfaction and improved results, the Company is committed to providing integrated healthcare that guarantees that patients have a smooth and effective experience across various aspects of healthcare, thanks to the multidisciplinary integrated care team, modern technologies, effective communication channels with patients, and entertainment services. The Company has measured brand awareness among its customer base through the loyalty index, with the brand awareness rate reaching 89.2%, 90.1%, 90.3% and 88.4% as of the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.

B. Strategic Location

The Company's strategic location in the heart of Al Ahsa ensures ease of access for a wide range of people in the Kingdom and the Arabian Gulf to its various services. The Company's hospitals are strategically distributed to ensure ease of access to its services from everywhere. The main Al Moosa Specialist Hospital is located in northern Al Ahsa, while Al Moosa Rehabilitation Hospital is at the northern gateway to Al Ahsa. The Company is also working on a hospital project in Al Hofuf to serve the people of the southern region of Al Ahsa city, and a hospital project in Al Khobar to serve its people (for further details regarding future plans and initiatives, please refer to Section 4.8 "**Overview of the Company's Future Plans and Initiatives**" of this Prospectus).

C. Design

The Company believes in the importance of evidence-based design for its medical facilities. The Company cooperates with the leading international architectural engineering companies specializing in the design of healthcare institutions and facilities to ensure a safe and comfortable environment that promotes the treatment process and meets the needs of patients. The Company ensures the inclusion of green spaces in its designs to improve the experience of patients, their families and visitors.

D. Exceptional Patient Experience

The Company aims to provide a convenient and integrated patient journey through innovative care management strategies, including through the provision of open communication channels and digital health records, in addition to receiving suggestions through PressGaney, which measures patient satisfaction. Al Moosa Specialist Hospital (Al Ahsa) is ranked among the top 10 hospitals in the Gulf for ensuring comprehensive and personalized care that meets the needs of every patient.

E. Social Responsibility

The Company is committed to good governance, social responsibility and sustainability practices. The Board of Directors convenes every 3 months to conduct strategic discussions, evaluate performance and growth opportunities and promote diversity and inclusion at all levels. The Company also participates in social activities that benefit the community it serves and supports educational and awareness-raising initiatives in healthcare and community development (for further details regarding the Company's social responsibility strategy, please see Section 4.13 "**Social Responsibility**" of this Prospectus).

F. Sustainability

The Company adopts environmentally friendly practices and LEED green building certification principles with a focus on energy efficiency, waste management, water conservation and reducing carbon footprint.

G. Technology

The Company deploys the latest technologies to empower patients and improve their participation in making decisions about their care. The Company provides a patient-dedicated application to book appointments and request virtual consultations. It also uses HIS and Yasassii systems to manage, store, retrieve and analyze patient health information. This earned Al Moosa Specialist Hospital (Al Ahsa) the Healthcare Information and Management Systems Society (HIMSS) Stage 7 Accreditation, which indicates the adoption and integration of advanced health information technology. In addition, the Company adopts many other technological means, including, but not limited to, Tesla 3 magnetic resonance imaging (MRI), hybrid operating rooms, an automated laboratory and an automated pharmacy.

H. Operational Efficiency

The Company has achieved significant positive results through effective inventory and supply chain management, including improved revenue per bed and a reduced average length of hospitalization by two days through seamless cross-departmental coordination, advanced care protocols and a patient-centric approach, which enhances patient satisfaction, improves resource utilization and reduces costs.

I. Commitment to Quality

The Company is committed to international quality standards, which has earned it numerous prestigious accreditations both nationally and internationally. These include Magnet accreditation from the American Nurses Credentialing Center (ANCC) (an award given to care institutions that have successfully applied Magnet standards in providing exceptional quality care), Joint Commission International (JCI), the International Standards Organization (ISO), the College of American Pathologists (CAP), the American Association of Blood Banks (AABB), the Commission on Accreditation of Rehabilitation Facilities (CARF), the American Society of Health-System Pharmacists (ASHP), the American Heart Association (AHA) for chest pain and strokes, Planetree accreditation, the King Abdulaziz Quality Award, HIMSS Stage 7 Accreditation (HIMSS 7) and PTAP (Practice Transition Accreditation Program) accreditation (for further details regarding the Company's awards and its accreditation certificates, please refer to Section 4.9 "**Awards, Achievements and Accreditation Certificates**" of this Prospectus). These accreditations provide assurance to patients and their families of the Company's commitment to quality.

Summary of Market and Industry Information

The information contained in this section has been derived from the report prepared for the Company by PricewaterhouseCoopers Chartered Accountants, the Market Consultant (for further details, please refer to Section 3 "**Market and Industry Information**" of this Prospectus).

A. Robust macroeconomic and demographic outlook in KSA spurred by Vision 2030's structural reforms, which have ushered in a new era of economic diversification

KSA boasts the largest Gross Domestic Product ("**GDP**") in the Middle East and North Africa ("**MENA**") region, with an estimated SAR 4Tn in 2022G, a large portion of which is dominated by the oil sector. The Kingdom was the fastest growing G20 economy in 2022G, where overall real GDP growth reached 8.7% reflecting both strong oil production and non-oil GDP growth. In 2023G, the country's economy contracted by 0.7% (based on Fitch Solutions 2023G estimated real GDP with last review date of 23/06/1445H (corresponding to 01/05/2024G)) as recent oil production cuts weigh on growth. However, the longer-term economic outlook appears to be strong despite external uncertainties, driven by Vision 2030's strategic Vision Realization Programs with targeted economic diversification initiatives. From a demographic standpoint, KSA is the most populous country in the Gulf Cooperation Council ("**GCC**"), boasting a population of c.32Mn as of 2022G. The annual demographic growth outlook of 1.3% between 2022G and 2030G is expected to outpace the rest of the GCC driven by KSA's giga infrastructure development projects that are expected to attract global talent to actively contribute to the nation's goals. Moreover, the KSA's population is young but rapidly ageing with the 60+ year group expected to grow the fastest at a Compound Annual Growth Rate ("**CAGR**") of 10% during 2022G – 2030G, nearly 8 times higher than the overall population growth rate. This is poised to have a positive impact on the healthcare sector, signaling increased demand for health services and emphasizing the importance of healthcare infrastructure and support for elderly individuals.

Specifically, the Eastern Province is emerging as the Kingdom's prime energy, petrochemicals and mining hub. Home to nine of the largest oil fields by reserves and the Saudi Arabian Oil Company (hereinafter referred to as "**Saudi Aramco**"), the Kingdom's leading oil and gas company, the province accounts for more than 50% of the Kingdom's crude oil production and has the largest onshore and offshore fields – Al Ghawar and Safaniya. Moreover, the province leads the Kingdom in terms of petrochemical exports and is home to Saudi Basic Industries Corporation ("**SABIC**"), one of the largest petrochemical companies in the world. Additionally, Ras Al-Khair Industrial City, strategically located on the Arabian Gulf near Jubail Industrial City, is considered one of the largest mining industrial cities in the world and is responsible for fueling the Kingdom's mining sector growth. From a demographic standpoint, the Eastern Province population is young without significant outward migration and is expected to undergo an uptake driven by the major upcoming infrastructure projects including Al Fulwa Roshn Project, Downtown Area Modernization Project, The RIG, Al Ahsa Airport Expansion, Railway Eastern Network Expansion, amongst others. This, in turn, is expected to have a positive impact on healthcare services consumption in the Eastern Province.

B. Leading healthcare spender in the MENA region with a set of dedicated strategic reform initiatives to elevate healthcare delivery in KSA through health sector focused Vision Realization Programs

KSA's healthcare sector focused investments and initiatives have positioned it as the MENA's leading spender comprising 33% (SAR 232Bn) of the overall healthcare spending in the region as of 2022G. However, KSA's healthcare infrastructure and utilization are still maturing and continue to lag global benchmarks on key parameters, indicating room for further growth and investment in the sector. For example, KSA's number of beds is at 2.4 beds per 1,000 capita as of 2022G, compared to 3.8 in Australia, 7.8 in Germany, and 5.7 in France.

Vision 2030's health sector focused Vision Realization Programs such as the Health Sector Transformation Program and Privatization Program seek to elevate healthcare delivery in KSA. The role of the Ministry of Health ("**MoH**") will be redefined as the regulator and health clusters will work to fundamentally change beneficiary care to meet the standards set by the modern care model in KSA. Moreover, one of the clearly established strategic objectives of the Kingdom's healthcare transformation agenda is to shift towards Value-Based Health Care ("**VBHC**"). Additionally, the Public Private Partnership ("**PPP**") landscape in KSA is expected to thrive with a target to privatize 290 hospitals and 2,300 primary healthcare centers by 2030G. The KSA healthcare sector growth is expected to be further fueled through the ongoing mandatory insurance roll-out and increasing uptake of private insurance by both Saudi nationals and expats, with plans to extend coverage to 25Mn beneficiaries (70% of total population) by 2030G.

As a result of the various aforementioned drivers, the KSA healthcare market is forecasted to grow at 6.5% CAGR between 2023G and 2030G to reach SAR 360Bn, with rising private sector contribution reaching 25% by 2030G compared to 18% in 2023G.

C. Significant need gap requirement within acute care provision across both the KSA and Eastern Province vis-à-vis well-established healthcare systems, indicating room for further investment

KSA has approximately 72 thousand acute care beds as of 2022G, with the public sector (Ministry of Health and Other Governmental Hospitals) controlling 77% of the acute bed supply. The private sector is led by large local or regional hospital chains such as Saudi German Hospital ("**SGH**"), Dr. Sulaiman Al Habib Medical Group ("**HMG**") and Mouwasat collectively accounting for c.30% and c.32% of private acute bed supply in KSA and Eastern Province respectively as of 2023G. Local chains such as Al Moosa Specialist Hospital and Al Ahsa Hospital are focused exclusively on serving the Eastern Province, accounting for 9.3% and 4.8% private acute bed supply in the Eastern Province respectively as of 2023G.

KSA is expected to witness significant bed supply of approximately 13k by 2028G, with 51% of capacity attributed to the private sector, suggesting a current need gap for acute care provision in the Kingdom. In fact, the KSA requires an estimated additional 25 – 35 thousand acute beds in order to be in line with well-established healthcare systems. Specifically, the Eastern Province additional acute need gap is estimated to be 4 – 5 thousand beds by 2030G.

D. Significant shortage in overall dedicated long-term care and rehabilitation supply, as well as private mental health supply across the Kingdom with increasing opportunities for private sector participation to help bridge the need gap

Within Non-Acute Care provision, two types of offerings exist, Medical (Physical) Post Acute Care and Lifestyle Rehabilitation, each having multiple sub-offerings.

Physical post-acute care supply in KSA is largely limited with only 22 dedicated post-acute care facilities and approximately 3 thousand beds as of 2022G, signaling a need for additional infrastructure to support the provision of such services. The private sector controls 56% of total post-acute care bed supply as of 2022G, with a further uptake in private sector contribution expected in the short term as long-term care and rehabilitation are amongst the 9 priority areas for public private partnerships. Sultan Bin Abdulaziz Humanitarian City ("**SBAHC**"), Health Oasis Hospital and Al Moosa Rehabilitation Hospital (Al Ahsa) control 25.7%, 15.1% and 13.9% of the KSA's private post-acute bed supply respectively as of 2023G. Al Moosa Rehabilitation Hospital, recently launched in 2023G, is the biggest player in the Eastern Province controlling 51.5% of the Eastern Province private post-acute bed supply as of 2023G.

One focal challenge faced by acute care facilities in KSA is the burden of long-term care patients occupying acute care bed capacity. As such, the Government is incentivizing private sector participation within post-acute care to relieve the burden from the public sector, specifically given the expected rampant demand over the next few years, due to key drivers including ageing population, rising chronic and lifestyle diseases and increasing urbanization. The KSA still requires an estimated additional 20 – 25 thousand post-acute beds to be in line with well-established healthcare systems. Specifically, the Eastern Province additional post-acute need gap is estimated to be 2.5 – 3 thousand beds by 2030G.

On the other hand, the inpatient mental health sub-sector in KSA is primarily served by the Ministry of Health with 20 dedicated facilities comprising 4,255 beds across the Kingdom as of 2022G. Private supply has been limited primarily due to the lack of comprehensive insurance historically for the lower tier segment of the expatriate population, as well as stringent licensing regulations. However, private consumption of mental health services is expected to witness an uptake due to Government strategic imperatives as part of Vision 2030 and recent introduction of new benefits by the Council of Health Insurance ("**CHI**"), covering costs for detecting, diagnosing, and treating acute and chronic mental diseases up to a limit of SAR 50,000 as part of the updated Essential Benefits Package. This presents an opportunity for private players specifically given the persistent need gap outlook. In fact, KSA requires an estimated additional 6 – 8 thousand mental health beds to be in line with well-established healthcare systems. Specifically, the Eastern Province additional need gap is estimated to be 1 – 1.2 thousand beds by 2030G.

E. Robust pharmaceutical sector growth outlook in KSA with leading traditional retail pharmacy players transitioning into more resilient business models through attaching clinical services to their existing pharmacies

KSA is the largest pharmaceutical market in the GCC comprising 54% (SAR 41Bn) of the total pharmaceutical market size in the region as of 2022G. Rising demand for chronic disease management and accelerated local production of innovative pharmaceuticals are expected to support the long-term growth of the local pharmaceutical industry, which is forecasted to grow at a CAGR of 5% between 2022G and 2030G. Specifically, generics are expected to be the fastest growing segment spurred by the Government push towards 'genericization' as a means for cost containment and public spending rationalization.

KSA has been witnessing a shift in traditional retail pharmacy business models through attaching clinical care services to existing standalone retail pharmacies in order to capture a higher share of the patient wallet. For example, Al Nahdi has started integrating primary care clinics into its pharmacies through Nahdicare and is expected to scale up to 10 clinics by 2026G. Having clinical care services attached to retail pharmacies is an emerging trend in the overall region, contributing to upscaling revenue potential through increased foot traffic and cross-selling opportunities. Almoosa Health Company's hospital pharmacy model is resilient, benefiting from a captured base of inpatients, as well as complementary outpatient revenue streams through the launch of the first smart outpatient pharmacy in the region.

F. Government efforts underway to transition towards a primary care gatekeeper model in line with well-developed healthcare ecosystems, creating a burning platform to quickly capture the primary care opportunity

The KSA outpatient market has rebounded post the SARS-CoV-2 novel coronavirus pandemic (hereinafter referred to as the "**COVID-19 Pandemic**"), reaching pre-pandemic levels in 2022G. The number of outpatient visits grew at a CAGR of 14% between 2020G and 2022G, to reach approximately 167Mn visits in 2022G, almost in line with pre-covid levels of 171Mn visits in 2018G and 2019G. Private demand for outpatient care is gaining traction as private outpatient share increased from 35% in 2018G to 39% in 2022G, and is expected to continue growing in response to an increase in private health insurance coverage and ongoing Vision 2030 related private sector participation initiatives.

However, the outpatient care market in KSA still lags well developed healthcare systems. In 2022G, the KSA number of outpatient visits per capita was at 5.2, compared to 6.0 average visits per capita for The Organization for Economic Cooperation and Development ("**OECD**") countries, indicating room for further outpatient care consumption. Specifically, within primary care, several trends are expected to drive the consumption and increase competition within such services in KSA in the short term, including the transition towards a Value-Based Health Care Model ("**VBHC**"), the transition towards a primary care gatekeeper model for which efforts are already underway, regulatory shifts enabling payers to enter primary care, as well as incentivization of innovation by integrating primary care clinics into retail pharmacies. As such, players are rapidly expanding into outpatient and primary care provision including Almoosa Health Company, Burjeel, Saudi German Hospital, Dr. Sulaiman Al Habib Medical Group, Al Nahdi, and Meena (a subsidiary of Tawuniya).

G. Home care, specifically in Riyadh and Eastern Province, amongst the main focal points of Vision 2030, through PPPs targeted at improving quality home care provision, coverage and treatments

Presently, the capabilities, resources and efficiency in home care in the Kingdom vary across regions with limited services provided. Due to a lack of efficient operational procedures and proper information systems, the utilization of home care personnel remains low. An improved home care provision will reduce the pressure on both acute care and long-term care and rehabilitation hospitals. As such, home care is amongst the main focal points of Vision 2030 primarily through PPPs. In 2023G, the Ministry of Health in collaboration with the National Center for Privatization ("**NCP**") launched the expression of interest for long term care, rehabilitation and home healthcare projects in Riyadh and Eastern Region. The home healthcare project entails the clinical operation and maintenance of 5,000 patients for each region (Riyadh and Dammam).

H. Rampant Telemedicine consumption in the Kingdom driven by government related initiatives as it related to Vision 2030 as well as market related factors

'Data and Digitalization' is amongst the Health Sector Transformation Program strategic branches targeted at enacting a digital revolution in the field of healthcare in KSA with e-health and virtual care as the core. The Covid-19 pandemic has expedited the implementation and adoption of telemedicine services across the Kingdom. Telemedicine patient volumes at MoH hospitals have witnessed a significant growth of 82% between 2021G and 2022G, to reach approximately 2.3Mn virtual appointments as of 2022G. The Eastern region and Al Ahsa have witnessed the highest growth in terms of number of MoH appointments (271% and 164% CAGR, respectively) from 2021G to 2022G, indicating a comparatively higher demand momentum for telemedicine services vis-à-vis other key regions in KSA, and hence a potential opportunity for healthcare players to capitalize on such momentum.

I. Almoosa Health Company's symbiotic and distinguished comprehensive portfolio offering the full continuum of care is strongly aligned with market needs and Vision 2030 goals

Almoosa Health Company is a leading integrated healthcare provider operating 730 beds in the Eastern Province with a comprehensive portfolio offering spanning the entire care continuum. The Company's high standard of care has been drawing patients from across the country and around the world, aligning with the Kingdom's vision for fostering inbound medical tourism. Over the past 3 years, 26,524 patient episodes involving patients from other regions in KSA (outside the Eastern Province, including Riyadh, Asir, Madinah, Al Bahah, Hail, Northern Borders, Makkah, Jeddah, Jazan, Al Qaseem, and others), and 7,374 international patient episodes involving patients from other countries (including Qatar, Kuwait, Bahrain, Oman, India, UAE, Philippines, China, Australia, Palestine, and Iraq) occurred at Al Moosa Specialist Hospital.

The Company provides an extensive scope of healthcare services across the following segments: Acute Care, Non-Acute Care, Home Healthcare, Primary Care, Telemedicine, and Pharmacy.

Al Moosa Specialist Hospital is internationally accredited and offers Centers of Excellence across various specialties including The Heart Centre, Orthopedic, Joint Replacement and Sports Injury Centre, Oncology Centre with the first comprehensive cancer center in the Al Ahsa region providing diagnostic, therapeutic and support services under one roof, and the first private hospital to offer radiation therapy through an exclusive radiotherapy center with advanced modalities, as well as a Pediatric Centre with numerous services offered at a sub-specialty level. Moreover, the hospital has the only licensed helipad in Al Ahsa and is recognized as the first comprehensive stroke center in KSA.

The Company aims to further expand key specialties within the existing Al Moosa Specialist Hospital in the short term, namely Orthopedics, Pediatrics, Ophthalmology, ObGyn, Diabetes and Dentistry. Moreover, the Company aims to further expand its core multispecialty infrastructure by adding 2 new facilities in Al Hofuf by 2027G with 300 beds and in Khobar by 2028G with 400 beds. This will in turn help bridge the acute care need gap in the Eastern Province, which currently has 2.5 beds per 1,000 capita compared to 3.2 beds per 1,000 capita on average in OECD countries, as well as help meet the anticipated rise in healthcare needs in the Eastern Province spurred by population growth, which in turn is stemming from the underlying economic expansion.

Additionally, Al Moosa Rehabilitation Hospital (Al Ahsa) is a recently launched 300-bed rehab and long-term care hospital in Ahsa, Eastern Province, has partnered with Shirley Ryan AbilityLab, which is a leading global physical medicine and rehabilitation hospital . The hospital provides a wide range of specialized centers and services and is one of the few KSA private facilities offering inpatient mental health. The facility, established in 2023G, supports in bridging the need gap and enhancing the physical and mental rehabilitation infrastructure in line with Vision 2030 goals. The facility has an attached home care offering, in line with the Kingdom's efforts in improving home care coverage to reduce pressure on acute and post-acute hospitals, including skilled nursing care, physical therapy, occupational therapy and assistance with daily living in the comfort of patients' homes.

Moreover, The Company reinforces the KSA vision's commitment to advancing the primary care gatekeeper model, through its plan to open 5 standalone primary healthcare centers by 2027G providing 9 different specialties (Family Medicine, Urgent Care, Pediatrics, ObGyn, Ophthalmology, Dentistry, Dermatology, ENT, Internal Medicine), each with an attached pharmacy, basic pathology, and imaging departments. This will result in the establishment of a feeder network allowing to control the patient journey end to end, as well as serve the needs of various population tiers across the full continuum of care ranging from preventive care and early screening and diagnosis to advanced medical services. Additionally, it will help The Company in strategically capitalizing on the rampant primary care opportunity in KSA, given the various trends and Government related imperatives that are expected to drive the consumption of primary healthcare services in the short term.

Almoosa Health Company has also evolved beyond traditional care settings and has been providing medical consultations and healthcare services remotely utilizing digital platforms such as video conferencing, mobile applications, and secure online portals. Moreover, The Company has launched the first outpatient smart pharmacy in the region and has an advanced automated inpatient pharmacy, enabling a streamlined and efficient prescription fulfillment process.

In conclusion, the foundation of Almoosa Health Company's concept is to develop a streamlined and integrated healthcare platform offering the full continuum of care across all levels of clinical intervention and forming a symbiotic offering and distinguished service portfolio across preventive, primary, secondary, tertiary, and post-acute care services. The Company's transformation will lead to a seamless integration where the patient journey remains uninterrupted, while ensuring smooth transitions, coordinated care plans and continuity of treatment.

Summary of Financial Information

The Company's selected financial information and key performance indicators (KPIs) set out below should be read in conjunction with the information provided in Section 2 "**Risk Factors**" and Section 6 "**Management's Discussion and Analysis of Financial Position and Results of Operations (MD&A)**" of this Prospectus, the Company's audited financial statements for the financial years ended 31 December 2022G and 2023G, and the interim financial statements for the three-month period ended 31 March 2024G, as well as the accompanying notes thereto, which have been prepared in accordance with the IFRS approved in the Kingdom and other standards and pronouncements approved by SOCPA. For the purpose of the initial public offering and the application to the CMA in connection therewith, the special-purpose financial statements for the financial year ended 31 December 2021G, which were reviewed by KPMG Professional Services Company (referred to hereinafter as "**KPMG**"), were prepared in accordance with the IFRS approved in the Kingdom and other standards and pronouncements issued by SOCPA. These have been included in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus, in addition to other financial statements elsewhere in this Prospectus.

Table 1.4: Summary of Financial Information and KPIs for the Financial Years Ended 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

SAR'000	As of 31 December			As of 31 March	
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2023G (Reviewed)	2024G (Reviewed)
Revenue	701,542	816,039	978,975	232,664	277,157
Cost of revenue	(486,902)	(577,015)	(671,977)	(162,861)	(198,613)
Gross profit	**214,640**	**239,025**	**306,998**	**69,804**	**78,544**
Other revenue	9,981	19,467	14,148	2,986	2,865
Selling and distribution expenses	(10,951)	(14,264)	(12,755)	(4,213)	(5,953)
General and administrative expenses	(136,939)	(171,551)	(176,308)	(37,035)	(40,605)
Provision/ (reversal) of impairment loss on receivables	-	167	(3,930)	(869)	(1,344)
Gain/(loss) on derivative financial instruments	-	(1,910)	1,963	2,918	3
Operating profit	**76,731**	**70,934**	**130,115**	**33,591**	**33,510**
Share of profit from an equity-accounted investee	-	-	-	-	288
Financing costs	(4,852)	(15,377)	(28,339)	(6,594)	(17,471)
Profit before Zakat	**71,879**	**55,557**	**101,776**	**26,997**	**16,327**
Zakat expenses	(9,459)	(4,541)	(3,630)	(908)	(2,600)
Profit for the Year	**62,420**	**51,016**	**98,146**	**26,090**	**13,727**
Gain/(loss) on re-measurement of employee benefits	(6,340)	(855)	3,213	-	-
Other comprehensive loss for the year	(6,340)	(855)	3,213	-	-
Total comprehensive income for the year	**56,080**	**50,160**	**101,359**	**26,090**	**13,727**
Earnings per Share					
Basic and diluted earnings per Share (SAR)	**-**	**1.5**	**2.8**	**0.75**	**0.39**
As a percentage of revenue					
Gross profit (%)	30.6%	29.3%	31.4%	30.0%	28.3%
Operating profit	10.9%	8.7%	13.3%	14.4%	12.1%
Profit before Zakat	10.2%	6.8%	10.4%	11.6%	5.9%
Profit for the year	8.9%	6.3%	10.0%	11.2%	5.0%
Key Performance Indicators (KPIs)					
Inpatients	21,049	25,086	31,301	7,401	9,278
Outpatients	683,009	790,126	912,624	222,015	251,696
Total number of patients	704,058	815,212	943,925	229,416	260,974
Number of clinics	90	111	245	111	290
Average revenue per patient (SAR)	996	1,001	1,037	1,014	1,062

Cover Key Dates TOC Financial Statements

SAR'000	As of 31 December			As of 31 March	
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2023G (Reviewed)	2024G (Reviewed)
Number of physicians	274	243	300	276	326
Number of beds(1)	230	430	430	430	555

Source: The audited financial statements for the financial years ended 2022G and 2023G, the interim financial statements for the three-month period ended 31 March 2024G and Management information.

(1) The number of beds item depends on the number of operational beds during the year, as the northern building begun its operations gradually since the financial year 2022G.

Table 1.5: Statement of Financial Position as of 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

SAR'000	As of 31 December			As of 31 March
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2024G (Reviewed)
Total non-current assets	1,175,602	1,427,390	1,753,702	1,770,553
Total current assets	369,669	397,778	548,096	570,092
Total assets	**1,545,270**	**1,825,168**	**2,301,799**	**2,340,645**
Total equity	597,982	648,142	656,003	642,818
Total non-current liabilities	555,915	775,519	1,158,125	1,144,738
Total current liabilities	391,373	401,506	487,670	553,089
Total liabilities	947,288	1,177,026	1,645,795	1,697,827
Total liabilities and equity	**1,545,270**	**1,825,168**	**2,301,799**	**2,340,645**

Source: The audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim financial statements for the three-month period ended 31 March 2024G.

Table 1.6: KPIs for the Statement of Financial Position as of 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

SAR'000	As of 31 December			As of 31 March
	2021G (Management)	2022G (Management)	2023G (Management)	2024G (Management)
Revenue growth rate	N/A	16.3%	20.0%	19.1%
Current rate	0.94	0.99	1.12	1.3
Return on assets (%)	4.0%	2.8%	4.3%	2.3%
Return on equity (%)	10.4%	7.9%	15.0%	8.5%
Debt to equity	0.83	1.21	1.85	1.92
Working capital as a percentage of revenue	(8.6%)	8.4%	21.4%	19.7%
Inventory turnover (days)(1)	37	32	32	30
Payables turnover (days)(2)	241	209	188	171
Sales receivables turnover (days)(3)	115	124	148	133
Cash turnover (days)	(89)	(53)	(7)	(8)

Source: Management information.

(1) Inventory turnover is calculated using the cost of revenue.

(2) Payables turnover is calculated using payables and all costs under cost of revenue, selling and distribution expenses, and general and administrative expenses excluding employee costs, depreciation and amortization, and the allowance for impairment losses.

(3) Sales receivables turnover is calculated using receivables and credit revenue.

Table 1.7: Statement of Cash Flows as of 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

SAR’000	As of 31 December			As of 31 March	
	2021G (Audited)	2022G (Audited)	2023G (Audited)	2023G (Reviewed)	2024G (Reviewed)
Net cash used / from operating activities	197,717	(9,991)	40,070	(58,980)	27,646
Net cash used in investing activities	(315,488)	(316,668)	(454,386)	(91,446)	(54,355)
Net cash from financing activities	125,713	283,779	414,915	295,661	19,081
Net increase and decrease in cash and cash equivalents	7,941	(42,880)	599	145,235	(7,628)
Cash and cash equivalents at the beginning of the period	50,179	58,120	15,240	15,240	15,839
Cash and cash equivalents at the end of the period	58,120	15,240	15,839	160,475	8,211

Source: The audited financial statements for the financial years ended 31 December 2022G and 2023G and the reviewed financial statements for the three-month period ended 31 March 2024G.

Summary of Risk Factors

The following shows a summary of the risk factors associated with investing in Offer Shares. However, this summary does not include all information that may be of interest to Investors. Therefore, persons wishing to subscribe to Offer Shares must read and review this Prospectus in full. Any decision related to investing in Offer Shares must be based on a consideration of this Prospectus in its entirety. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus should be reviewed carefully prior to making any decision related to investing in the Offer Shares. This summary must not be solely relied upon when making an investment decision.

Risks Related to the Company's Business

- Risks Related to the Concentration of the Company's Revenue on Patients of One of its Corporate Clients
- Risks Related to Financing and Credit Facilities
- Risks Related to Dealings with Abdulaziz bin Abdullah Almoosa
- Risks Related to the Concentration of the Company's Operations in Two Hospitals in the Eastern Province
- Risks Related to the Concentration of the Company's Revenue on Clients of Key Insurance Companies
- Risks Related to the Concentration of the Company's Revenues on Certain Clinics
- Risks Related to the Collection of Receivables
- Risks Related to Disputes and Rejected Claims
- Risks Related to Revenue Sharing Agreements with Physicians
- Risks Related to the Inability to Retain and Attract Patients
- Risks Related to the Establishment of New Healthcare Facilities and Healthcare Facilities Under Construction
- Risks Related to Real Estate
- Risks Related to Technical Progress in the Medical Sector
- Risks Related to the Breakdown and Deterioration of Medical Equipment and Tools
- Risks Related to the Difficulty of Recruiting and Retaining Qualified Healthcare Practitioners and Administrative Staff
- Risks Related to Protection of the Company's Trademarks and Intellectual Property Rights
- Risks Related to Reliance on Senior Executives and Key Employees
- Risks Related to Medical Malpractice and Errors
- Risks Related to Infectious Diseases and Infection Control
- Risks Related to Exclusive Rights in the Pharmaceutical and Medical Products Market
- Risks Related to the Disposal and Treatment of Medical Waste
- Risks Related to Reliance on Third-Party Suppliers and Service Providers
- Risks Related to Dependence on Imported Products
- Risks Related to Joint Ventures and Future Acquisitions
- Risks Related to the Company's Failure to Implement its Strategy Successfully, on Time, or at all
- Risks Related to Advertising, Marketing and Publicity
- Risks Related to the Company's Reputation
- Risks Related to the Quality of Health Services
- Risks Related to the Company's Exposure to Operational Risks and Unforeseen Obstacles
- Risks Related to IT Infrastructure and Systems
- Risks Related to Data Protection and Cyberattacks
- Risks Related to Government Licenses, Certifications, Permits and Approvals
- Risks Related to Labor Costs
- Risks Related to the Inadequacy of Insurance Coverage
- Risks Related to Employee Non-Compliance with the Rules of Professional Conduct

- Risks Related to Interest Rates
- Risks Related to the Company's Material Agreements
- Risks Related to Stock Levels of Medicines, Medical and Pharmaceutical Equipment and Products
- Risks Related to Future Capital Expenditures
- Risks Related to Capital Commitments and Contingent Liabilities
- Risks Related to Zakat and Taxation
- Risks Related to Compliance with the Companies Law and Corporate Governance Regulations
- Risks Related to Claims and Litigation
- Risks Related to the Use of Assumptions, Estimates, Accounting Judgments and Related Errors
- Risks Related to Contracts and Transactions with Related Parties
- Risks Related to the Participation of Directors or Senior Executives in Competing Businesses
- Risks Related to the Recent Formation of Committees Emanating from the Board of Directors and the Effectiveness of Governance
- Risks Related to Lack of Experience in Managing a Listed Joint-Stock Company

Risks Related to the Market, Sector and Regulatory Environment

- Risks Related to the Competitive Environment
- Risks Related to the Regulatory Environment
- Risks Related to Dependence on the Insurance Market
- Risks Related to Seasonal Changes
- Risks Related to General Economic Conditions
- Risks Related to Political Instability and Security Concerns in the Middle East Region
- Risks Related to the Outbreak of Infectious Diseases
- Risks Related to Non-Compliance with Saudization Requirements
- Risks Related to the Prices of Energy, Electricity, Water and Related Services
- Risks Related to Foreign Currencies and Exchange Rates
- Risks Related to Floods, Earthquakes, Other Natural Disasters and Acts of Vandalism
- Risks Related to Changes in the Mechanism for Calculating Zakat and Income Tax
- Risks Related to Non-Compliance with VAT
- Risks Related to Pricing Systems and Payment and Co-Payment Systems Managed by Regulators

Risks Related to the Offer Shares

- Risks Related to Effective Control Post-Offering by Abdulaziz bin Abdullah Almoosa Investment Company
- Risks Related to the Lack of a Previous Market for Trading in the Company's Shares
- Risks Related to Fluctuations in the Market Price of the Offer Shares
- Risks Related to the Company's Ability to Distribute Dividends
- Risks Related to the Use of the Offering Proceeds
- Risks Related to the Sale of a Large Number of Shares on the Exchange After the Offering
- Risks Related to Research Published on the Company
- Risks Related to the Inability of Non-Qualified Foreign Investors to Acquire Shares Directly

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COBAL

1. Definitions and Abbreviations

Advisors	The Company's advisors in connection with the Offering, whose names appear on pages (vii) and (viii) of this Prospectus.
Affiliate	A person who Controls another person or is Controlled by that other person, or who is under common Control with that person by a third person. In any of the preceding, Control could be direct or indirect.
Bid Form	The bid form used by Participating Parties to register their applications for the Offer Shares during the Book Building Period. This term includes the appended bid form when the price range changes (as applicable).
Board or Board of Directors	The Company's Board of Directors.
Board Secretary	The Company's Board Secretary.
Book Building Instructions	The Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) issued pursuant to CMA Board Resolution No. 2-94-2016G, dated 15/10/1437H (corresponding to 20/07/2016G) and the amendments thereto issued pursuant to CMA Board Resolution No. 1-103-2022, dated 02/03/1444H (corresponding to 28/09/2022G), as may be amended.
Bookrunners	Saudi Fransi Capital and EFG Hermes KSA.
Business Day	Any day on which the Receiving Agents are open for business in the Kingdom (excluding Fridays, Saturdays and any official holidays).
Bylaws	The Bylaws of the Company approved by the General Assembly.
Capital Market Institution	A Capital Market Institution licensed by the CMA to carry out securities business.
Capital Market Law	The Capital Market Law promulgated by Royal Decree No. M/30 dated 02/06/1424H (corresponding to 31/07/2003G) as amended.
Chairman or Chairman of the Board of Directors	The Chairman of the Company's Board of Directors.
Chartered Accountant or Auditor	KPMG Professional Services Company.
CMA	The Capital Market Authority of the Kingdom.
Companies Law	The Companies Law issued by Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G) as amended.
Company or Issuer	Almoosa Health Company.
Control	As per the definition stated in the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority, "Control" means the ability to directly or indirectly influence the acts or decisions of another person, individually or collectively with a Relative or Affiliate, through any of the following: (1) holding 30% or more of the voting shares in the Company and (2) having the right to appoint 30% or more of the members of the administrative staff; and the word "controlling" shall be construed accordingly.
Cornerstone Investors' Shares	2,924,036 Shares, representing 22% of the Offer Shares, which represent the Shares that the Cornerstone Investors committed to subscribe to on the basis of a binding undertaking submitted by the Company for Cooperative Insurance (Tawuniya) and Alfozan Holding Company on 08/05/1446H. (corresponding to 10/11/2024G), pursuant to which the Company for Cooperative Insurance (Tawuniya) and Alfozan Holding Company committed to subscribe as Cornerstone Investors to 1,817,397 Shares and 1,106,639 Shares, respectively, of the Offer Shares (representing approximately 4.1% and 2.5%, respectively, of the Company's capital post-completion of the Offering) and the Company agreed to allocate the Cornerstone Investors' Shares to them as part of the Offering process.
Cornerstone Investors	– The Company for Cooperative Insurance (Tawuniya), a public joint stock company headquartered in Riyadh, Kingdom of Saudi Arabia and established in 1986. Tawuniya offers a comprehensive range of insurance services, managing diverse insurance products across key sectors, including healthcare, motor, property, engineering, marine, liability, and travel insurance. Tawuniya has exposure to the healthcare sector through its investments in other key health service providers. With a focus on delivering tailored insurance solutions, Tawuniya plays a critical role in the Kingdom's growing insurance market. – Alfozan Holding Company, the investment arm of Alfozan Group, which is a closed joint-stock company headquartered in Khobar, Saudi Arabia. Established in 1959, Alfozan Group has grown to manage a diverse portfolio across multiple strategic sectors, including consumer retail, trading and distribution, real estate development, healthcare, and manufacturing.
Corporate Governance Regulations	The Corporate Governance Regulations based on the Companies Law issued pursuant to CMA Board Resolution No. 8-16-2017, dated 16/05/1438H (corresponding to 13/02/2017G), as amended pursuant to CMA Board Resolution No. 5-8-2023, dated 25/06/1444H (corresponding to 18/01/2023G), and as may be amended.

COVID-19 Pandemic	The novel coronavirus pandemic, SARS-CoV-2.
DevBatch	DevBatch Limited.
Directors	Members of the Company's Board of Directors.
Exchange or Tadawul	Saudi Tadawul Company.
Extraordinary General Assembly	An Extraordinary General Assembly of Shareholders convened in accordance with the Bylaws.
Financial Advisor	Saudi Fransi Capital.
Financial Statements	The Company's financial statements for the period covered in this Prospectus are the audited financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the reviewed financial statements for the three-month period ended 31 March 2024G.
Financial Year	The financial year of the Company that starts on 1 January until 31 December of each calendar year.
Foreign Investors	Non-GCC individuals residing outside the Kingdom and non-GCC institutions registered outside the Kingdom that have the right to invest indirectly to obtain the economic benefit of the Offer Shares by concluding swap agreements with a Capital Market Institution in accordance with the Rules for Foreign Investment in Securities.
Foreign Investors who may Invest in the Company's Shares	The following categories, in accordance with the terms and controls stipulated in the Rules for Foreign Investment in Securities: 1. Qualified Foreign Investors (QFIs); 2. Foreign Strategic Investors (FSIs); 3. any foreign natural or legal person who is a client of a Capital Market Institution licensed by CMA to exercise management business, provided that the Capital Market Institution has been appointed on terms that enable it to make all investment decisions on behalf of the client without the need to obtain prior approval from the same; and 4. non-resident foreign investors who invest indirectly in Shares by acquiring the economic benefit of the Shares by entering into swap agreements through a Capital Market Institution to purchase Shares listed on the Exchange and trade in them for the benefit of the Foreign Investors.
Foreign Strategic Investors (FSIs)	Any foreign legal person who intends to own a strategic share in listed companies in accordance with the Rules for Foreign Investment in Securities. "Strategic Interest" refers to the direct ownership percentage in the listed company's shares, through which the owner aims to contribute to enhancing the financial or operating performance of the listed company.
G	Gregorian.
General Assembly	An Extraordinary General Assembly or Ordinary General Assembly, and "General Assembly" means any General Assembly of the Company.
Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority	The Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued pursuant to CMA Board Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004G), as amended pursuant to CMA Board Resolution No. 3-6-2024, dated 05/07/1445H (corresponding to 17/01/2024G) and as may be amended.
Government	The Government of the Kingdom, and the term "Governmental" shall be construed accordingly.
Gulf Cooperation Council (GCC)	The Cooperation Council for the Arab States of the Gulf, whose member states are the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar and the United Arab Emirates.
H	Hijri.
IFRS	The International Financial Reporting Standards approved in the Kingdom and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
Implementing Regulations of the Companies Law	The Implementing Regulation of the Companies Law for Listed Joint Stock Companies issued pursuant to CMA Board Resolution No. 8-127-2016, dated 16/01/1438H (corresponding to 17/10/2016G), as amended pursuant to CMA Board Resolution No. 2-26-2023 dated 05/09/1444H (corresponding to 27/03/2023G) based on the Companies Law and as may be amended.
Individual Subscribers	Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares in the names of her minor children provided that she proves that she is the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have a bank account and are entitled to open an investment account with one of the Receiving Agents.
Inpatients	Patients of the Company who are registered at one of the Company's health facilities and who stay there overnight or for a set time.
Investment Funds Regulations (IFRs)	The Investment Funds Regulations (IFRs) issued pursuant to CMA Board Resolution No. 1-219-2006, dated 03/12/1427H (corresponding to 24/12/2006G) as amended pursuant to CMA Board Resolution No. 2-22-2021, dated 12/07/1442H (corresponding to 24/02/2021G) and as may be amended.

IPO Proceeds	(SAR 1,181,554,660) received from the sale of New Shares resulting from the Company's capital increase for the purpose of the Offering.
Kasktas	Kasktas Arabia Ltd.
Kingdom	The Kingdom of Saudi Arabia.
Labor Law	The Labor Law issued pursuant to Royal Decree No. M/51, dated 23/08/1426H (corresponding to 27/09/2005G) as amended.
Law of Practicing Healthcare Professions	The Law of Practicing Healthcare Professions issued pursuant to Royal Decree No. M/59, dated 04/11/1426H (corresponding to 06/12/2005G), as amended.
Law of Private Health Institutions and its Implementing Regulations	The Law of Private Health Institutions issued pursuant to Royal Decree No. M/40, dated 03/11/1423H (corresponding to 06/01/2003G), as amended, and its Implementing Regulations issued pursuant to Ministerial Resolution No. 1019377, dated 28/05/1439H (corresponding to 14/02/2018G), as amended.
Lead Manager	Saudi Fransi Capital.
Legal Advisor	The Law Firm of Latham & Watkins.
Listing	Admission to listing of the Company's Shares on the Exchange in accordance with the Listing Rules.
Listing Rules	The Listing Rules approved pursuant to CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended pursuant to CMA Board Resolution No. 1-108-2022, dated 23/03/1444H (corresponding to 19/10/2022G) and as may be amended.
Lock-up Period	The Substantial Shareholders are subject to a lock-up period of 6 months, starting from the date on which the trading of the Company's Shares commences on the Exchange. During this period, the Substantial Shareholders may not dispose of any of their Shares.
Managing Director	The Company's Managing Director.
Market Consultant	PricewaterhouseCoopers Public Accountants – PwC.
Market Study	The market study prepared by PricewaterhouseCoopers Public Accountants.
Master Alliance Agreement	The Master Alliance Agreement concluded between the Company, Almoosa College of Health Sciences, Almoosa Automatic Doors, and Almoosa Real Estate on 24/07/1445H (corresponding to 05/02/2024G).
MEDGULF	Mediterranean and Gulf Cooperative Insurance Company.
MHRSD	The Ministry of Human Resources and Social Development of the Kingdom.
MOC	The Ministry of Commerce of the Kingdom.
New Shares	9,303,580 new Shares to be issued and sold by the Company in connection with the Offering.
Offer Price	(SAR 127) per Share.
Offer Shares	13,291,074 ordinary Shares, consisting of the Sale Shares and New Shares, which represent 30% of the Company's share capital after the Offering (and representing 37.97% of the Company's share capital before the share capital increase).
Offering	The offering of 13,291,074 ordinary Shares, representing 30% of the Company's share capital after the Offering (which represents 37.97% of the Company's share capital before the capital increase) through a public offering on the Exchange.
Offering Period	The period which begins on Monday, 22/06/1446H (corresponding to 23/12/2024G) until the end of Tuesday 23/06/1446H (corresponding to 24/12/2024G).
Official Gazette	Umm Al-Qura newspaper, which is the Official Gazette of the Kingdom.
Ordinary General Assembly	An Ordinary General Assembly of Shareholders convened in accordance with the Bylaws.
Oryx Isotopes	Oryx Isotopes Industrial Company.
Oryx Isotopes Partnership	The partnership between the Company and Oryx Isotopes pursuant to the Partnership Agreement concluded between the Company and Oryx Isotopes on 02/08/1442H (corresponding to 15/03/2021G).
Outpatients	Individuals who benefit from the Company's health services at one of its health facilities for diagnosis or treatment without occupying beds.
Participating Parties	The entities involved in building the order book of the categories that are entitled to participate in building the order book in accordance with the instructions for building the order book.

Participating Parties	The categories that are entitled to participate in the book building process in accordance with the Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) are: 1. public and private funds that invest in securities listed on the Exchange if the fund's terms and conditions permit the same, while adhering to the terms and restrictions stipulated in the Investment Funds Regulations and the Book Building Instructions; 2. Capital Market Institutions licensed by the CMA to deal in securities as principals, while adhering to the provisions stipulated in the Prudential Rules when submitting a Bid Form; 3. customers of a Capital Market Institution authorized by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book Building Instructions; 4. any legal persons entitled to open an investment account in the Kingdom and an account with Edaa, including foreign legal persons who may invest on the Exchange, taking into account the Controls For Listed Companies' Investment in Securities Listed on the Exchange as per CMA Circular No. 6/05158, dated 11/08/1435H (corresponding to 09/06/2014G) issued pursuant to CMA Board Resolution No. 9-28-2014, dated 20/07/1435H (corresponding to 19/05/2014G); 5. Government entities, any supranational authority recognized by the CMA or the Exchange or any other stock exchange recognized by the CMA or Edaa; 6. Government-owned companies, whether directly or through a private portfolio manager; and 7. GCC companies and funds, if permissible according to the terms and conditions of such funds.
Prospectus	This Prospectus which has been prepared by the Company in connection with the Offering.
Public	Persons other than the following: 1. Affiliates of the Issuer, except for companies wholly owned by the Issuer; 2. Substantial Shareholders of the Issuer; 3. Directors and Senior Executives of the Issuer; 4. directors of the Affiliates of the Issuer; 5. directors and senior executives of the Substantial Shareholders of the Issuer; 6. any relatives of the persons referred to in 1, 2, 3, 4 or 5 above; 7. any company controlled by any person referred to in 1, 2, 3, 4, 5 or 6 above; and 8. persons acting in concert with a collective Shareholding of 5% or more of the class of Shares to be listed.
Qualified Foreign Investor (QFI)	A foreign investor who is qualified to invest in listed securities in accordance with the Rules for Foreign Investment in Securities. Qualification applications are submitted to a licensed Capital Market Institution to evaluate and accept the application in accordance with the Rules for Foreign Investment in Securities.
Receiving Agents	The Receiving Agents listed on pages (ix) and (x) of this Prospectus.
Related Party	The term "Related Party" or "Related Parties" in this Prospectus and in accordance with Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued pursuant to CMA Board Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004G), as amended pursuant to CMA Board Resolution No. 3-6-2024, dated 05/07/1445H (corresponding to 17/01/2024G) includes the following: 1. Affiliates of the Company, except for companies wholly owned by the Company; 2. Substantial Shareholders of the Company; 3. Directors and Senior Executives of the Company; 4. directors of the Affiliates of the Company; 5. directors and senior executives of Substantial Shareholders of the Company; 6. any Relatives of the persons referred to in 1, 2, 3, or 5 above; and 7. any other company or facility controlled by any person referred to in 1, 2, 3, 5 or 6 above. a. For the purposes of Paragraph 6 above, "Relatives" shall mean fathers, mothers, husbands, wives and children.
Relatives	Husbands, wives and minor children. For purposes of the Corporate Governance Regulations: a. fathers, mothers, grandfathers, grandmothers and their ancestors; b. children, grandchildren and their descendants; c. siblings, maternal and paternal half-siblings; and d. husbands and wives.
Rheumatism Association	The Charitable Association for Rheumatic Diseases.
Rules for Foreign Investment in Securities	The Rules for Foreign Investment in Securities issued pursuant to CMA Board Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G) and as may be amended.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued pursuant to CMA Board Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issued by Royal Decree No. M/30, dated 02/06/1424H, as amended pursuant to CMA Board Resolution No. 3-6-2024, dated 05/07/1445H (corresponding to 17/01/2024G), and as may be amended.

Sale Shares	3,987,494 ordinary Shares of the current Shares in the Company to be sold by the Selling Shareholder in connection with the Offering.
SAR or Saudi Riyal	The Saudi Riyal is the official currency of the Kingdom.
Saudi Aramco	The Saudi Arabian Oil Company.
Selling Shareholder	The Selling Shareholder as of the date of this Prospectus, which is Abdulaziz bin Abdullah Almoosa Investment Company.
Senior Executives or Executive Management	Any natural person assigned with management and supervision responsibilities by the Company's Board or a Director, whether alone or jointly with others, and who either reports directly to the Board of Directors, a Director of the Company, the Managing Director or the CEO.
Shareholders	Any holder of Shares in the Company.
Shares	Any fully paid ordinary Shares in the Company with a nominal value of SAR 10 per Share.
Shares Allocated to the Employee Investment Fund	One hundred thirty-one thousand two hundred and fifty (131,250) Shares are to be allocated to the Employee Investment Fund during the Offering.
SICIM	SICIM Saudi Arabia.
SOCPA	The Saudi Organization for Chartered and Professional Accountants in the Kingdom (formerly known as the Saudi Organization for Certified Public Accountants (SOCPA)).
Subscribers	The Participating Parties and Individual Subscribers.
Subscription Application Form	The Subscription Application Form that Individual Subscribers and Participating Parties (as applicable) must complete to subscribe to the Offer Shares.
Substantial Shareholders	Any person holding 5% or more of the Company's share capital.
Swap Agreements	Agreements under which non-GCC individual investors residing outside the Kingdom and non-GCC institutions registered outside the Kingdom are entitled to invest indirectly in Shares through Capital Market Institutions licensed by the CMA to obtain the economic benefits of shares.
Tafaul	Al Ahsa Cancer Foundation.
Underwriters	Saudi Fransi Capital and EFG Hermes KSA.
Underwriting Agreement	The Underwriting Agreement entered into between the Company, the Selling Shareholder and the Underwriters in connection with the Offering.
ZATCA	The Zakat, Tax and Customs Authority in the Kingdom.

2. Risk Factors

Prospective investors should carefully study all the information contained in this Prospectus, including the risk factors listed below, before making any investment decision in relation to the Offer Shares. The risk factors described below are those that the Company currently believes may affect the Company and any investment in the Offer Shares. The risks mentioned below do not necessarily represent all the risks that may affect the Company or those associated with investing in the Offer Shares. There may be other risks that are not currently known to the Company, or that Directors of the Company believe are currently immaterial. The occurrence of any of these risks and uncertainties may negatively and materially affect the Company's business, financial position, results of operations and prospects. This may lead to a decrease in the Share price, weaken the Company's ability to distribute dividends to Shareholders and cause investors to lose their entire investment in the Shares or a part thereof.

The directors acknowledge that, to the best of their knowledge and belief, there are no other material risks as of the date of this Prospectus that may affect investors' decisions to invest in the Offer Shares other than the risks described in this section. All prospective investors wishing to subscribe to the Offer Shares should conduct an evaluation of the benefits and risks associated with this investment and the Offer Shares in general, and the economic and regulatory environment in which the Company operates in particular.

Investing in the Offer Shares under this Prospectus involves a high level of risk and is therefore only suitable for investors who have the ability to evaluate the risks of that investment and who have sufficient resources to bear any loss resulting from such investment. Any prospective investor who has doubts concerning the appropriate action to be taken should consult a financial advisor licensed by the CMA for advice in connection with any investment in the Offer Shares.

The risks described below are not presented in an order that reflects their importance or anticipated effect on the Company. There may be other risks that are not currently known to the Company or that the Company believes are not currently material, which may in the future have the same effects or consequences described in this Prospectus. Accordingly, the risks described in this section or in any other section of this Prospectus may not include: (a) all risks that may affect the Company, its operations, activities, assets or the markets in which it operates, and/or (b) all risks associated with investing in the Offer Shares.

2.1 Risks Related to the Company's Business

2.1.1 Risks Related to the Concentration of the Company's Revenue on Patients of One of its Corporate Clients

The Company's revenues are concentrated in revenues from patients affiliated with one of its corporate clients of approximately SAR 261.0 million, SAR 306.2 million, SAR 445.7 million and SAR 118.3 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 32.3%, 32.5%, 36.5% and 34.4% of total revenues in the same periods, respectively, and representing 99.9%, 99.5%, 98.8% and 98.6% of the Company's revenues from corporate clients. This client's receivables also represent SAR 34.8 million, SAR 58.4 million, SAR 236.0 million and in SAR 226.9 million the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 10.5%, 12.9%, 33.7% and 33.0% of the Company's total receivables in the same periods, respectively. The Company entered into an agreement with this client on 07/05/1444H (corresponding to 01/12/2022G) for a period of two years that ends on 29/05/1446H (corresponding to 01/12/2024G), renewable for one year (for more information, please refer to Section 11.4.2 "**Agreements with Corporate Clients**" of this Prospectus). Based on this agreement, the Company provides its services to its client's patients for fees per service, while it provided its services to its client's patients for fees per person before December 2022G. This led to an increase in the Company's revenues from this client by 46% for the financial year ended 31 December 2023G, as compared to the financial year ended 31 December 2022G and by 11% for the three-month period ended 31 March 2024G, as compared to the three-month period ended 31 March 2023G. Invoices are submitted to this client on a monthly basis and it is granted a grace period of twenty-two (22) days to make payment. As of 31 December 2023G, the aging of this client's receivables was approximately SAR 106.1 million for amounts outstanding less than 90 days, approximately SAR 40.3 million for amounts outstanding between 91 and 180 days, approximately SAR 76.6 million for amounts outstanding between 181 and 360 days and approximately SAR 12.9 million for amounts outstanding over 360 days. This change has led to an increase in this client's receivables, which exposes the Company to risks related to the collection of receivables, the financial solvency of this client, the stability of its credit status, the Company's ability to collect receivables from it on time and the adequacy of the provisions that the Company makes regarding such receivables. Accordingly, this may affect the working capital of the Company's healthcare facilities and limit the Company's cash flow if this client refuses, delays or is unable to pay claims for any reason, or if the Company deducts the amounts of claims related to medical services provided to patients affiliated with this client, which will affect the Company's financial position and profitability. This concentration of revenues may also affect the profitability of the Company's healthcare facilities if the client negotiates a reduction in the price of medical services provided to its patients. If any of the above risks are realized, this will have a negative and material impact on the Company's business, results of operations, financial position and future prospects.

It is worth noting that the term of the agreement concluded with this client is two years, ending on 29/05/1446H (corresponding to 01/12/2024G), renewable for one year. If one of the parties wishes not to renew the agreement, it shall submit a written notice of no less than 60 days from the end of the initial term of the agreement. (For more information, please refer to Section 11.4.2 "**Agreements with Corporate Clients**" of this Prospectus.) Due to the imminent expiration of the term of the agreement, it may not be renewed, and therefore the Company would lose the revenues generated from this client. Furthermore, if this client decides to terminate its agreement with the Company before its expiry date, or if they request to renew their contract with the Company on conditions that are unfavorable to the Company, if they renegotiate a previously agreed upon price or scope of coverage, or if the client fails to implement their financial contractual obligations or the submitted claims are rejected by the Company under the agreement, this may lead to a decrease in the Company's revenue and/or the number of patients affiliated with this client, which would negatively affect the demand for the Company services, and have a material adverse impact on the Company's business, results of operations, financial position and future prospects.

2.1.2 Risks Related to Financing and Credit Facilities

A. Financing and Current Facilities

As of the date of this Prospectus, the Company has concluded 5 credit and other financing facility agreements under which the Company has obtained financing from the Ministry of Finance, Banque Saudi Fransi, the Saudi National Bank, Saudi Awwal Bank (SAB) and Al Rajhi Bank with total facilities of SAR 1.8 billion, of which the Company has utilized SAR 1,236,413,516 as of 31 March 2024G (for further details, please refer to Section 11.4.7 "**Financing Agreements**" of this Prospectus). It is also worth noting that the Company's debt balance increased from SAR 494.7 million in the financial year ended 31 December 2021G to SAR 1.2 billion in the financial year ended 31 December 2023G, and from SAR 1.08 billion in the three-month period ended 2023G to SAR 1.2 billion in the three-month period ended 2024G, mainly due to additional loans obtained in order to meet capital expenditure requirements related to Al Moosa Rehabilitation Hospital (Al Ahsa) and the Al Moosa Specialist Hospital (Al Ahsa)-North Tower. These outstanding payments entail a long-term loans interest cost of (0%, 1.4%, 2.2% and 6.1% of revenues in the financial years 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively). It is worth noting that total financing costs for the Company's loans amounted to SAR 4.8 million, SAR 15.4 million, SAR 28.3 million and SAR 17.5 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 0.7%, 1.9%, 2.9% and 6.3% of the total revenues for the same periods, respectively. The increase in financing costs for the period ended 31 March 2024G is due to the opening of Almoosa Rehabilitation Hospital (Al Ahsa) in November 2023G. This resulted in the interest cost being charged to the profit and loss item, as these costs were previously capitalized under the item of ongoing capital work within borrowing costs. The increase of SAR 23.3 million in the loan balance from SAR 1,213.1 million at the end of 2023G to SAR 1,236.4 million at the end of the first quarter of 2024G also contributed to the increase in financing costs. The large balance of outstanding debts may affect the Company's financial position and profitability based on the financial costs incurred by the Company in connection therewith, which will negatively and materially affect the Company's business, results of operations, financial position and prospects.

In addition, the financing agreements include certain set terms and requirements, such as repayment of the outstanding facilities on time and maintenance of certain pledges with respect to the Company's financial performance. The agreements also include a number of restrictions related to the distribution of dividends, such as the facilities agreement concluded with the Saudi National Bank which restricts the Company's ability to distribute dividends that exceed 50% of the Company's annual net profit, if the Offering does not proceed. The Saudi National Bank Facility Agreement also includes a material restriction under which any change in the Company's Shareholders can be considered a material event, which may lead to termination and acceleration of this agreement. Furthermore, the facilities agreement concluded with Al Rajhi Bank restricts the announcement and distribution of dividends exceeding 50% of the net income until the Company becomes publicly listed. This restriction will be lifted following the completion of the Offering. The Company also undertakes to route a minimum of 25% of the Company's annual revenues to its accounts with Al Rajhi Bank. Moreover, the agreements also provide for undertakings and possible cases of breach, such as the Company's failure to comply with any of its obligations under the financing agreements, the inaccuracy of the information provided, the liquidation of the

Company, its placement under administration, or its inability to pay its obligations owed to third parties, among others. In particular, some agreements with banks include certain restrictions, such as the agreement with Saudi Awwal Bank, which includes restrictions pursuant to which the Company is not permitted to change its legal status or ownership structure or make any fundamental change in the nature of its business without obtaining prior written approval from Saudi Awwal Bank. In addition, pursuant to the financing agreement with Saudi Awwal Bank, the Company undertakes to route not less than 50% of annual sales to its accounts with Saudi Awwal Bank. Similarly, the agreement with the Banque Saudi Fransi contains restrictions pursuant to which the Company is not permitted to change the ownership structure of more than 50% of its capital or voting power without the prior approval of Saudi Fransi Bank. The agreement with Al Rajhi Bank includes restrictions pursuant to which the Company is not permitted to change its ownership structure without the prior written approval of Al Rajhi Bank (for further information regarding the undertakings and cases of breach included in the financing agreements concluded by the Company, please refer to Section 11.4.7 "**Financing Agreements**" of this Prospectus). Accordingly, if the Company defaults in performing any of its obligations under the financing agreements, or if any assertion by the Company in those agreements is found to be untrue or inaccurate, or if the Company takes any steps towards bankruptcy, insolvency, financial reorganization or restructuring, this will result in an event of default under which the lenders will have the right to terminate the financing agreements and demand payment of all amounts due, which would have a material negative impact on the Company's business, results of operations, financial position and prospects. Certain financing agreements also include conditions that enable the financing entities to reduce or cancel the credit facilities provided thereunder at any time and without reason or justification, including the financing agreement concluded with the Saudi National Bank and Al Rajhi Bank. If the financing entities exercise their right to cancel the credit facilities or amend the limits of such facilities, the Company will be required to pay all amounts due immediately, which may affect the Company's cash flows and have a negative and material impact on the Company's business, results of operations, financial position and prospects.

The title deed for the plot encompassing the Al Moosa Specialist Hospital (Al Ahsa)-South Tower has been mortgaged in accordance with the financing agreement concluded with the Ministry of Finance. The Company also provided collateral under the credit facility agreement concluded with Banque Saudi Fransi, including (1) a promissory note with an amount of SAR 380,000,000; (2) a joint and several guarantee provided by Abdulaziz Abdullah Almoosa and Malek Abdulaziz Almoosa with an amount of SAR 380,000,000; and (3) assignment of all medical insurance proceeds received from Malath Cooperative Insurance Co., Gulf Union Alahlia Cooperative Insurance Co. and Total Care Saudi. The Company also provided collateral under the credit facility agreement concluded with the Saudi National Bank, consisting of a joint and several guarantee provided by the Company and signed by Abdulaziz Abdullah Almoosa in his capacity as representative of the Company with an amount of SAR 266,473,848.44. Furthermore, the Company provided collateral under the facilities agreement concluded with the Saudi Awwal Bank, including (1) a promissory note with an amount of SAR 586,250,000 signed by the Company, Abdulaziz Abdullah Almoosa and Malek Abdulaziz Almoosa; and (2) assignment of all proceeds of the Service Provider Agreement with a Corporate Client dated 07/05/1444H (corresponding to 01/12/2022G). The Company also provided collateral under the credit facility agreement concluded with Al Rajhi Bank, including (1) a promissory note provided by the Company and signed by Abdulaziz Abdullah Almoosa in his capacity as representative of the Company with an amount of SAR 500,000,000, which shall be waived once the Company becomes publicly listed (for further information regarding the guarantees included in the financing agreements concluded by the Company, please refer to Section 11.4.7 "**Financing Agreements**" of this Prospectus). Therefore, if the Company fails to pay the amounts due to any financing entities, including the Ministry of Finance, Banque Saudi Fransi, Saudi National Bank, Saudi Awwal Bank (SAB) and Al Rajhi Bank in accordance with the agreements concluded therewith, this may lead to the financing entities enforcing the guarantees provided by the Company, including promissory notes or medical insurance proceeds, or their enforcement of mortgage deeds on the Company's properties, which would cost the Company its mortgaged plots, revenues from medical insurance companies, or payment of the amounts due based on the promissory notes. This may affect the Company's revenues and profitability, hamper the Company's business or force the Company to incur additional costs, which would have a material negative impact on the Company's business, results of operations, financial position and prospects.

In addition, if the Company is unable to pay the installments on time or obtain extensions therefor, the Company's cash flow may not be sufficient in all years to repay all loans that fall due. If prevailing interest rates rise or if creditors refuse to provide new loans at appropriate costs, this may negatively affect the Company's ability to complete its projects. Moreover, if the Company is unable to refinance its debt on acceptable terms or at all, it may be required to dispose of one or more of its properties on unfavorable terms. If the Company mortgages any of its properties or assets as a guarantee to pay its debt, including the mortgage of current properties under future financing arrangements, and the Company is unable to pay the required installments, it is possible that the mortgage deed will be executed on the assets or a judicial receiver will be appointed to obtain an assignment of the Company's assets. The occurrence of any of the foregoing would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

Pursuant to the terms of the financing arrangements, the Company pays interest based on approved interbank rates, such as SAIBOR (Saudi Arabian Interbank Offered Rate), plus a margin. The Company will be exposed to interest rate fluctuations in connection with its financing arrangements when its hedging arrangements expire if the Company is not protected from such volatility or if it fails to successfully implement its strategies to mitigate interest rate risks. The Company entered into hedging agreements against interest rate risks with a total principal amount of SAR 1,250 million with the Saudi National Bank and Saudi Awwal Bank (SAB) (currently priced at three-month SAIBOR) (for further information regarding the hedging agreements concluded by the Company, please refer to Section 11.4.8 "**Hedging Agreements**" of this Prospectus). The value of these agreements is affected by global and local interest rate indices, among other factors. Furthermore, these hedging agreements may be costly and may not provide the Company with full protection from any increases in interest rates. Therefore, increases in interest rates and related financing costs may reduce the Company's profitability and cash flows, which would have a material adverse effect on the Company's business, results of operations, financial position and prospects (for further information regarding risks related to fluctuations in interest rates, please refer to Section 2.1.36 "**Risks Related to Interest Rates**" of this Prospectus).

B. Financing and Future Facilities

In the future, the Company may need to obtain financing from commercial banks, Government lenders and/or other financiers to cover its working capital requirements or implement its future growth plans. The Company's ability to obtain loans and facilities from lenders at lower costs or on favorable terms depends on its future financial position, global economic conditions, financial market conditions, interest rates, credit availability from banks or third-party lenders and lenders' trust in the Company. The Company may not be able to obtain such financing on reasonable terms or at all for any reason, such as due to restrictions imposed on any current financing or lenders' opinions of the Company or its future results of operations, financial position and cash flows. Borrowing at variable interest rates may also expose Company to increases in interest rates and/or commissions (which may be greatly affected by factors beyond the Company's control, such as monetary and tax policies and global economic and political conditions), and the Company may not guarantee its ability to obtain such financing on reasonable terms or at all when necessary. Any fixed or variable increase in interest rates or commissions imposed by banks will lead to an increase in financing costs incurred by the Company, which will negatively affect its future profits and its ability to pay and fulfill its obligations to lenders. As a result, it may not be able to take advantage of available business opportunities, such as acquisition opportunities, or it may be unable to respond to changes in market or industry conditions. If any of the cases described above were to occur, this would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

The Company may also face difficulties in the future in covering or adequately managing its working capital needs. The Company's facilities and financing may not be sufficient to cover these needs to the required extent. Difficulties in managing working capital will have a material negative impact on the Company's business, results of operations, financial position and prospects.

2.1.3 Risks Related to Dealings with Abdulaziz bin Abdullah Almoosa

The outstanding balances due from Abdulaziz Abdullah Almoosa amounted to SAR 22.3 million and SAR 28.9 million for the financial years ended 31 December 2021G and 2022G, respectively. There were no outstanding balances due from Abdulaziz Abdullah Almoosa in the financial year ended 31 December 2023G or the three-month period ended 31 March 2024G. In the past, the Company made payments to the Chairman, Abdulaziz bin Abdullah Almoosa, for personal expenses as well as payments to Abdulaziz Almoosa Real Estate Company (a company owned by the Chairman, Abdulaziz bin Abdullah Almoosa) totaling SAR 93.5 million as of 31 December 2023G, of which SAR 32.2 million represents personal expenses and SAR 61.3 million represents payments to Abdulaziz Almoosa Real Estate Company. As of the date of this Prospectus, all these amounts have been settled against the dividends due to Shareholders, as the Company distributed the previously mentioned amounts due (which consist of personal expenses of the Director Abdulaziz bin Abdullah Almoosa, payments due from Abdulaziz Almoosa Real Estate Company and real estate for its benefit) as in-kind dividends to Shareholders in accordance with the Board resolution dated 12/06/1445H (corresponding to 25/12/2023G) and the Extraordinary General Assembly resolution dated 12/06/1445H (corresponding to 25/12/2023G), authorizing the Board to distribute interim dividends, which were distributed based on the Company's retained profits as of 31 December 2022G. The Company also distributed in-kind dividends to Shareholders represented in real estate assets amounting to SAR 22.9 million and cash dividends to Shareholders amounting to SAR 4 million in accordance with the Board resolution dated 13/07/1445H (corresponding to 25/01/2024G) based on the Extraordinary General Assembly resolution dated 12/06/1445H (corresponding to 25/12/2023G). These dividends were distributed based on the Company's retained earnings as of 31 December 2023G. The Company confirms that, except as disclosed in Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus, there are no transactions or contracts with Related Parties that have not been concluded on an arm's length basis. The Company also declares that all existing transactions and contracts with Related Parties as of the date of this Prospectus were concluded on an arm's length basis. The Company also undertakes to conclude all transactions and contracts with Related Parties in the future on commercial grounds in accordance with the provisions of the relevant laws and regulations, including Articles 27 and 71 of the Companies Law. The Chairman, Abdulaziz Abdullah Almoosa, submitted a declaration to the Company on 23/09/1445H (corresponding to 02/04/2024G) that all amounts owed to the Company had been cleared by him and recorded in the Company's books as of the date of this Prospectus as stated above. The Chairman also undertook, in accordance with the declaration, to bear any obligations arising from the above or that may arise in the future on behalf of the Company as a result of any previous practices that do not comply with the relevant laws. If the Company concludes transactions or agreements with Related Parties in the future, including with Directors or their subsidiaries, on a non-arm's length basis or in a manner that does not comply with the relevant laws and regulations, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.4 Risks Related to the Concentration of the Company's Operations in Two Hospitals in the Eastern Province

The Company operates a specialist hospital that opened in 1996G and a rehabilitation hospital that opened in November 2023G. Both hospitals are located in Al Ahsa Governorate. The net revenues generated by Al Moosa Specialist Hospital (Al Ahsa) (after deducting discounts, rejections and recovered amounts) amounted to SAR 701.5 million, SAR 816.0 million, SAR 971 million and SAR 256.9 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 100%, 100%, 99.2% and 92.7% of the Company's total net revenues for the same periods, respectively. Since Al Moosa Rehabilitation Hospital (Al Ahsa) did not open until November 2023G, the Company did not achieve any revenues from Al Moosa Rehabilitation Hospital (Al Ahsa) prior to 2023G. Net revenue (after deducting discounts, rejections and recovered amounts) from Al Moosa Rehabilitation Hospital (Al Ahsa) amounted to SAR 8.0 million and SAR 20.3 million for the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G, respectively, representing 0.8% and 7.3% of the Company's total net revenues for the same periods, respectively. If the Company's operations in any of its healthcare facilities cease, whether partially or completely as a result of any operational factors that may hinder the conduct of its business in those governorates or the Eastern Province in general, or as a result of intense competition from other private healthcare facilities, a decrease in the number of patients receiving treatment in those healthcare facilities, or any changes to the demographics in the Eastern Province, or due to any legislative changes within the health services sector, this will lead to a decrease in the Company's gross revenue, which will have a negative and material impact on the Company's business, results of operations, financial position and prospects. The Company may also face challenges in attracting and retaining qualified medical and nursing employees and other healthcare providers in the Eastern Province, which will have a material negative impact on the Company's business, results of operations, financial position and prospects (for further information regarding risks related to recruiting and retaining employees, please refer to Section 2.1.15 "**Risks Related to the Difficulty of Recruiting and Retaining Qualified Healthcare Practitioners and Administrative Staff**" of this Prospectus).

Moreover, due to the concentration of the Company's operations in the Kingdom and in the Eastern Province specifically, the Company and its operations are more vulnerable to the risks that it may face in the Kingdom in general and the Eastern Province in particular compared to competitors operating their business more diversely in other regions or countries. Such risks include, but are not limited to, natural disasters, epidemics, weather conditions, labor market disturbances, Government actions, regulatory changes in the healthcare sector and acts of terrorism (for further information regarding risks related to the Kingdom, please refer to Section 2.2 "**Risks Related to the Market, Sector and Regulatory Environment**" of this Prospectus). Therefore, if any of these risks were to occur, this would have a material negative impact on the Company's business, results of operations, financial position and prospects.

2.1.5 Risks Related to the Concentration of the Company's Revenue on Clients of Key Insurance Companies

In general, the private healthcare sector in the Kingdom depends on insurance companies; therefore, revenue from insurance patients is the main contributor to private healthcare sector revenues. Accordingly, the Company's revenues depend heavily on key insurance companies. The Company's revenues resulting from insurance patients amounted to approximately SAR 304.9 million, SAR 406.4 million, SAR 556.9 million and SAR 166.5 million, representing 37.8%, 43.1%, 45.6% and 48.2% of the Company's gross revenue in the years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. In particular, revenues from insurance patients are concentrated in 3 key insurance companies, which constituted 81.1% of the gross revenue from insurance patients as of 31 March 2024G. Total receivables from the three main insurance companies amounted to SAR 73.5 million, SAR 156.3 million, SAR 150.4 million and SAR 143.3 million in the years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 22%, 35%, 21% and 21% of total receivables for the same periods, respectively. The following table sets out the details of the revenues generated from the 3 key insurance companies and their percentage of the Company's revenues.

Table 2.1: Details of the Revenues Generated from the 3 Key Insurance Companies and their Percentage of the Company's Revenues:

SAR in 000s	2021G (Management)	2022G (Management)	2023G (Management)	Three-Month Period Ended 31 March 2023G (Management)	Three-Month Period Ended 31 March 2023G (Management)
Insurance Company 1	156,701	199,997	308,884	66,052	93,421
As a percentage of total revenue	19.4%	21.2%	25.3%	22.9%	27.1%
Insurance Company 2	77,281	114,546	121,338	35,960	32,421
As a percentage of total revenue	9.6%	12.1%	9.9%	12.4%	9.4%
Insurance Company 3	26,348	33,059	35,243	7,515	9,555
As a percentage of total revenue	3.3%	3.5%	2.9%	2.6%	2.8%
Others	44,644	58,838	91,228	18,295	31,082
As a percentage of total revenue	5.5%	6.2%	7.5%	6.3%	9.0%
Total insurance company revenue	**304,974**	**406,439**	**556,693**	**127,822**	**166,479**
As a percentage of total revenue	37.8%	43.1%	45.6%	44.2%	48.2%

Source: The Company

It is also worth noting that the Company has discount terms with Bupa Arabia, the Cooperative Insurance Company and Med Gulf to enable insurance companies to pay the majority of receivables in less than 30 days. It is worth noting that the discounts provided by the Company to encourage a larger number of insurance company patients or to encourage early payment of due amounts reached approximately 4.9%, 4.8%, 4.9% and 4.7% of the Company's total revenues in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Accordingly, the Company's revenues are concentrated in insurance companies, specifically key insurance companies, which may affect the working capital of the Company's healthcare facilities in the event the insurance companies refuse, delay or are unable to pay claims, or in the event that the Company deducts the amounts of claims related to medical services provided for insurance patients. This concentration of revenues may also affect the profitability of the Company's healthcare facilities if insurance companies negotiate a reduction in insurance coverage for their patient clients. If any of the above risks were to occur, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

Moreover, if any of the key insurance companies decides to terminate all or some of their contracts concluded with the Company, if they request to renew their contract with the Company on terms that are unfavorable to the Company, renegotiate a previously agreed-upon price or scope of coverage, or if the insurance company fails to implement its financial contractual obligations, or in the event claims submitted by the Company under the relevant agreement are rejected, this may lead to a decrease in the Company's revenues and/or the number of patients referred by key insurance companies to the Company's facilities, which would negatively affect the demand for the Company's services (for further information, please refer to Section 11.4.1 "**Agreements with Insurance Companies**" and Section 2.1.7 "**Risks Related to the Collection of Receivables**" of this Prospectus). This, in turn, would have a material negative impact on the Company's business, results of operations, financial position and prospects.

2.1.6 Risks Related to the Concentration of the Company's Revenue on Certain Clinics

The Company operates a specialist hospital that opened in 1996G and a rehabilitation hospital that opened in November 2023G. Both hospitals provide a variety of healthcare services across different clinics and departments. The Company's revenue is significantly concentrated on specific clinics. The revenue generated from the top 5 clinics amounted to SAR 331.3 million, SAR 394.7 million, SAR 505.3 million, and SAR 142.4 million for the years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 41.0%, 41.8%, 41.3%, and 41.2% of the Company's total revenue for the same periods, respectively. If the Company's operations in any of its top 5 clinics cease, whether partially or completely as a result of any operational factors that may hinder the conduct of its business in those clinics, or as a result of intense competition from other healthcare facilities, a decrease in the number of patients receiving treatment in those clinics, changes in the medical or nursing staff in those clinics, or a decline in the level of quality of services or the reputation of the healthcare services provided by the Company in those clinics, this will lead to a decrease in the Company's gross revenue, which will have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.7 Risks Related to the Collection of Receivables

The Company generated revenues from insurance patients of approximately SAR 305 million, SAR 406 million, SAR 557 million and SAR 166.5 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 37.8%, 43.1%, 45.6% and 48.2% of gross revenues in the same periods, respectively. In addition, the Company generated revenues from corporate patients of approximately SAR 264 million, SAR 308 million, SAR 451 million and SAR 119.9 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 33%, 33%, 37% and 35% of gross revenues in the same periods. In addition, the Company generated revenues from Ministry of Health patients of approximately SAR 127 million, SAR 117 million, SAR 98 million and SAR 30 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 16%, 12%, 8% and 8.7% of gross revenues in the same periods, respectively. These revenues are generated and recorded on a credit basis. On the other hand, the Company generated revenues from private patients who pay in cash of approximately SAR 111 million, SAR 112 million, SAR 116 million and SAR 28.7 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 14%, 12%, 10% and 8.3% of gross revenues for the same periods, respectively.

The Company's net receivables amounted to SAR 218.5 million, SAR 284.9 million, SAR 446.5 million and SAR 462.0 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, representing 14.1%, 15.6%, 19.4% and 19.7% of the Company's total assets for the same periods, respectively. The total receivables due to the Company before deducting rejected claims amounted to SAR 330.8 million, SAR 451.6 million, SAR 701.1 million and SAR 688.5 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G. Receivables due from insurance companies before deducting rejected claims amounted to SAR 100.5 million, SAR 193 million, SAR 214.4 million and SAR 236.8 million, representing 30.3%, 42.7%, 30.6% and 34.4% of the total receivables before deducting rejected claims for the same periods, respectively. The receivables due before deducting rejected claims from corporate clients amounted to SAR 39.9 million, SAR 66.4 million, SAR 245.7 million and SAR 236.7 million, representing approximately 12.1%, 14.7%, 35.0% and 34.4% of the total receivables before deducting rejected claims for the same periods, respectively. The receivables due from the Ministry of Health before deducting rejected claims amounted to SAR 190.3 million, SAR 192.2 million, SAR 241 million and SAR 215.0 million, representing 57.5%, 42.6%, 34.4% and 31.2% of the total receivables before deducting rejected claims for the same periods, respectively. Total receivables from the three main insurance companies before deducting rejected claims amounted to SAR 73.5 million, SAR 156.3 million, SAR 150.4 million and SAR 143.3 million in the years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 22%, 35%, 21% and 21% of total receivables before deducting rejected claims for the same periods, respectively. The following table sets out the aging of receivables for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G.

Table 2.2: Aging of Receivables for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

Million SAR	31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G
Less than 90 days	120.8	183.6	255.2	282.5
91 to 180 days	40.5	39.4	102.9	114.8
181 to 360 days	54.3	49.6	131.6	97.7
More than 360 days	115.2	178.9	211.3	193.6
Total receivables before deducting rejected claims	**330.8**	**451.6**	**701.1**	**688.5**
Rejected claims	(112.3)	(168.1)	(251.8)	(225.0)
Total	**218.5**	**283.5**	**449.3**	**463.5**
Less: Impairment losses	(2.9)	(2.8)	(6.7)	(5.4)
Total receivables	**215.5**	**280.7**	**442.6**	**458.1**
As a percentage of receivables before deducting rejected claims				
Rejected claims	34.0%	37.2%	35.9%	32.7%
As a percentage of receivables after deducting rejected claims				
Impairment losses	1.3%	1.0%	1.5%	1.2%

Source: The Company

Specifically, the Company's receivables before deducting rejected claims as of 31 March 2024G amounted to approximately SAR 689 million, of which SAR 193.5 million was due for over a year. These receivables before deducting rejected claims are mainly related to insurance companies (SAR 236.8 million), the Ministry of Health (SAR 215.0 million), the Company's largest corporate client (SAR 226.9 million) and other corporate clients (SAR 9.9 million). As of 31 March 2024G, rejected claims were SAR 225.0 million and the impairment loss provision was SAR 5.4 million (1.2% as a percentage of receivables after deducting rejected claims). Accordingly, the Company is exposed to the risk of default on receivables by insurance companies, corporate clients and the Ministry of Health. Moreover, the Company does not obtain any guarantees from its clients with respect to its receivables. The Company's performance, revenues and profits depend on the risks related to collecting receivables, the financial solvency of insurance companies, corporate clients and the Ministry of Health, the stability of their credit status, the Company's ability to collect its receivables from them on time and the adequacy of the provisions that the Company sets for receivables. In addition, the continued delay in collecting receivables due from the Company's clients, even if they have a high credit rating, may affect the financing of the Company's working capital and its future projects and will also affect its cash flows and profitability, which may affect its ability to fulfill its financial obligations to other parties, including employees, suppliers, contractors, banks and other financing institutions. This may also limit the Company's ability to achieve its future expansion plans or its ability to distribute dividends to Shareholders. If any of these factors were to occur, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.8 Risks Related to Discounts and Rejected Claims

The Company's reliance on deferred revenues based on its contracts or dealings may expose it to the risks of the refusal or delay of corporate clients and insurance companies in paying the value of claims submitted by the Company in exchange for medical services provided to corporate patients, refusal or delay in paying the value of claims filed by the Company in exchange for services provided to Ministry of Health patients, or the provision of discounts on the due amounts as a result (for further information regarding the risks related to the same, please refer to Section 2.1.37 "**Risks Related to the Company's Material Agreements**" of this Prospectus). Specifically, the amounts paid by insurance companies within the Kingdom and the Ministry of Health for health care services are subject to lengthy procedures that include review and audit, which generally vary from one insurer to another and are based on the insurance coverage available for each patient. Failure to comply with the procedures of any of these companies or the Ministry of Health may result in non-payment or a refund claim. Audit and review procedures related to the quality and price of services required by patients who have health insurance coverage or are eligible for a Ministry of Health referral, as well as payment procedures and associated requirements, are also subject to periodic review and change. Therefore, all or some of the claims submitted by the Company may be rejected as a result of non-compliance with the relevant procedures or for administrative or technical reasons, including the following:

- failure to complete the required documents or failure to submit them according to the contractual terms;
- rejection of the nature of the healthcare service provided to the patient;
- failure to resubmit claims after initial rejection; and
- delays in filing and submitting claims.

The discounts offered by the Company to stimulate the growth of the numbers of insurance patients or early payment of amounts due amounted to approximately 4.9%, 4.8%, 4.9% and 4.7% of the Company's gross revenues in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, while rates of rejected claims and recovered amounts increased from 8.2% of the Company's gross revenues in the financial year ended 31 December 2021G to 8.7% of the Company's gross revenues in the financial year ended 31 December 2022G, reaching 15.0% of the Company's gross revenues in the financial year ended 31 December 2023G. The rate of rejected claims also increased from 15% of the Company's total revenues in the three-month period ended 31 March 2023G to 15.0% of the Company's total revenues in the three-month period ended 31 March 2024G, primarily driven by changes in the terms of the agreement with one of its corporate clients in December 2022G. In general, the total discounts and rejected claims of the Company amounted to approximately SAR 106.0 million, SAR 127.3 million, SAR 243.0 million and SAR 68.1 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, representing 13.1%, 13.5%, 19.9% and 19.7% of the total revenues for the same periods, respectively. If the Company's claims are rejected in whole or in part, or if the discounts offered by the Company are increased, this would affect the Company's gross revenue, profitability, and financial position, which in turn would have a negative and material impact on the Company's business, results of operations, financial position, cash flows and prospects.

In addition, if the Company is subject to claim rejection, in whole or in part, by insurance companies, corporate clients or the Ministry of Health, this may affect the Company's revenues and profitability, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.9 Risks Related to Revenue Sharing Agreements with Physicians

As of the date of this Prospectus, the Company enters into revenue sharing agreements with 36 of its employed physicians, whereby the Company shares, under the agreement with each physician separately, a specific percentage of the Company's net revenues in addition to the monthly fee received by the physician after deducting the item of rejections and discounts, and the deduction of medical consumables, costs and the physician's monthly wage. The percentage of net revenues granted to the physician varies based on various factors related to the specialty, the type of medical procedure and the individual agreement with each physician. The average percentage that the Company pays from the net revenues based on this model represents 5% of the net revenues that the Company receives in the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G from patients visiting its clinics according to this model. As of the date of this Prospectus, the Company also shares the revenues of its clinics based on another model in which the Company pays, under the agreement with 71 physicians separately from the visiting physicians, a specific percentage of the Company's net revenues without a fixed monthly wage for the physician, after deducting the item of rejected claims and discounts and the deduction of medical consumables and costs. The percentage granted from the net revenues to the visiting physician varies based on various factors related to the specialty, the type of medical procedure, the physician's reputation and the individual agreement with the physician. The average percentage paid by the Company from the net revenues based on this model represents 20% of the net revenues that the Company receives in the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G from patients visiting its clinic according to this model of agreement with physicians. If the Company is unable to renew any of the agreements concluded with physicians on favorable terms or is unable to renew them at all, the Company may lose some of its patients who depend on these physicians. In addition, physicians may seek employment with competing healthcare providers. They may use the knowledge and experience they gained during their work in the Company's health facilities for the benefit of this competitor. Any such event will result in increased operating costs and/or loss of revenue, which will have a negative and material impact on the Company's business, results of operations, financial position and future prospects.

2.1.10 Risks Related to the Inability to Retain and Attract Patients

The Company's business growth and revenues depend on its ability to continue to retain existing patients and keep their trust, along with attracting new patients at affordable costs. Patients receiving treatment at the Company, as of the date of this Prospectus, include cash patients, insurance patients, corporate patients and Ministry of Health patients (for further information regarding the Company's clients, please refer to Section 4.6 "**Overview of the Company's Clients**" of this Prospectus). If the Company is unable to increase the number of its healthcare facilities or improve its services at an appropriate level or at all, it may not be able to attract more patients. The Company may not be able to retain existing patients if they are not satisfied with quality, staff availability and responsiveness, services provided or pricing. In particular, the success of the Company's business depends on its ability to continue to provide high-quality services as well as to anticipate and respond effectively to any changes in patients' needs and preferences. Patient needs and market trends in the healthcare sector are subject to rapid changes, as patients' acceptance of the Company's hospitals depends on the quality and safety of the products and equipment used by the Company, the competence of its medical and nursing staff, the pricing of its services, the Company's facilities, the effectiveness of diagnosis, the qualifications of healthcare practitioners, and its reputation and compliance with applicable regulations. Patients and their spending habits are also generally subject to change, amendment or decrease due to macroeconomic factors, developments and fluctuations, especially with respect to elective medical procedures (for further information regarding general economic conditions, please refer to Section 2.2.5 "**Risks Related to General Economic Conditions**" of this Prospectus). If the Company is unable to meet patients' needs and/or keep up with market trends, this will have a material negative impact on the Company's business, results of operations, financial position and prospects.

In addition, the Company continues to evaluate market opportunities in its efforts to retain existing patients or attract new patients. The Company may obtain and rely on information from sources that may be inaccurate, incorrect or require further verification. However, the Company may decide to explore or seize such opportunities within short periods for commercial considerations, depending on available or additional resources. As a result, if the Company fails to properly evaluate any market opportunity, miscalculates the costs related to such opportunity and/or fails to implement its efforts to retain existing patients or attract new patients, this would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

Furthermore, the Company may not be able to retain existing patients or attract new patients if it is unable to maintain its patient base or if the Company's brand or reputation are tarnished for any reason. The Company's failure to retain current patients or attract new patients will have a material negative impact on its business, results of operations, financial position and prospects. In addition, the Company may incur significant expenses which are deducted from its profit margins in order to attract patients from competitors, especially when the Company expands its operations and enters new geographic markets (for further information, please refer to Section 2.2.1

"**Risks Related to the Competitive Environment**" of this Prospectus), which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.11 Risks Related to the Establishment of New Healthcare Facilities and Healthcare Facilities Under Construction

The Company plans to open two new hospitals in Al Khobar and Al Hofuf and 5 primary healthcare centers in Al Ahsa, Al Khobar and Dammam (for further information regarding the Company's future projects, please refer to Section 4.8 "**Overview of the Company's Future Plans and Initiatives**" of this Prospectus). In order for the Company to be able to successfully expand the scope of its business, it must determine locations for its new healthcare facilities and provide them in accordance with its established criteria, such as taking into account population density and purchasing power, including the geographical location of the healthcare facilities, the extent of patients' demand for the healthcare facilities, the prominence of the location and ease of access, in addition to the presence of the infrastructure for healthcare facilities and the local community's health needs and requirements for healthcare facilities. The Company may face significant competition for locations for its healthcare facilities and may therefore be forced to pay excessive premiums and/or rental amounts to provide locations for its healthcare facilities, which would have a negative impact on the profitability of its healthcare facilities. Therefore, if the Company is unable to identify and provide suitable locations for its new healthcare facilities, the growth rate of its future revenues and profits will be negatively affected.

Once the Company has selected suitable locations for its new healthcare facilities, it may face other challenges related to equipping those buildings and constructing the healthcare facilities, including:

- obtaining the necessary permits and approvals from the competent authorities;
- negotiating appropriate terms with third-party developers and contractors for the construction of new healthcare facilities;
- delays in preparation (where third-party contractors are hired to equip buildings) or higher than expected costs (including for labor and materials), leading to increased burdens;
- disagreements with third-party developers and contractors;
- the availability and cost of financing;
- recruiting, training and retaining qualified employees;
- general economic and business conditions;
- natural disasters, unfavorable environmental conditions and accidents; and
- the ability to achieve the expected level of return on the capital invested in the Company's new healthcare facilities.

The occurrence of any of these risks could result in increased capital costs and decreased revenues. Furthermore, these new healthcare facilities may not be completed on time and within budget for a number of reasons, including lack of resources, equipment, foreign labor, unfavorable weather conditions, natural disasters, disputes with developers and contractors, accidents, changes in regulations, delays in obtaining the required permits and licenses or the inability to conclude contracts on favorable terms with reliable developers and contractors for the completion of various projects. In addition, in the event of any delay in establishing a new facility or inability to do so, or in the event of any of the risks described above, this would have a negative and material impact on the Company's growth strategy, which in turn would affect its business, financial position, results of operations and prospects.

As of 31 March 2024G, the Company's capital works in progress amounted to SAR 248.6 million and were mainly related to the following projects: (1) Al Moosa Rehabilitation Hospital (Al Ahsa) (which was opened in the fourth quarter of 2023G), (2) Al Moosa Specialist Hospital (Al Khobar) (in the design stage) (which is planned to be opened during the fourth quarter of 2028G); and (3) Al Moosa Specialist Hospital (Al Hofuf) (in the design stage) (which is planned to be opened during the fourth quarter of 2028G) (for further information, please refer to Section 4.8 "**Overview of the Company's Future Plans and Initiatives**" of this Prospectus). The Company's ability to finance its projects under development may be affected by operating cash flows or loans. If the Company finances its projects through debt financing, this may result in debt service obligations and costs, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects (for further details regarding risks related to financing and credit facilities, please refer Section 2.1.2 "**Risks Related to Financing and Credit Facilities**" of this Prospectus).

Furthermore, new healthcare facilities typically incur operating losses or achieve low profit margins in the initial operating period of one to 2 years, as it takes time to grow patient demand and generate relevant income. The Company's future operating results may be negatively affected by decreased profitability (or operating losses) related to the initial operating periods of any new healthcare facilities. In addition, if the performance of the Company's new healthcare facilities does not align with its initial expectations, the Company may not be able to achieve the required profit margins from these new facilities, which would have a material and negative impact on the Company's business, financial position, results of operations and prospects.

In addition to the aforementioned, the Company's current healthcare facilities require continuous renovation, expansion and improvement to remain attractive and maintain continuous patient demand. The demand for more innovative and advanced healthcare facilities is increasing, given the developments taking place in the healthcare sector in the Kingdom. Patients also pay great attention to healthcare facilities located in prime locations that are easily accessible and have parking and convenient sites for patient drop-off. However, the Company's existing healthcare facilities may not be able to be renovated in a way that meets the expectations of patients. In addition, the Company's existing healthcare facilities may not be able to compete effectively with other new, more diversified facilities, even if the Company implements the renovations described. In addition, the renovation of healthcare facilities may result in a partial or temporary decrease in the Company's revenues during the period in which those renovations are completed. If the costs of renovations, expansions, improvements and/or redevelopment of the Company's hospitals are higher than expected or if replacement works are required at these facilities before their estimated useful life, the Company may not be able to achieve its target revenues. Increases in costs may lead to a decrease in the Company's operating income, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.12 Risks Related to Real Estate

A. Real Estate Owned by the Company

The Company relies on owned properties to operate its healthcare facilities in the Kingdom. As of the date of this Prospectus, the Company owns 32 plots. The total number of its current healthcare facilities and healthcare facilities under development that rely on properties owned by the Company is 4 hospitals and one primary care center (for further information regarding the plots owned by the Company, please refer to Section 11.6 "**Real Estate**" of this Prospectus). There is no guarantee that the Company will not lose these plots either due to their expropriation for public benefit or for other reasons such as disputes related to property ownership. If any of the above occurs, this will have a material negative impact on the Company's business, results of operations, financial position and prospects. In particular, one of the Company's properties is mortgaged under a loan agreement concluded by the Company (for further details, please refer to Section 11.4.7 "**Financing Agreements**" of this Prospectus). The following table sets out the details of the Company's mortgaged real estate.

Table 2.3: Mortgaged Real Estate Owned by the Company

No.	Deed Number and Date	Property Owner	Mortgage Status	Value of the Facilities for which the Property is Mortgaged (SAR)	Book Value as of 31 March 2024G (SAR)	Ratio of Book Value to Total Assets as of 31 March 2024G
1.	319884000303 dated 12/05/1446H (corresponding to 14/11/2024G)	The Company	The property is mortgaged in favor of the Ministry of Finance(1)	42,646,000	0	0%
Total				**42,646,000**	**0**	**0%**

(1) This property is mortgaged in favor of the Ministry of Finance under the Financing Agreement with Saudi Awwal Bank. For further information, please refer to Section 11.4.7(A) "**Loan Agreement with the Ministry of Finance**" of this Prospectus.

Source: The Company

Accordingly, if the Company fails to pay the amounts due under the loan agreement with the Ministry of Finance, this may lead to the execution of mortgage deeds on the Company's property, which would lead to the loss of that Company plot, which in turn may hinder the Company's business or cause the Company to incur additional costs in searching for an alternative to that property, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects (for further details regarding risks related to financing and credit facilities, please refer to Section 2.1.2 "**Risks Related to Financing and Credit Facilities**" of this Prospectus).

Property ownership is also subject to risks related to disputes over ownership, especially if the in-kind registration of the property has not been carried out in accordance with the Law of Real Estate Registration. In-kind realty registration provides protection for registered real estate, and in general, the deeds may not be revoked after their registration, which enables the property owner, including the Company, to prove their ownership of all the properties owned by them in a conclusive and absolute manner. Property owners must register properties at the Real Estate Registry in accordance with the registration period set by the Real Estate General Authority, which varies by region and district. The Real Estate Registry is not effective in the Eastern Province as of the date of this Prospectus. If it becomes effective and the Company does not register its properties in the Real Estate Registry, legal disputes may arise regarding those unregistered properties, and difficulties may ensue in fulfilling the necessary requirements for their registration, which may affect the Company's ability to register those properties within the specified period. Failure to register properties in the Real Estate Registry restricts the property owner's ability to dispose of the concerned property, as the property is deemed pending until registration, and the property owner may be subject to fines for late registration according to the periods specified by the Real Estate General Authority, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

B. Real Estate Leased by the Company

The Company entered into 44 lease contracts for housing of its employees, two lease contracts for medical centers and a lease contract for a warehouse as a lessee and 10 lease contracts as a lessor, as it leased some of its properties for use as restaurants by other parties (for further information regarding the lease contracts concluded by the Company, please refer to Section 11.6 "**Real Estate**" of this Prospectus). The Company's total rent as a lessee is approximately SAR 12.5 million, representing 1.9% of the Company's total cost of revenue as of 31 March 2024G. The provisions of the Company's lease contracts generally include specific terms ranging from 6 months to 25 years and generally include automatic renewal mechanisms or are renewed pursuant to the conclusion of new agreements. If the lessors impose any rent increases on the Company upon renewal, this will lead to the Company incurring additional unexpected liabilities, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects. The Company may not be able to renew all its lease contracts, or they may be renewed on different terms and conditions that may not be consistent with the Company's strategic plan and objectives. If the Company decides to vacate any of its leased locations due to the expiration or non-renewal of the lease contracts as per their terms, or due to the renewal terms being inconsistent with the Company's plans, this will result in it incurring additional costs when moving to a new location, including increased rent and/or costs related to renovations necessary for the new location. In the event the Company relocates to a new location temporarily, it may lose revenues that would have been generated by any of its related healthcare facilities had it not relocated. Therefore, any costs associated with the relocation and any temporary loss of revenues will have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.1.13 Risks Related to Technical Progress in the Medical Sector

The healthcare sector has witnessed rapid technological developments. In order to keep pace with such developments, the Company must continue to evaluate the extent of its need for technical and medical devices and equipment in its facilities and must constantly evaluate the extent of its need to update its devices and equipment to maintain its advantages and competitive position. Due to the high capital costs of devices and equipment, the Company must set a budget for spending, given the large cost associated with investing in new equipment and modern technologies and the extent to which the Company's facilities require this new equipment to provide services for patients in line with the latest developments in medical technologies. If the Company fails to update its devices and equipment, it may lose patients to competitors who may invest in medical technologies that are more advanced than those offered by the Company.

Furthermore, technical advancements may lead to the development of more cost-effective screening and investigative tests that can be performed outside healthcare facilities, such as tests that can be performed by physicians within clinics or home tests that can be performed by patients or other non-medical professionals. Manufacturers of laboratory equipment and testing tools may seek to increase their sales by marketing test kits to physicians that can be used directly by physicians or patients. These advancements and technologies may lead to the departure of healthcare practitioners and administrative staff from the Company to work at its competitors, and patients may prefer competitors that use the latest technologies. On the other hand, if the Company invests in equipment beyond its needs, it will incur additional costs related to the obsolescence and maintenance of these assets. If any of the aforementioned risks occur, they would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.1.14 Risks Related to the Breakdown and Deterioration of Medical Equipment and Tools

Physicians and healthcare practitioners in the Company's hospitals continuously use medical equipment, tools and devices for the purpose of providing necessary healthcare services to patients. It is necessary for healthcare facilities to perform the required periodic and preventive maintenance on these devices and equipment to ensure their safety, longevity and proper condition. In addition, the Company must upgrade these devices and equipment and/or replace them in line with new trends in the market and replace any damaged or malfunctioning devices, which may require investing additional amounts, which in turn may affect the Company's business and financial position. If the Company upgrades or replaces its devices and equipment, it will have to train healthcare practitioners and employees operating those devices and equipment on the proper use thereof in a safe and effective manner to avoid any malfunctions and ensure their long useful lives. However, medical devices, equipment and tools are generally susceptible to damage from prolonged and/or inappropriate use and any failure in their effectiveness may result in such devices, equipment and tools providing inadequate, incomplete and/or inaccurate results. This could lead to misdiagnosis or transmission of diseases between patients due to unsafe use. Therefore, the occurrence of any of these factors may expose the Company to claims for compensation or result in revocation of its licenses, which would affect the reputation of the Company's brand, which in turn would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.15 Risks Related to the Difficulty of Recruiting and Retaining Qualified Healthcare Practitioners and Administrative Staff

The Company's business and activities in various healthcare facilities depend on the performance and experience of healthcare practitioners and qualified administrative staff. The Company also relies on a number of factors in providing excellent and distinguished healthcare services to patients, including, but not limited to, the ability to conclude exclusive agreements with healthcare practitioners who provide medical services in the Company's hospitals, in addition to its reputation, technical capabilities, experience, communication skills and ability to establish close relationships with patients. However, the Company faces difficulties in recruiting qualified employees due to the limited availability of qualified healthcare practitioners and administrative staff in the Kingdom. Furthermore, the Company competes with other healthcare providers within the Kingdom to recruit and retain qualified healthcare practitioners and administrative staff. There are also other factors that healthcare practitioners and administrative staff may consider important when making their decision to work in private healthcare facilities, which include their salaries, allowances, working hours, the quality of devices, equipment and healthcare facilities, the competence of the nursing and administrative staff, the volume and variety of services provided by the healthcare facility, the work environment and the reputation of the healthcare facility. If the Company is unable to compete with other medical facilities in providing these attractive factors for healthcare practitioners and administrative staff, this may result in the Company's inability to recruit new employees in its medical facilities or retain current employees. In addition, the occurrence of any political factors in countries neighboring the Kingdom or region or in the regions where the Company conducts its business may affect the desire of foreign healthcare practitioners and administrative staff to remain in the regions where the Company operates. The occurrence of any such situation would have a material negative impact on the Company's business, results of operations, financial position and prospects.

Due to the difficulty in recruiting healthcare practitioners and administrative staff, the Company is forced to offer salaries higher than those paid in other countries or by other competitors, which will negatively impact the Company's profit margins. In addition, there are a number of regulatory requirements that must be considered and met with respect to the recruitment process, which can be costly and lengthy in nature. These requirements include, but are not limited to, the issuance of employment visas, compliance with policies, regulations and Saudization rates issued by the MHRSD (for further information regarding Saudization, please refer to Section 4.15.1 "**Saudization and Nitaqat**" of this Prospectus), the registration and classification of healthcare practitioners by the Saudi Commission for Health Specialties, the issuance of professional licenses to healthcare practitioners by the relevant regulatory bodies, or the completion of periodic training imposed by the Saudi Commission for Health Specialties and other relevant regulatory bodies. If the Company is unable to meet these requirements, this may limit its ability to recruit and retain qualified practitioners and administrative staff. Therefore, the Company may not be able to appoint qualified healthcare practitioners or administrative staff, or they may not obtain the same classification level under which they were appointed from the Saudi Commission for Health Specialties. Therefore, the Company may be unable to perform its business as required or it may not be able to provide high-quality medical services, which would have a material and negative impact on the Company's reputation, business, financial position, results of operations and prospects.

In addition, the Company may have to focus and double its efforts and incur additional or unexpected expenses to recruit and retain qualified healthcare practitioners and administrative staff, as they may receive job offers from other competitors from within the Kingdom or abroad. If any of the risks described above were to occur, this would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.1.16 Risks Related to Protection of the Company's Trademarks and Intellectual Property Rights

The Company relies heavily on its trademarks and intellectual property rights to conduct its operations, preserve its reputation and maintain the quality of its business. The Company has registered one trademark in the Kingdom and an artistic work with respect its strategy map in the Kingdom (for further information regarding the Company's intellectual property rights, please refer to Section 11.7 "**Intangible Assets**" of this Prospectus). The Company's success and competitiveness depend on its ability to protect the intellectual property of its trademarks and other intellectual property rights. If the Company is unable to maintain or renew the registration of intellectual property rights or if it fails to protect such rights, this would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

Moreover, the Company may from time to time have to renew its trademark registration or file a claim to protect its rights to trademarks and other intellectual property. Third parties may also prove that the Company has infringed on or otherwise violated their intellectual property rights, which may result in lawsuits being filed against it. The results of lawsuits filed by the Company to enforce its intellectual property rights are not guaranteed. Moreover, such lawsuits could cause it to incur significant costs, thus requiring it to utilize significant financial resources in order to cover the expenses of the relevant lawsuits. This may adversely affect the Company's income and profitability, regardless of the Company's ability to successfully enforce or defend its intellectual property rights. The occurrence of any of the aforementioned factors would have a material adverse effect on the Company's business, financial position, results of operations and prospects. The Company's reputation may also be affected if third parties use its trademarks in a manner that is not consistent with the Company's vision and aspirations, which may lead to lower levels of demand for its services or negatively impact its ability to attract new patients and/or retain existing patients. This in turn would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.17 Risks Related to Reliance on Senior Executives and Key Employees

In order for the Company to succeed in its business, it must attract, recruit, develop, motivate and retain a team of qualified Senior Executives (for further information regarding the Company's Senior Executives, please refer to Section 5.5.2 "**Members of the Executive Management**" and Section 4.15.2 "**Talent Acquisition and Retention**" of this Prospectus). Discontinuity in the service of the Company's Senior Executives and other key employees will have an impact on the Company's results of operations and future performance. Given the intense competition for senior executives and key employees in the healthcare sector, the Company may not be able to retain Senior Executives and key employees or attract and retain new employees in the future. The Company's competitors may attempt to attract its Senior Executives or other key employees and may succeed in doing so. Therefore, the Company may not be able to enforce the non-competition clauses in its employment agreements with these employees. In the event the Company loses its Senior Executives or key employees, or if it is unable to appoint new qualified employees with the required experience for reasonable remuneration, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

Loss of the services of any of the Company's Senior Executives or key employees may obstruct or delay the implementation and achievement of its strategic objectives, divert Management's attention to searching for certain qualified alternatives or negatively affect its ability to manage its business effectively. In addition, the Company may need to invest significant financial and human resources to solicit and retain new employees and may not receive returns on these investments. Moreover, any of the Senior Executives or key employees may resign at any time. If the Company is unable to appoint and retain senior executives and key employees with high levels of skill in the relevant fields, this would have a material negative impact on the Company's business, results of operations, financial position and prospects.

2.1.18 Risks Related to Medical Malpractice and Errors

Due to the nature of the Company's business, it is exposed to the risks of medical errors committed by its physicians or healthcare practitioners or medical errors resulting from the Company's failure to provide healthcare practitioners with the necessary medical facilities and equipment as stipulated in the Law of Private Health Institutions issued pursuant to Royal Decree No. M/40, dated 04/11/1423H (corresponding to 07/01/2003G), as amended, and the Implementing Regulations thereof issued pursuant to Ministerial Resolution No. 1019377, dated 28/05/1439H (corresponding to 14/02/2018G), as amended (referred to hereinafter as the "Law of Private Health Institutions and its Implementing Regulations"). Claims or lawsuits may be filed against the Company which may involve demands for large amounts due to various reasons, resulting in the Company incurring significant legal costs. It should be noted that the Company was a party to 6 cases related to medical errors during the financial years ended 31 December 2021G, 2022G and 2023G. However, the Company did not incur any amounts as a party in any case related to medical practices, as a judgment was issued in favor of the Company dismissing the medical error claim in (5) out of (6) medical error cases, while there is still one case valued at SAR 20,000 outstanding as of the date of this Prospectus, where the Company filed a lawsuit demanding the cancellation of the decision of the committee reviewing the Law of Private Health Institutions before the Board of Grievances fining the Company SAR 20,000 (for further information, please refer to Section 11.9 "**Lawsuits and Claims**" of this Prospectus). It is possible that errors of this nature may occur in the future. Although the Company provides malpractice insurance covering all of its physicians and healthcare practitioners, it may not be sufficient to cover malpractice claims or lawsuits against the Company. In addition, the Company may not be able to obtain compensation from the relevant insurance companies for the costs of lawsuits, claims, fines and compensation judgments issued by competent courts in the event the insurance coverage obtained by the Company does not cover the full amounts or costs that the Company is obligated to pay to affected patients or claimants, or in the event that the terms, conditions and requirements stipulated in the relevant insurance policies are not met. In addition, the Law of Practicing Healthcare Professions issued pursuant to Royal Decree No. M/59, dated 04/11/1426H (corresponding to 06/12/2005G) (referred to hereinafter as the "Law of Practicing Healthcare Professions") stipulates that it is the responsibility of healthcare facilities to ensure payment of the due compensation as a result of any final judgment issued against their employees. It is possible that the Company will incur expenses and/or be exposed to claims to pay compensation in the event that there is no insurance coverage, in the event of exceptions to the current insurance coverage, insufficient insurance coverage with respect to the amounts due to the affected persons, or if it is not possible to insure against the relevant risks that led to an accident or loss.

2.1.19 Risks Related to Infectious Diseases and Infection Control

The medical services provided by the Company include treating patients suffering from various seasonal, bacterial and viral infectious diseases. Therefore, individuals may become infected with these infectious diseases while living, working in or visiting the Company's healthcare facilities, and they may claim compensation from the Company as a result. The Company's reputation may also be affected as a result of reports of the spread of infectious diseases in one of its healthcare facilities, whether through word of mouth, social media or televised or printed media. Furthermore, these infectious diseases may infect physicians, healthcare practitioners, employees or administrative staff, which will restrict the Company's ability to provide treatment and services to patients through its medical team. It is also possible that any of the aforementioned factors may lead to the imposition of restrictions on the Company's healthcare facilities, such as quarantine or partial closure of the Company's healthcare facilities for sterilization and/or the imposition of regulatory restrictions or other penalties, including the revocation of licenses or permits issued to the Company's facilities in the event of non-compliance with applicable laws and regulations in relation thereto. If any of the aforementioned risk factors were to occur, this would lead to a decline or disruption in the Company's operations, which in turn would have a material impact on the Company's business, results of operations, financial position and prospects.

2.1.20 Risks Related to Exclusive Rights in the Pharmaceutical and Medical Products Market

Medical and pharmaceutical products and equipment are distributed and traded in the markets in which the Company operates through distributors and suppliers appointed by the manufacturers, sometimes based on exclusive relationships. Such relationships established between both distributors and suppliers and manufacturers often prevent distributors or suppliers from negotiating when selling medical and pharmaceutical products and equipment, which may lead to the inability of private healthcare facilities to negotiate better prices. If the Company is unable to negotiate with exclusive distributors and suppliers of medical and pharmaceutical products and equipment or is unable to negotiate at all to obtain competitive prices, or if such distributors or suppliers increase the prices of their products and there are no alternative products on the market, the Company may be forced to pay higher prices for such products. If any of the factors described above were to occur, this would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.1.21 Risks Related to the Disposal and Treatment of Medical Waste

The nature of the Company's operations requires the disposal of regulated medical waste (RMW), hazardous waste and biohazardous waste, including chemicals, biological agents and compounds, blood samples and other tissues. The Company is continuously subject to the laws and regulations that govern the use of these hazardous substances and other specified waste products, as well as the method of their storage, handling and disposal, including medical waste and the leakage of prohibited substances into the sewage network, such as the GCC Uniform Law for Medical Waste Management issued pursuant to Royal Decree No. M/53, dated 16/09/1426H (corresponding to 19/10/2005G) and the Water Law issued pursuant to Royal Decree No. M/159, dated 11/11/1441H (corresponding to 02/07/2020G) and its Implementing Regulations. Although the Company usually uses licensed and qualified third parties in accordance with the applicable laws and regulations to dispose of such waste, it may be subject to liabilities under the applicable laws and regulations for damages and fines if any of its operations result in environmental pollution or personal injury due to exposure to hazardous substances. The Company cannot avoid the risk of contamination or injury, and there is no guarantee that third-party contractors will adequately or correctly comply with regulatory standards and procedures related to healthcare waste management and treatment, which may expose the Company to liability and penalties for violating relevant regulations that surpass its resources or any valid insurance coverage it has. The cost of providing such insurance coverage and complying with such laws and regulations may increase in the future and failure to comply with the applicable laws could result in significant costs and other business consequences as well as affect the Company's reputation, which would have a material and negative impact on the Company's business, financial position, results of operations and prospects.

2.1.22 Risks Related to Reliance on Third-Party Suppliers and Service Providers

The Company relies on approved suppliers to supply the Company's health facilities with medical equipment and devices. The Company secures its requirements from suppliers based on short-term purchase orders as needed. The Company has also concluded 16 long-term supply agreements with its suppliers for pharmaceuticals and consumables. The term of the supply agreements ranges from 3 to 5 years and such agreements generally provide for automatic renewal. The process through which the Company will issue its purchase orders are typically outlined under the relevant agreements (for further information regarding the supply agreements concluded by the Company, please refer to Section 11.4.3 "**Supply Agreements**" and Section 4.7 "**Overview of the Company's Suppliers**" of this Prospectus). The Company's purchases from its top five suppliers amounted to approximately SAR 43.7 million, SAR 43.5 million, SAR 58.6 million and SAR 20.25 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing approximately 24%, 21.7%, 24.5% and 24.7% of the Company's total purchases in the same periods, respectively. Total purchases based on long-term agreements with the Company's suppliers amounted to SAR 61.6 million, SAR 50.2 million, SAR 74.5 million and SAR 18.5 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 36%, 20%, 33% and 26% of the Company's total purchases. The Company may not be able to maintain long-term relationships with its key suppliers and manufacturers or maintain these relationships on favorable terms. Certain supply agreements may also stipulate minimum purchase requirements. If the Company is unable to comply with these requirements, the supplier may exercise its right to terminate the respective agreement. If the Company is unable to maintain or renew its relationships with key suppliers on favorable terms, or if key suppliers terminate their supply agreements with the Company or modify their terms in a way that is unfavorable to the Company, the Company will not be able to use and supply the products provided by such suppliers at the Company's healthcare facilities at all, or it will be forced to obtain them at a high cost, in smaller quantities or on unfavorable terms, which would affect the Company's reputation with patients and/or its cost of revenues. This would in turn have a negative and material impact on the Company's business, results of operations, financial position and prospects.

Furthermore, the Company also relies on third-party service providers for certain aspects of its operations, such as cleaning, security, medical waste disposal, pest control and maintenance of certain medical equipment. The total transactions concluded with external service providers amounted to approximately SAR 11.74 million, SAR 15.1 million, SAR 15.0 million and SAR 3.7 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing approximately 1.7%, 1.9%, 1.5% and 1.3% of the Company's total revenues in the same periods, respectively. Third-party service providers may not always provide services that meet the Company's standards or perform their contractual obligations as required. On the other hand, contracts with third-party service providers may be terminated or expire without being renewed, and the Company may not be able to negotiate favorable terms with other third-party service providers. If a third-party service provider ceases its business without being replaced in a timely manner and at reasonable prices, this would affect the quality of medical services provided by the Company or its operations. In such case, this would have a material negative impact on the Company's business, results of operations, financial position and prospects.

In addition, the Company may not be able to directly guarantee the efficiency of suppliers and service providers, the quality of their services, or their adherence to deadlines when implementing supply or service contracts due to any shortages or failures in their factories or due to any other conditions that may cause disruptions or delays in the delivery of products or services requested by the Company's hospitals. The Company may be indirectly liable if such suppliers and service providers are unable to successfully perform their contractual obligations and provide products or services within the specified time frames and in accordance with agreed standards. If the Company is unable to recover losses (in whole or in part) as a result of any default by suppliers or service providers, it will have to bear these losses. The occurrence of any of the above may also result in a negative impact on the Company's reputation and patients' confidence in the services it provides, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

In addition, the Company may not be able to directly guarantee the efficiency of suppliers and service providers, the quality of their services, or their adherence to deadlines when implementing supply or service contracts due to any shortages or failures in their factories or due to any other conditions that may cause disruptions or delays in the delivery of products or services requested by the Company's hospitals. The Company may be indirectly liable if such suppliers and service providers are unable to successfully perform their contractual obligations and provide

products or services within the specified time frames and in accordance with agreed standards. If the Company is unable to recover losses (in whole or in part) as a result of any default by suppliers or service providers, it may have to bear these losses, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.23 Risks Related to Dependence on Imported Products

Based on the Company's activities in the healthcare sector, the Company relies on local agents and suppliers who import medical products and equipment from outside the Kingdom. As a result, the import of these products depends on the efficiency of the relevant supply chains, including the availability of international shipping lanes, the predictability of supply and demand, natural disasters, epidemics and the general macroeconomic climate. Any interruption in the international supply chains of the Company's products would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

In addition, as it purchases imported products in foreign currencies, the Company is also exposed to risks related to changes in foreign exchange rates. Changes in foreign exchange rates may occur as a result of policy changes, such as the floating or fixing of exchange rates by competent authorities or general supply and demand economics (for further information, please refer to Section 2.2.10 "**Risks Related to Foreign Currencies and Exchange Rates**" of this Prospectus). Any changes in foreign exchange rates may affect the exchange rates of currencies that the Company uses in its business against the Saudi Riyal, which may have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.24 Risks Related to Joint Ventures and Future Acquisitions

In the future, the Company may select and evaluate new growth opportunities through joint ventures or acquisitions. From time to time, the Company may decide to acquire new businesses and other services, products and assets or enter into joint ventures, depending on the strategic fit and financial condition. This may involve various risks, including the Company's failure to accurately assess the value, benefits and risks of acquisitions or joint ventures, effectively integrate the acquired business or assets with its existing business, achieve expected synergies or recover the costs of purchasing the acquired business or assets. The Company may also incur unexpected costs, liabilities and losses in connection with any business or asset it acquires or holds shares in, including risks related to the retention of key employees or potential regulatory liabilities (such as contractual, financial, regulatory, environmental or other obligations and liabilities) in addition to risks related to the business acquired or entered into, along with maintaining and integrating procedures, controls and quality standards. These difficulties could affect the Company's current business, lead to the distraction of its Management and employees and increase its expenses, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.25 Risks Related to the Company's Failure to Implement its Strategy Successfully, on Time, or at All

The Company's future performance depends on its ability to implement its growth plans and strategies, which include opening two new hospitals in Al Khobar and Al Hofuf and 5 primary healthcare centers in Al Ahsa, Al Khobar and Dammam (for further information regarding the Company's strategy, please refer to Section 4.8 "**Overview of the Company's Future Plans and Initiatives**" of this Prospectus). The Company requires significant resources to achieve its strategy, which may not be successful or beneficial to achieving the Company's goals. Furthermore, the Company's ability to increase its revenues and improve its profitability depends on the successful realization of its strategy in an effective and timely manner. When implementing its strategy, the Company must take into account a number of factors, some of which are outside its control, including, but not limited to, factors related to competition with current or potential competitors, the ability to maintain its competitive position, the suitability of economic conditions to the Company's expansion plans, obtaining the required regulatory approvals and licenses, its ability to negotiate and reach favorable terms with suppliers, the success of its marketing campaigns and its ability to monitor operations, reduce costs and monitor quality levels.

The Company's available resources, including employees, systems, infrastructure and financing, may not be sufficient to support growth and expansion in the future. To be able to grow effectively, the Company must continually improve and develop its systems, procedures and control capabilities, in addition to attracting, training and retaining specialized operating personnel. The Company may not be able to respond in a timely manner to demands arising from its planned growth and strategy that the Executive Management must meet and provide within the Company's existing infrastructure, or the Company may be unable to hire or retain the necessary administrative and operating personnel. Furthermore, the Company may have insufficient operational experience in the business it intends to expand, which may expose it to increased commercial, technical and economic risks and affect its financial results. In addition, the Company may not be able to obtain sufficient financing to support any growth or expansion plans that it intends to undertake, which would affect its productivity and development, and thus the Company's financial performance. In the event of a decline in its financial performance, the Company may reduce the number of healthcare facilities that will be opened, cease operation of certain healthcare facilities, limit the growth of its network or decide to close healthcare facilities that it cannot operate profitably.

If the Company fails to implement its strategy or manage its growth strategy in an effective and timely manner for any reason, or in the event any of the factors described above were to occur, this would have negative and material effects on the Company's business, results of operations, financial position and prospects.

2.1.26 Risks Related to Advertising, Marketing and Publicity

Public awareness of the brand is extremely important to the Company's continued growth and financial success. The Company's revenues are greatly influenced by the marketing and advertising of its services as well as the marketing and advertising efforts of its competitors. Consequently, the Company incurs significant costs in its marketing activities, with the Company's marketing and advertising expenses representing 1% of its revenues in the financial years ended 31 December 2021G, 2022G and 2023G and for the three-month period ended 31 March 2024G. However, these initiatives may not succeed in increasing revenue or enhancing brand awareness. In addition, many current or future competitors may surpass the Company in size or financial, marketing and other resources, or they may devote greater resources to marketing and selling their services, gain international brand recognition or adopt stronger pricing strategies compared to the Company. If the Company's initiatives, marketing and advertising programs are less effective than those of its competitors, this would have a negative and material impact on its business, results of operations, financial position and prospects.

In addition, marketing and advertising campaigns and licenses related to such campaigns are subject to directives issued by the Ministries of Health and Commerce. If the Company launches marketing or advertising campaigns that violate the directives of the competent authorities, or if there are any errors that lead to such violations, the Company may be exposed to penalties that include financial fines and censure, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.27 Risks Related to the Company's Reputation

The Company's success depends on its reputation in the market, and this reputation may be greatly impacted by various reasons, such as medical errors, the low quality of its services, disputes with patients or physicians, deficiencies in internal control or negative publicity relating to the Company's healthcare facilities with respect to the quality of the products and equipment the Company uses or the safety thereof, or exposure to penalties as a result of non-compliance with the applicable laws. Likewise, the Company's reputation may also be impacted by the actions or statements of current or former patients, employees, competitors, suppliers, adversaries or the media. Any negative information or data regarding the Company would have a material negative impact on its business, even if it is based on rumors or misunderstandings. Damage to the Company's reputation may be significant, costly and require a long time to remedy, which may affect the preference of potential or current patients for the Company and lead to their refusal to obtain the Company's services, which would lead to the loss of Company patients and thus have a material negative impact on its business. Damage to the Company's reputation may also lead to a reduction in the value and effectiveness of the Company's brand and reduced attractiveness of the Company's healthcare facilities. Reputational damage may also affect the confidence of patients, doctors and investors in the Company, which would have a negative and material impact on its business, results of operations, financial position and prospects.

In addition, the Company's reputation depends on its ability to maintain the quality of its services, which is essential for the Company to be able to retain existing patients and attract new patients. The quality of healthcare services depends on several factors, including, but not limited to, the effectiveness of diagnosis and treatment, the experience and competence of practitioners, the ease of access to its healthcare facilities, the modernity of its medical and technical devices, machines, equipment, healthcare facility infrastructure and treatment methods, patient waiting times, the provision of healthcare services in a manner consistent with professional regulations, standards and protocols, as well as documenting and billing healthcare services in accordance with applicable regulations. Therefore, if the Company fails to observe or maintain quality healthcare services provided to patients, this would have a material negative impact on its brand and reputation. The Company's failure to provide high-quality medical services may expose it to negative publicity, which may impact its reputation and lead to a decrease in patients' demand for its facilities or their reluctance to be treated at such facilities. In certain cases, the Company's facilities may be exposed to claims. If the Company is unable to maintain the quality of healthcare services provided to patients, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.28 Risks Related to the Quality of Health Services

The quality of healthcare services provided by the Company depends on several factors, including, but not limited to, the effectiveness of diagnosis, the effectiveness of treatment, the experience of health workers, ease of access to health workers, the availability of modern and advanced medical equipment, the condition of health care facilities, the way employees interact with patients, minimized waiting times, compliance with regulations and professional protocols, accurate documentation and invoicing of healthcare services and reduced need of patients for repeat visits. As such, the Company's inability to provide high-quality health services will have a material adverse effect on the Company's reputation and its ability to continue operating within the health sector. The Company's inability to provide excellent health services may expose it to negative publicity, which may harm its reputation and lead to a decrease in patient demand at the Company's health facilities or, in certain cases, may expose the Company to lawsuits. Patients may also refrain from using the medical services provided by the Company if it is unable to maintain the quality of its services, and thus resort to other companies in order to benefit from their services. This would in turn have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.29 Risks Related to the Company's Exposure to Operational Risks and Unforeseen Obstacles

The Company's success depends largely on the continuity of all of its business operations. However, the Company may be exposed to a number of risks related to its operations, including power outages, failure of medical equipment and devices or information systems, the occurrence of criminal acts, fires or any other risks that may arise in the future which affect the Company's operations partially or completely. The occurrence of any such risks may lead to major disruptions in the operations of the Company, hinder its ability to fulfill its obligations and result in additional obligations. The occurrence of any of these risks would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.30 Risks Related to IT Infrastructure and Systems

The Company's ability to attract and retain patients, accurately monitor its operations and costs, monitor its transactions at its healthcare facilities and compete effectively depends on the development and reliability of its information technology systems and the availability of cloud services.

External and internal risks, such as malware, bugs, attempts to hack the Company's systems, the unavailability of required updates or revisions, data leakage and human error pose a direct threat to the Company's services and data. The Company's systems may also be subject to interruption due to unexpected force majeure events or power outages. The Company's business may be negatively affected if the confidentiality, integrity or availability of the Company's data and personal information is compromised as a result of data loss by the Company or a trusted third party. In addition, the cost and operational consequences may be significant in connection with implementing further upgrades to the Company's IT systems and networks, data protection measures or systems, whether due to expansion, upgrades, new technologies, enactment of new laws and regulations, or otherwise (for further information regarding risks related to data protection, please refer to Section 2.1.31 "**Risks Related to Data Protection and Cyberattacks**" of this Prospectus).

In the event of any disruption to the Company's internet systems, IT systems and/or technology infrastructure, including disruptions affecting the Company's computer systems and website, or if any of the risks described above were to occur, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

On the other hand, software providers have recently increased the level of control over clients' use of their software to ensure compliance with license terms, client payment of software user fees, and matching of these fees to the number of users. Therefore, if the Company obtains fewer software licenses than the number of actual users or fails to comply with the terms and conditions of its licensed software in the future, it may be subject to claims by providers of such software, which may result in the Company's incurring additional costs to rectify its position, which in turn would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.31 Risks Related to Data Protection and Cyberattacks

The Company collects personal and other data from patients and processes it through its systems at its healthcare facilities. The Company uses this information in order to provide services to its patients, including maintaining medical records, scheduling and confirming appointments, providing client support and recommending services through its marketing and advertising channels. As a result, the Company must comply with applicable local laws and regulations, such as data protection and cybersecurity requirements in the Kingdom, including the Personal

Data Protection Law issued by Royal Decree No. M/19, dated 09/02/1443H (corresponding to 16/09/2021G), as amended, which entered into force on 29/02/1445H (corresponding to 14/09/2023G), noting that the Law grants, in general, establishments a period extending to 10/03/1446H (corresponding to 13/09/2024G) to rectify their status in order to comply with its provisions. The provisions of the Personal Data Protection Law apply to any processing of personal data belonging to any citizen or resident in the Kingdom via all means. The Personal Data Protection Law also includes a number of requirements to protect the rights of data owners that the Company must implement. If the implementation of the Personal Data Protection Law and its Implementing Regulations has a significant impact on the Company, such that the Company is required to make changes to its operations in order to comply with the regulatory requirements or is forced to incur additional costs for the purpose of completing the procedures required to ensure its compliance with the Law (for further information regarding the Company's cybersecurity systems, please refer to Section 4.12 "**Cybersecurity and Data Protection**" of this Prospectus), this would have a material negative impact on the Company's business, results of operations, financial position and prospects. Failure to comply with any applicable laws, regulations and directives, including the Personal Data Protection Law, may result in the imposition of regulatory penalties on the Company. If the Company is unable to assess the extent of the impact of the application of any of the laws, regulations, directives or amendments thereto on its operations and they have a significant impact on the Company, including by necessitating changes to the Company's operations in order to abide by regulatory requirements or the incurrence of additional costs in order to complete the procedures required to ensure its compliance with the Law, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

Furthermore, the Company is exposed to cyberattacks targeting its systems, data and security through, for example, computer viruses, hacking attacks and data theft. These attacks may result in the interruption, suspension or shut-down of the Company's systems, which may result in the loss of important data or the unauthorized release, leakage or use of patient personal data or other confidential information. Moreover, the Company may incur high costs and expenses to implement appropriate preventive measures to protect its systems from such cyberattacks. If the Company becomes vulnerable to cyberattacks that lead to the publication of personal data of patients and other parties, the Company's clients may lose confidence in the Company and may reduce their visits to the Company's hospitals or not visit them at all. In addition, these cyberattacks may have an impact on the Company's ability to attract new clients. The Company may not be able to implement appropriate preventive measures or manage attacks as soon as its systems and data are exposed due to relevant defensive technologies changing on a regular basis and the fact that such attacks can often only be detected after they have been deployed and an attack is launched against a specific target. If the Company is exposed to cyberattacks and leakage of patient data, this would damage the Company's reputation and client confidence in it and would expose it to claims, penalties or fines by the relevant regulatory authorities, which in turn would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.32 Risks Related to Government Licenses, Certifications, Permits and Approvals

The Company must obtain the licenses, permits and regulatory approvals required in the healthcare sector and ensure their validity throughout the provision of services and undertaking of its licensed activities. In particular, the Company must obtain certain licenses and certificates to conduct and carry out its activities in the Kingdom, including Ministry of Health licenses to operate the Company's healthcare facilities and outpatient pharmacy, CHI certificates to provide medical services subject to insurance coverage, accreditation from the CBAHI for the Company's healthcare facilities, municipal licenses and Ministry of Sport licenses with respect to the gyms operated by the Company, and SFDA licenses with respect to the Company's medical warehouse. If the Company fails to obtain any licenses or accreditations necessary for the conduct its business, or if it violates any of the terms and conditions of those licenses and accreditations, it will be exposed to penalties that may be imposed by regulatory authorities in accordance with the relevant laws, which include fines or the closure of healthcare facilities that do not comply with the conditions of the licenses. As of the date of this Prospectus, the Company has not obtained a license from the Ministry of Sport for the women's gyms operated by the Company, and the Company is in the process of obtaining it as of the date of this Prospectus (for further information regarding the Company's licenses and permits, please refer to Section 11 "**Legal Information**" of this Prospectus). The Company must periodically renew licenses, permits and approvals and, in some cases, amend their scope. The Company's licenses are generally subject to suspension or revocation if the Company fails to comply with the relevant terms and conditions. For example, Ministry of Health licenses require that the Company obtain Ministry of Health approval for any change of ownership of licensed healthcare facilities (i.e., hospitals). The competent authorities may refrain from renewing these licenses or accreditations, amending their scope or granting the necessary approvals for any changes. The competent authorities may also impose additional requirements and conditions that may be unfavorable to the Company and may lead to its inability to renew such licenses. If the Company is unable to obtain any of the licenses required to conduct its business or renew licenses, permits, approvals and certificates on favorable terms, or if it is unable to amend the scope of these licenses as needed, the Company's operations may be subject to suspension, interruption or cessation, in whole or in part, and it may be forced to incur additional costs and penalties, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.33 Risks Related to Labor Costs

The Kingdom implemented a number of reforms aimed at increasing the participation of Saudi employees in the labor market, including imposing fees on non-Saudi employees working for Saudi institutions as well as fees for residency permits for family members of non-Saudi employees. Non-Saudi employee fees came into effect as of 14/04/1439H (corresponding to 01/01/2018G), while residence permit fees became effective on 07/10/1438H (corresponding to 01/07/2017G), noting that these fees gradually increased to SAR 9,600 annually per employee in 2020G. As of 31 March 2024G, non-Saudi employees constituted 58% of the Company's total employees. The application of these fees and increases led to a rise in the Government fees paid by the Company for its non-Saudi employees, which amounted to SAR 19 million, SAR 19 million, SAR 18 million and SAR 5 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 4%, 3.2%, 2.7% and 2.6% of the total cost of revenue for the same periods, respectively. In addition, the increase in fees incurred by non-Saudi employees for their family members resulted in higher costs of living, which may impact the Kingdom's attractiveness to those employees who may look forward to relocating to other countries with lower costs of living. Accordingly, the rise in Government fees and the difficulty of retaining non-Saudi employees will have a material adverse effect on the Company's business, results of operations, financial position and prospects.

The MHRSD officially announced the launch of an initiative to improve the contractual relationship for domestic workers, comprising a number of policies and controls, including replacing the sponsorship system with an employment contract system between employers and expatriate employees as of 01/08/1442H (corresponding to 14/03/2021G). Within the framework of this initiative, the Kingdom strives to improve and develop the efficiency of the work environment, enhance the flexibility, effectiveness and competitiveness of the labor market and increase its attractiveness in line with international best practices, as well as apply contractual agreements which govern work relationships between employers and employees on the basis of an employment contract documented through the Contract Documentation Program. The employee transfer service also allows expatriate employees to transfer to any other position at the end of their employment contract without needing to obtain their employer's consent. In addition, the initiative also defines transfer mechanisms during the contract period, provided that the notice period and applicable controls are adhered to. The exit/re-entry service allows expatriate employees to travel outside the Kingdom upon submitting a request for the same, while notifying employers electronically. The final exit service enables expatriate employees to leave immediately upon expiry of their contracts, while notifying their employers electronically without the need for their approval thereof. The initiative also enables employees to leave the Kingdom, provided that they bear all the consequences of contract termination. All such services are available through the "Absher" and "Qiwa" platforms launched by the MHRSD. Therefore, the Company may be negatively affected if a large number of non-Saudi employees decide to leave for other companies, as the Company will not be able to prevent them from doing so, except as stipulated in the employment contracts concluded with them. As such, the Company may encounter difficulties in hiring replacements for such employees. If the Company loses a large number of its non-Saudi employees due to the transfer of these employees to other companies and is unable to hire replacements, this would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.34 Risks Related to the Inadequacy of Insurance Coverage

The Company maintains insurance coverage for its operations through several types of insurance policies, including employee health insurance, all-risk property insurance, business interruption insurance, professional malpractice insurance and automobile insurance (for further information regarding the insurance policies obtained by the Company, please refer to Section 11.8 "**Insurance**" of this Prospectus). The insurance policies obtained by the Company may not adequately cover all the risks to which it is exposed, and the insurance coverage limits under these policies may not be sufficient to cover the losses that the Company may incur in connection with the risks covered. The Company may not be able to support its claims in accordance with applicable insurance policies due to the existence of exclusions or restrictions on insurance coverage, such as the limitation of insurance coverage to certain types of accidents. For example, certain property insurance policies may not cover losses, damages or liabilities arising from infectious diseases, resulting in the restriction of the Company's payment of compensation for any losses resulting from any incidents that fall outside the scope of insurance coverage. The Company may also be affected by a number of risks that are not covered by insurance or are covered at unreasonable prices. There may be future accidents that the Company has not insured to cover potential losses resulting therefrom, or the insurance may not cover them at all. In addition, the insurance coverage provided under the Company's property insurance policies is based on the net book value of the relevant insured property rather than its fair market value, which may result in inadequate coverage in the event of any claims, damages or liabilities related thereto. If any of the events described above were to occur, this would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

In addition, the Company's claims may exceed the value of its insurance policies, or the insurance may not cover the damage in question. The relevant insurance company may also reject the claims submitted by the Company. Moreover, the Company may not be able to obtain adequate insurance coverage due to increased premiums or the unavailability of coverage (due to increased premiums, deductions or co-insurance requirements). If any of the above factors were to occur, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.35 Risks Related to Employee Non-Compliance with the Rules of Professional Conduct

The Company's employees may commit actions or mistakes that negatively affect the Company's business, such as engaging in illicit activities, misusing information, disclosing confidential information, spreading misleading information or violating the Company's internal controls. These actions and errors may lead to violations of any of the laws or regulations in force in the Kingdom, which may lead to the imposition of legal penalties against the Company by the competent authorities. These penalties may vary depending on the negative conduct or mistakes committed by employees, which may result in the Company incurring financial liabilities or damage to its reputation. The Company is not always able to prevent its employees from committing negative acts since it is unable to guarantee that employees will adhere to internal policies, which may result in the Company incurring losses, penalties, financial liabilities or reputational damage. The Company's internal policies with respect to governance and compliance (including sanctions, trade restrictions, anti-bribery, anti-corruption, employee conduct and whistle-blowing policies in this regard) may be insufficient to protect the Company from any errors committed by employees. Any fines, penalties or claims may affect the Company's profitability. In addition, negative publicity regarding negative conduct of employees may negatively affect the Company's reputation and revenues. Therefore, any negative actions or mistakes committed by the Company's employees would have a material negative impact on the Company's business, results of operations, financial position and prospects.

In addition, healthcare practitioners must adhere to the rules of professional conduct stipulated in the laws and regulations of practicing healthcare professions, such as the Law of Practicing Healthcare Professions issued by Royal Decree No. M/59, dated 04/11/1426H (corresponding to 06/12/2005G) and its Implementing Regulations and directives of the Saudi Commission for Health Specialties with respect to the Code of Ethics for Healthcare Practitioners. However, healthcare practitioners may violate the rules of professional conduct, and the Company's internal regulations that monitor and regulate the work of healthcare practitioners may not be sufficient. Therefore, the Company or its healthcare practitioners may be subject to financial or penal fines in case of non-compliance with the provisions and requirements of the applicable laws, regulations and procedures, which may affect the Company's reputation and operations. If any of the risks described above were to occur, this would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.1.36 Risks Related to Interest Rates

The facilities provided under the Company's existing financing agreements carry variable interest rates. Accordingly, unhedged increases in the reference interest rates on which the current facilities are based will increase financing costs and reduce cash flows. Interest rates are also affected by many factors, including those related to governmental, monetary and tax policies, international and local economic and political conditions and other factors beyond the control of the Company. In certain countries, central banks have raised interest rates in response to the current inflationary environment. This includes, for example, the concurrent resolutions issued by the Saudi Central Bank to increase interest rates during the financial year ended 31 December 2023G, noting that central banks, including the Saudi Central Bank, may continue to adjust interest rates in the coming periods based on the economic environment, which will further affect the cost of financing. The Company may also decide to implement additional hedging measures against interest rate risks from time to time. However, such hedging may be costly and may not provide it with full protection against any interest rate increases. As such, increases in interest rates and related financing costs may reduce the Company's profitability and cash flows, which would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.37 Risks Related to the Company's Material Agreements

The Company's business relies heavily on the agreements it enters into, including agreements with insurance companies and corporate clients, supply agreements, partnership agreements and consulting agreements. The Company has concluded numerous material agreements, such as agreements with insurance companies and corporate clients with respect to the provision of medical and therapeutic services to their insured clients and supply agreements for medical devices and equipment. These agreements are necessary for the Company's business activities, as they allow the Company to adequately operate its business segments (for further information regarding the Company's material agreements, please refer to Section 11.4 "**Material Agreements**" of this Prospectus). The following table shows the Company's revenues resulting from its Substantial Agreements and their percentage of the Company's total revenues.

Table 2.4: The Company's Revenues Resulting from its Substantial Agreements and Their Percentage of the Company's Total Revenues

Million SAR	31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G
Revenues from Substantial Agreements	566.3	714.2	1,007.9	286.5
Percentage of the Company's total revenues	70%	76%	82%	83%

Source: The Company

The following table also shows the Company's total purchases from Substantial Agreements and their percentage of the Company's total purchases.

Table 2.5: The Company's Revenues Resulting from its Substantial Agreements and Their Percentage of the Company's Total Revenues

SAR	31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G
Purchases from Substantial Agreements	61,629,797	37,255,350	74,464,598	18,469,498
Percentage of the Company's total purchases	36%	20%	33%	26%

Source: The Company

The material agreements concluded with insurance companies also include the right of the contracting parties to terminate such agreements in the event of the occurrence of a number of events, including, for example, one of the parties to the agreement committing a material breach of these agreements, in the event of force majeure and in case one of the parties becomes insolvent or a bankruptcy judgment is issued (for further information regarding these agreements, please refer to Section 11.4.1 "**Agreements with Insurance Companies**" of this Prospectus). The provisions of a number of material agreements concluded by the Company also stipulate the right of the contracting parties to terminate these agreements without cause, including the following agreements:

- the Service Provider Agreement concluded with a corporate client, which generated revenues of SAR 445.7 million as of 31 December 2023G and SAR 118.2 as of 31 March 2024G (for further details regarding the agreement with the Company, please refer to Section 11.4 "**Material Agreements**" of this Prospectus);
- the Community Services Agreements concluded with the Al Ahsa Cancer Foundation (referred to hereinafter as "**Tafaul**"), which generated revenues of SAR 1.5 million as of 31 December 203G and SAR 314.7 thousand as of 31 March 2024G (for further details regarding the agreement with the Company, please refer to Section 11.4 "**Material Agreements**" of this Prospectus);
- the Community Service Agreements concluded with Al Ahsa Association Charity for Genetic Blood Diseases, which generated revenues of SAR 54.8 thousand as of 31 December 2023G and SAR 15.7 thousand as of 31 March 2024G (for further details regarding the agreement with the Company, please refer to Section 11.4 "**Material Agreements**" of this Prospectus); and
- the Partnership Agreement with Oryx Isotopes, which generated revenues of SAR 288.2 thousand as of 31 March 2024G. It should be noted that the Company did not generate any revenue from this agreement as of 31 December 2023G (for further details regarding the agreement with the Company, please refer to Section 11.4 "**Material Agreements**" of this Prospectus).

Accordingly, the contracting parties that work with the Company under many of its material agreements are not contractually obligated to renew these agreements, enter into new agreements with the Company or continue to work under these agreements. If those parties decide to terminate any or all of these agreements at any time and for any reason, refuse to renew them on terms suitable for the Company or refuse to renew them completely, the Company may not be able to make up for any losses incurred due to the termination of any of the material agreements or conclude other agreements on favorable terms or at all, which may lead to disruption of its business and adversely affect the Company's revenues and profitability. In addition, the Company may violate the terms and conditions of its material agreements or these agreements may, in the future, include commercial terms that include restrictions additional to the terms of the existing agreements. This may affect the Company's ability to operate its business segments or drive revenues and profitability, which may negatively and materially affect the Company's business, results of operations, financial position and prospects.

The Company provides its services to Ministry of Health patients, with the Ministry of Health bearing the associated costs according to its approved price list. However, as of the date of this Prospectus, no agreement has been concluded between the Company and the Ministry of Health to regulate the provisions for the referral of patients by the Ministry of Health to receive treatment at the Company's healthcare facilities, including service prices, payment, collection and claim management mechanisms, among other provisions. The Company generated revenues from Ministry of Health patients of approximately SAR 127 million, SAR 117 million, SAR 98 million and SAR 30 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 16%, 12%, 8% and 9% of gross revenues in the same periods, respectively. Accordingly, in the absence of a contractual agreement with the Ministry of Health, the Company may face difficulties in collecting receivables due from the same or may face any claims it submits to the Ministry of Health being rejected for these patients. This may affect the Company's cash flows and profitability, which in turn would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.38 Risks Related to Stock Levels of Medicines, Medical and Pharmaceutical Equipment and Products

The Company relies on its understanding of the healthcare sector as well as demand forecasts to manage its inventory of medicines, medical equipment and pharmaceutical products. However, demand for health care services can differ significantly from prospects and may be affected by epidemics, new treatments for diseases, regulatory requirements, the introduction of new healthcare services into the market, pricing, changes in patient spending patterns and new market entrants, in addition to other factors that may lead to increased or decreased demand for the Company's services compared to its prospects. If the Company fails to accurately estimate the volume of services required by its patients, it may purchase more or less medicines, medical and pharmaceutical equipment and products than its patients need, resulting in surplus stock or an inability to cover demand, as may be the case. Mismanagement of inventory will have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.39 Risks Related to Future Capital Expenditures

The Company's capital expenditures may increase as a result of a number of factors, including, but not limited to, costs related to the Company's planned growth and strategy (for further information regarding the Company's planned growth and strategy, please refer to Section 4.2.5 "**Strategy and Future Prospects**" of this Prospectus). The Company's capital expenditures amounted to SAR 318 million, SAR 307 million, SAR 415 million and SAR 54 million in the years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Any increases in the Company's future capital expenditures beyond the Company's prospects may reduce its profit margin and the funds available to operate the Company's current healthcare facilities and increase its operating expenses, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.40 Risks Related to Capital and Contingent Liabilities

As of 31 March 2024G, the Company's capital liabilities amounted to SAR 71.11 million with respect to the Al Moosa Rehabilitation Hospital project (SAR 62.8 million) and Al Khobar Hospital (SAR 8.3 million). The Company also has a letter of guarantee amounting to SAR 9.0 million as of 31 March 2024G. The Company's capital liabilities may adversely impact the Company's cash flow or available financing. The Company may be unable to meet these requirements, which would have a material and negative impact on the Company's liquidity or increase the levels of financing it requires. Furthermore, future projects for which the Company has incurred capital liabilities may not be completed on time or within budget. Any delays or additional costs could adversely affect the return on investment in these projects or the Company's overall financial performance, which would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.41 Risks Related to Zakat and Taxation

The Company is subject to Zakat and tax requirements in the Kingdom. Any increase in Zakat and/or tax requirements applicable to the Company may adversely affect its profitability. The Kingdom issued the VAT Law, which came into effect on 14/04/1439H (corresponding to 01/01/2018G). The VAT Law imposes a value-added tax of 5% on a number of products and services. On 17/09/1441H (corresponding to 10/05/2020G) and in response to the economic impact of the COVID-19 pandemic, the Kingdom announced an increase in value-added tax to 15%, which entered into force as of 10/11/1441H (corresponding to 01/07/2020G). This increase, or any future increase in Zakat dues or tax requirements applicable to the Company may have a negative impact on its profitability. The Company's total provision for Zakat amounted to SAR 9.5 million, SAR 4.5 million and SAR 3.6 million for the financial years ended 31 December 2021G, 2022G and 2023G, respectively. The Company may make errors while implementing regulatory requirements, which may lead to the imposition of penalties by ZATCA in accordance with the VAT Law, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

In addition, the Company has submitted its Zakat and tax returns for the financial years up to 2023G and paid the Zakat and tax dues within the required period. The Company obtained final Zakat assessments from ZATCA for all years until 2023G and also received a final Zakat certificate. However, there is also a risk that ZATCA may revert to any of the previous 5 years in the event that there is no Zakat assessment and ZATCA challenges the submitted returns, requiring the Company to pay additional Zakat amounts. The Company will bear any additional claims that may arise from Zakat assessments levied by ZATCA for previous periods up to the date of listing. Any differences in ZATCA's assessment of the Company's Zakat will negatively affect the Company's Zakat, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.42 Risks Related to Compliance with the Companies Law and Corporate Governance Regulations

In its management, conduct of its operations and various activities, the Company is governed by the provisions of the Companies Law and the Corporate Governance Regulations. The Companies Law and Corporate Governance Regulations impose certain corporate governance requirements that the Company must adhere to, which require taking certain measures to ensure effective compliance. The Companies Law and Corporate Governance Regulations impose strict penalties for violation of their provisions and mandatory rules. Hence, the Company may be subject to such penalties, including financial fines and/or imprisonment. For example, the Companies Law stipulates that every manager, executive, director, auditor or liquidator who records false or misleading statements shall be punished with imprisonment for a period not exceeding 3 years and a fine not exceeding SAR 5 million, to be borne by the perpetrator. The Companies Law was issued by Royal Decree No. M/132, dated 01/12/1443H (corresponding to 30/06/2022G) and entered into force on 26/06/1444H (corresponding to 19/01/2023G). The extent of the impact of implementing the New Companies Law on companies in general and the Company and its operations in particular may not be apparent at the present time, and additional costs may be incurred to take the necessary measures to ensure compliance therewith. If the Company does not comply with these provisions and rules, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.43 Risks Related to Claims and Litigation

The Company, its Directors or Executives may be exposed to claims and regulatory actions by third parties, including its suppliers, employees, competitors, regulators, consumers or owners of plots that the Company leases for its operations. If the judgments issued in these claims and regulatory procedures are not in the Company's interest, this would have a negative and material impact on the Company's business, financial position, results of operations and prospects. Regardless of the outcome of these claims or regulatory actions, such actions will result in significant expenses being incurred and will require the Company to allocate significant resources to respond to these claims and defend itself, which in turn would have a material negative impact on the Company's business, results of operations, financial position and prospects.

As of the date of this Prospectus, the Company is a party to 15 commercial and labor claims as plaintiff, pursuant to which judgments have been issued in favor of the Company. Such claims are still being considered by the Enforcement Court due to the inability of the other parties to pay the dues totaling SAR 1,778,655. It is worth noting that this amount is included in the Company's receivables. As of 31 March 2024G, total receivables amounted to SAR 688.5 million with a balance of SAR 230.4 million for provisions, expected credit losses and recovered amounts. Accordingly, the Company has an accumulated provision amounting to 33% of total receivables. The Company is also a party to 1 pending financial and administrative claim as plaintiff with a total value of SAR 162,334.3 and 14 pending financial and labor claims as defendant with a total value of SAR 4,087,525 (for further information, please refer to Section 11.9 "**Lawsuits and Claims**" of this Prospectus). The Company cannot predict the outcome of the cases to which it is a party, as it may be exposed to additional claims. Furthermore, the financial impact of the cases to which it is a party may be greater than what the Company expects. The reputation of the Company and its healthcare facilities may also be compromised as a result of the cases to which it is a party. The Company may not be able to collect the judgments issued in its favor at all or when required. In addition, the Company expects that it will bear the costs related to these lawsuits filed by or against it, including the penalties and compensation imposed on it. Therefore, any award that is not in the Company's favor will have a material adverse effect on the Company. The occurrence of any of the foregoing would have a material negative impact on the Company's business, results of operations, financial position and prospects.

2.1.44 Risks Related to the Use of Assumptions, Estimates, Accounting Judgments and Related Errors

In connection with the preparation of its financial statements, the Company uses certain accounting assumptions, estimates and judgments related to complex accounting matters, the interpretations of which may materially affect the Company's financial results. Generally accepted accounting principles, related accounting decisions, execution guidance and interpretations with respect to a wide range of matters associated with the Company's business, including, but not limited to, revenue recognition, the fair value of investments, the impairment of long-term assets, leases, relevant economic transactions, intangible assets, taxation, properties, equipment and claims, are of a very complex nature and involve many assumptions, estimates and judgments by the Company, resulting in the possibility of accounting errors. For example, the Company uses certain assumptions for the purpose of assessing and recording the values of end-of-service benefits. Such assumptions may differ from the actual payables or receivables with respect to those benefits. Furthermore, the Company recognizes revenue upon the provision of services to patients based on monthly invoices issued to insurance companies, the Ministry of Health and corporate clients. The Company typically employs assumptions and estimates to determine the provision for rejected claims and discounts. These estimates are based on the average rejection rate per client in the preceding year and may involve Company estimates. Changes in underlying assumptions, estimates or judgments, as well as related errors, will have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.1.45 Risks Related to Contracts and Transactions with Related Parties

In the ordinary course of its business, the Company deals with Related Parties. The Company has entered into several transactions with the Related Parties in relation to services provided to the Company, as well as a conveyance of land agreement for the benefit of the Company, among other transactions. The Company entered into a master alliance agreement with Almoosa College of Health Sciences, Almoosa Automatic Doors and Almoosa Real Estate on 24/07/1445H (corresponding to 05/02/2024G) which governs the relationship between the parties thereto, and the Company has entered into several transactions with Almoosa College of Health Sciences and Almoosa Automatic Doors as of the date of this Prospectus pursuant to the Master Alliance Agreement for various services provided by and to the Company. The Company also entered into a conveyance of land agreement with Chairman Abdulaziz Abdullah Almoosa on 09/09/1445H (corresponding to 19/03/2024G), pursuant to which the ownership of the plot encompassing the South Tower of Al Moosa Specialist Hospital (Al Ahsa) was transferred (for further information regarding transactions with Related Parties, please refer to Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus). In addition, in the past, the Company made payments to the Chairman, Abdulaziz bin Abdullah Almoosa, for personal expenses as well as payments to Abdulaziz Almoosa Real Estate Company (a company owned by the Chairman, Abdulaziz bin Abdullah Almoosa) (for further information regarding the transaction with Chairman Abdulaziz bin Abdullah Almoosa, please refer to Section 11.5 "**Transactions and Contracts with Related Parties**" and Section 2.1.3 "**Risks Related to Dealings with Abdulaziz bin Abdullah Almoosa**" of this Prospectus). The total value of transactions with related parties amounted to SAR 56,944,364, SAR 8,409,505, SAR 125,305,922 and SAR 46,282,088 in the financial years ended 31 December2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.

Balances due from Related Parties amounted to SAR 3 million, SAR 4.2 million, SAR 3.9 million and SAR 3.9 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 0.4%, 0.5%, 0.4% and 0.4% of the total net revenues for the same periods, respectively, and 0.19%, 0.23%, 0.17% and 0.17% of the total assets during such periods, respectively. There are no outstanding balances due to Related Parties. The Company obtained the approval of the General Assembly for the transactions and agreements in effect at its meetings held on 04/09/1445H (corresponding to 14/03/2024G), 16/10/1445H (corresponding to 25/04/2024G) and 27/04/1446H (corresponding to 30/10/2024G).

Entering into contracts and transactions with Related Parties is subject to the provisions of the relevant laws and regulations. In accordance with Articles 27 and 71 of the Companies Law, transactions in which any of the Company's Directors have a direct or indirect interest must be presented to the General Assembly for approval. Any Director who has an interest in such transactions must refrain from voting on those transactions, whether at the level of the Board of Directors or the Shareholder Assemblies. Therefore, the Company may not be able to renew contracts concluded with Related Parties when their terms expire, as the Board of Directors or the General Assembly of the Company may not approve those transactions. In addition, if transactions with Related Parties are not concluded in the future on a commercial basis, this will have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.46 Risks Related to the Participation of Directors or Senior Executives in Competing Businesses

As of the date of this Prospectus, none of the Directors or Senior Executives is engaged in any business competing with the Company, nor is any Director deemed a party to any agreement, arrangement or understanding under which they are subject to any obligation that restricts them from engaging in work that competes with the Company or any similar obligation with respect to the business of the Company. The Directors must obtain approval from the General Assembly to engage in business competitive with that of the Company in accordance with Article 44 of the Corporate Governance Regulations and Paragraph 2 of Article 27 of the Companies Law. Senior Executives and Directors may participate in businesses competing with the Company in the future, either through their membership of boards of directors or through direct or indirect ownership of competing businesses and/or businesses engaged in activities similar to those of the Company, as applicable. Directors and Senior Executives have access to internal information regarding the Company, and as such, they may use that information to serve their personal interests or in a manner that conflicts with the interests and objectives of the Company. If Directors and Senior Executives who have interests that conflict with those of the Company, negatively impact on the Company's decisions or if the information available to them regarding the Company is used in a manner that conflicts with its interests, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.47 Risks Related to the Recent Formation of Committees Emanating from the Board of Directors and the Effectiveness of Governance

The Company formed the first Audit Committee pursuant to the Extraordinary General Assembly resolution dated 04/11/1442H (corresponding to 14/06/2021G) and the Nomination and Remuneration Committee pursuant to the Extraordinary General Assembly resolution dated 03/09/1445H (corresponding to 13/03/2024G) (for further information regarding the Company's Board Committees, please refer to Section 5.4 "**Board Committees**" of this Prospectus). In the event that the members of these Committees do not perform their duties and adopt a framework that guarantees the protection of the Company's interests and the interests of its Shareholders, this will affect the Company's commitment to corporate governance and continuous disclosure requirements, as well as the ability of the Board of Directors to monitor the Company's activities through these Committees, which in turn will have a negative and material impact on the Company's business, results of operations, financial position and prospects.

The Extraordinary General Assembly approved the Company's internal Corporate Governance Manual on 16/09/1445H (corresponding to 25/03/2024G), which was amended by the Extraordinary General Assembly resolution dated 16/10/1445H (corresponding to 25/04/2024G) and includes the charters of the Audit Committee and the Nomination and Remuneration Committee (for further details regarding the Corporate Governance Manual, please refer to Section 5.9 "**Corporate Governance**" of this Prospectus). The Corporate Governance Manual includes provisions derived from the Corporate Governance Regulations issued by the CMA. The Company's success in correctly implementing the Corporate Governance Regulations and procedures depends on the extent of its awareness and understanding of these provisions and the proper implementation of these regulations and procedures by the Board of Directors, its Committees and the Senior Executives, especially with respect to the requirements for independence of the Board of Directors, conflict of interest procedures and disclosure requirements. Failure to comply with the mandatory provisions of the Corporate Governance Regulations issued by the CMA may lead to the imposition of regulatory penalties on the Company, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects. If the Company does not comply with these provisions and rules, it may be subject to penalties and fines, which would have a material negative impact on the Company's business, results of operations, financial position and prospects.

It should be noted that the Directors are bound by duties of care and loyalty towards acting in the best interest of the Company and its Shareholders. These duties require the Directors to exercise reasonable care and act in the best interests of the Company, not their own or those of other stakeholders, including in cases where a Director may have a conflict of interest under a Related Party transaction or carry out a competing activity (for further information, please refer to Section 5.7 "**Direct and Indirect Interests of Directors and Executive Management**" and Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus). If Directors fail to comply with their duties of care and loyalty, they may be liable towards the Company with respect to their acts or negligence, in addition to any claims related thereto. If any of these events generally results in the resignation or dismissal of the concerned Director and a seat on the Board of Directors becomes vacant, this may limit the Board's ability to deliberate on matters and make decisions effectively or in general and divert the Company's resources towards finding and appointing a qualified candidate, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.1.48 Risks Related to a Lack of Experience in Managing a Listed Joint-Stock Company

The Company carried out its business activities since 1994G as a branch of a sole proprietorship until its conversion into a limited liability company in 2018G, followed by its subsequent conversion into a closed joint-stock company on 04/03/1442H (corresponding to 21/10/2020G). Therefore, most of the Company's Senior Executives have limited or no experience at all in managing a joint-stock company listed on the Exchange in the Kingdom and complying with the laws and regulations that govern such companies. In particular, internal or external training undertaken by Senior Executives in the management of Saudi public joint-stock companies and obligations imposed on listed companies, including regulatory supervision and reporting, requires significant attention from Senior Executives, which may distract their attention from the day-to-day management of the business of the Company. If the Company does not comply with the regulations and disclosure requirements imposed on listed companies on time, it will be exposed to regulatory penalties and fines. If any of the cases described above were to occur, this would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.2 Risks Related to the Market, Sector and Regulatory Environment

2.2.1 Risks Related to the Competitive Environment

The Company operates in a competitive environment in the Kingdom and faces strong competition with other healthcare providers. Competitive factors include pricing, reputation, excellence in healthcare services provided, technical excellence, patient satisfaction and accreditation certificates. Competition has intensified in recent years with the increase in the number of healthcare service providers in the Kingdom and the region in general, which has led to a high level of competition to retain patients among healthcare service providers. The Company may be unable to provide services similar to or more popular than those of its competitors or at prices similar to those of its competitors. In particular, the healthcare sector faces increasingly stringent purchasing practices, particularly from insurance companies with respect to coverage and claim settlement. As a result of this competition, the Company may be forced, for the purposes of retaining patients, among other things, to reduce the prices it charges for healthcare services, thus reducing its profitability. This would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

In addition, the Company may face further competition in the future from international healthcare companies with advanced capabilities or expertise that provide, or intend to provide, healthcare services in the Kingdom, in view of the fact the Law of Private Health Institutions in the Kingdom allows foreign companies 100% ownership in the healthcare sector. The Company's healthcare facilities in the Kingdom also face competition from healthcare facilities around the world, which provide high-value and complex services and encourage the Kingdom's citizens to visit their facilities and benefit from their services. Potential mergers of private healthcare facilities are possible as the Company's competitors merge to seek a greater share and control of the healthcare sector. Furthermore, such mergers within the healthcare sector or similar potential moves by the Company's competitors could improve their competitive position in the market and thus weaken the Company's position. In the past, certain Government entities have established healthcare facilities in the Kingdom. If these Government entities establish further healthcare facilities, the private sector's share of the healthcare market could decrease significantly. If Government entities transfer the management of their healthcare facilities to private sector hospitals, privatize them entirely, or restructure them to improve their effectiveness in light of Vision 2030, this would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

The Ministry of Health issued Ministerial Resolution No. 1513079-1440, dated 19/07/1440H (corresponding to 26/03/2019G), establishing an advisory committee for the Health Holding Company project in order to: (1) complete the establishment and launch of the Health Holding Company; (2) supervise the work of the healthcare complexes established pursuant to Ministerial Resolutions and provide the competent entity with proposals to establish new healthcare complexes; and (3) delegate all powers to the boards of directors of the healthcare complexes for which resolutions have been issued, such that the committee shall have the highest authority to supervise these boards. The healthcare complexes that will be established in all regions of the Kingdom include primary healthcare centers, general hospitals, specialist hospitals and medical cities, which will be owned by public companies, and all of them will be subject to the supervision of the Health Holding Company, which is supervised by the Ministry of Health. This change will create greater competition with private healthcare facilities and pressure on the prices offered by the private sector, which will lead to a reduction in the private sector's share of the healthcare sector. The new approach adopted by the Ministry of Health and the presence of facilities competing with private sector facilities will also improve patient experience by reducing waiting times and improving the quality of healthcare services provided. Changes in the competitive environment may lead to lower prices or profit margins, or the Company's loss of market share, as the Company may not be able to compete effectively, whether currently or in the future, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.2.2 Risks Related to the Regulatory Environment

The Company's business is subject to the applicable laws and regulations in the Kingdom. For example, the Company is subject to the Law of Private Health Institutions and its Implementing Regulations, the Law on Pharmaceutical Establishments and Pharmaceutical and Herbal Products and its Implementing Regulations, the Competition Law, the Value Added Tax Law, the Companies Law, the Customs Law, the Labor Law, municipal regulations and data protection laws, as well as other laws and regulations imposed by regulatory authorities, including the Ministry of Health, the Food and Drug Authority and the Ministry of Municipal and Rural Affairs and Housing in the Kingdom. The Company's business depends on its ability to comply with the requirements of these regulations in managing its operations. The Company's failure to comply with all requirements and provisions of the laws applicable to it or to which it is subject may cause the Company to modify its practices in order to comply with these regulations, and the Company may subsequently incur additional costs and fees or be exposed to fines or penalties. The occurrence of any of the above may lead to incurring unanticipated or additional expenses, which may be high. This would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

Furthermore, the healthcare sector is subject to extensive regulations and controls by various regulatory bodies in the Kingdom, including regulations governing professional ethics and conduct, licensing of facilities and services, fixed pricing of services or classification of the pricing of services in accordance specific ranges, the adequacy and quality of healthcare services provided, the quality of medical equipment, devices and services, the qualifications of physicians, administrative staff and healthcare practitioners, confidentiality, data protection, hygiene, security, maintenance of medical and patient records, the examination and provision of urgent care services, standards for accreditation of healthcare facilities, limits of medical insurance coverage, handling and storage of certain chemicals, disposal of biological and toxic waste and regulatory compliance standards. As such, these regulations and controls have a significant impact on the way in which the Company carries out its activities. In addition, regulatory requirements are subject to change and may often need interpretation. New laws and regulations or the Company's lack of understanding of current laws and regulations may materially affect the Company's business and operations or lead to an increase in its administrative, regulatory and operational expenses, forcing it to change its business practices, regulatory structure, ownership structure, corporate governance, or, in general, leading to a reduction or decline in its future revenues. The Company may be subject to fines, penalties and/or the closure of its facilities if it does not comply with these laws and regulations or if it does not comply with permit, licensing or accreditation requirements, which may change from time to time. As a result, the Company may not be able to pursue activities or market its services in the relevant countries, or it may incur high costs or its reputation may be impacted. Furthermore, the Company may be exposed to delays or hindrances in meeting patient requests, opening new facilities or implementing its growth plan, which may generally result in the Company losing its competitive position and/or decreased demand for its services. Accordingly, this would have a material adverse effect on the Company's business, results of operations, financial position and prospects. If any of the risk factors described above were to occur, this would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

The Law on Pharmaceutical Establishments and Pharmaceutical and Herbal Products also imposes a wide range of requirements that the Company must adhere to with respect to the pharmacies in which it operates, including licensing requirements and requirements related to the ownership structure of pharmaceutical companies. Examples of these requirements include that ownership of pharmacies, facilities selling herbal preparations or drug consultation and pharmaceutical preparation analysis centers be limited to Saudis and that the owners or one of the Company's Shareholders be a licensed pharmacist. Pharmacies must be managed by a licensed Saudi pharmacist, and all pharmacists must hold valid licenses to practice the pharmacy profession. If the Company violates any of the requirements of the laws to which it is subject, this may lead to the imposition of penalties on the Company, including fines that may be imposed by regulatory authorities or the closure of any of the Company's pharmacies, which may lead to the disruption of its business and the incurrence of high costs to correct any violation of the relevant laws and regulations. The occurrence of any of the above would have a material negative impact on the Company's business, results of operations, financial position and prospects.

2.2.3 Risks Related to Dependence on the Insurance Market

The revenues of the healthcare facilities operated by the Company depend largely on insurance patients under a cooperative health insurance policy. Therefore, any risks or changes related to the health insurance market will have a material negative impact on the Company's business, financial position, results of operations and prospects. In addition, the financial performance of insurance companies depends largely on local and international economic conditions that may affect companies operating in the Kingdom. The growth of the health insurance market in the Kingdom may not be high or stable in terms of the number of insured, the value of subscribed premiums, the claims incurred by insurance companies or the achievement of returns on their investments from the net cash value of subscribed insurance premiums. This may lead to the negotiation of insurance companies with private healthcare providers for greater discounts on medical services provided to insurance patients or an increase in the rejection of medical claims between private healthcare providers and insurance companies. Given that insurance patients represent a large percentage of the Company's patients and the revenues generated therefrom represented approximately 37.8%, 43.1%, 45.6% and 48.2% of the Company's total revenues in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, this would have a material negative impact on the Company's business, financial position, results of operations and prospects.

Insurance companies operating in the Kingdom are subject to a number of rules and regulations. In the event that such companies are unable to comply therewith, they may be restricted from admitting new subscribers to all or part of their insurance activities, their business may be suspended or their licenses may be revoked. This would lead to a decrease in the number of insurance companies operating in the Kingdom, which in turn would lead to a greater concentration of the insurance market in general and the health insurance sector in particular in a limited number of companies. Therefore, the exposure of insurance companies to the penalties described above would negatively impact their business, and thus private healthcare providers who deal with those companies would be affected. The occurrence of any of the aforementioned risks would have a material negative impact on the Company's business, financial position, results of operations and prospects.

Health insurance companies in the Kingdom are subject to a number of laws and regulations. If these companies do not comply with the laws and procedures, they may be prohibited from accepting any new subscribers for health insurance, or they may be excluded and prevented from selling health insurance products. This will reduce competition between insurance companies operating in the Kingdom and thus lead to the concentration of health insurance activities in a limited number of companies. Therefore, insurance companies' exposure to the penalties described above will negatively affect their business, and private healthcare facilities that deal with such companies will be affected. The occurrence of the aforementioned risks would have a negative and material impact on the Company's business, financial position, results of operations and prospects.

In addition, the CHI recently launched the National Platform for Health and Insurance Exchange Services ("**NPHIES**"), which provides unified mandatory electronic services for the purpose of standardizing the exchange of patient data between relevant stakeholders, in addition to financial and administrative information and health insurance claim management and processing. However, the launch of NPHIES obliged the relevant healthcare providers, including the Company, to adapt their systems in line with the NPHIES requirements and to incur certain costs in relation thereto, with the Company incurring costs amounting to SAR zero, SAR 3.3 million, SAR 6.1 million and SAR 1.77 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Furthermore, the CHI may develop or update the NPHIES platform, its procedures and operating systems, amend or revise the provisions of the unified cooperative health insurance policy, including, but not limited to, the processes and procedures for submitting and settling claims, along with increasing deductible amounts paid by the insured in certain categories of healthcare facilities, reducing the benefits and limits of insurance coverage or reducing the maximum consultation fees of physicians under the policy. Insurance companies may also reduce the network of approved healthcare providers listed on their healthcare insurance policies, which may result in the Company being excluded from the list of providers. This may have a negative and material impact on the Company, as it may lead to a reduction in Company patients or the prices of healthcare services that the Company charges in order to retain patients, and thus a reduction in its profitability. If any of the risks described above were to occur, this would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.2.4 Risks Related to Seasonal Changes

The Company's revenues are subject to seasonal changes in demand for healthcare services. In general, demand and uptake drop to their lowest levels during school vacations, holidays and the month of Ramadan. The Company may not be able to anticipate the impact of future seasonal changes on demand for its services and the volume thereof. Moreover, it may be difficult to plan the Company's business to meet these unexpected changes and predict future revenue flows. Therefore, the Company may not be able to effectively set a budget for its operating costs. In addition, the Company may not have sufficient resources to fully take advantage of seasons with high demand for services. This would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.2.5 Risks Related to General Economic Conditions

The Company's assets, operations and patient base are located in the Kingdom, specifically in the Eastern Province, and thus the Company's performance, results of operations and growth prospects are affected by the general economic conditions of the Kingdom. The Kingdom's economy relies heavily on oil revenues, which contribute significantly to the economic plan and GDP of the Kingdom. Any decrease in oil prices will lead to an economic slowdown and/or a slowdown in the Government's spending plans, which will affect all sectors of the Kingdom's economy and thus have a negative and material impact on the Company's business, results of operations, financial position and future prospects.

Furthermore, the healthcare sector may be negatively affected by any deterioration in general economic conditions, wage reductions, increases in interest rates and taxation, including VAT or political events that reduce patient spending in the Kingdom, especially with respect to elective medical procedures. Poor economic conditions may also lead to lower levels of activity and higher unemployment rates and could cause the Kingdom's Government, private health insurance companies and other parties to reduce their spending on healthcare, which would affect the Company's revenues or profit margins. Poor economic conditions may lead to bankruptcies, layoffs, cessation of hiring and financial difficulties for certain private sector employers in general, including the Company's corporate clients, which would lead them to reduce their reliance on private healthcare services or may lead to payment defaults. Where patients bear, directly or indirectly (for example, through private health insurance premiums), all or part of the cost of healthcare services, they may tend to reduce healthcare expenditures and thus reduce demand for the Company's services. In general, a decrease in household disposable income, or the perception thereof, can, in times of economic downturn, lead to a decrease in individuals' healthcare expenditures, including private insurance coverage and the level thereof, regardless of the level of compensation provided by insurance systems. In addition, certain competitors may respond to such situations by lowering prices for healthcare services while promoting these discounts, which will result in further pressure on the Company and thus have a material and negative impact on its business, results of operations, financial position and prospects.

2.2.6 Risks Related to Political Instability and Security Concerns in the Middle East Region

The Company's assets, key operations and patient base are located in the Kingdom, specifically in the Eastern Province. The Middle East region, including the Kingdom, is exposed to a number of geopolitical and security risks. Any geopolitical events or developments in the geopolitical situation in the Kingdom may cause unrest in the Middle East and surrounding areas (which may or may not include the Kingdom), and therefore investments in the Middle East are characterized by a high degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in countries located in the Middle East region, or any terrorist attacks or acts of sabotage in the future targeting the Kingdom, may have a negative and material impact on the markets in which the Company operates, its ability to retain and attract clients in these areas and the investments that the Company has made or may make in the future, which would negatively and materially affect the Company's business, results of operations, financial position and prospects.

2.2.7 Risks Related to the Outbreak of Infectious Diseases

An outbreak of any communicable disease in the Kingdom or any other location or any other serious public health concern could have a negative and material impact on economies, financial markets and business activities worldwide, including on the Company's business. For example, the global COVID-19 pandemic caused by a novel strain of SARS-CoV-2, as announced by the World Health Organization, led to certain preventive measures by governments, companies and individuals that resulted in business disruptions globally. The COVID-19 pandemic negatively affected global economies, financial markets, global oil demand and prices, as well as the general environment in which the Company operates due to strict precautionary measures, restrictions on travel and public transportation, lockdown requirements, social distancing practices and prolonged closure of workplaces and economic activities which caused significant damage to the economy of the Kingdom and the economies of the countries in which the Company operates. In addition, the re-imposition of preventive measures due to an outbreak of infectious diseases, whether the COVID-19 pandemic or otherwise, may lead to a prolonged decline in oil prices, an exacerbation of such decline, or a long-term negative impact on the Kingdom's economy or the economies of the countries in which the Company operates. This would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.2.8 Risks Related to Non-Compliance with Saudization Requirements

Compliance with the Saudization requirements is a statutory requirement in the Kingdom. Companies operating in the Kingdom, including the Company, are required to employ and maintain a certain percentage of Saudi employees among their employees. This percentage varies based on the activity of each entity as stipulated in the Nitaqat program. As of the date of this Prospectus, the Company is currently in compliance with Saudization requirements and is classified within the Platinum range (for further information regarding the Company's Saudization percentage, please refer to Section 4.15 "**Employees**" of this Prospectus). However, the Company may not be able to continue to comply with the requirements of the Saudization and Nitaqat programs, which would expose the Company to sanctions by the relevant Government agencies, including the suspension of work visa applications, suspension of sponsorship transfer applications for non-Saudi employees and exclusion from Government competitions and loans. The Company may not be able to appoint Saudi employees on appropriate terms or at all, or it may be unable to maintain its current Saudi employees, which in turn may affect its ability to meet the required Saudization percentage. There may be a significant increase in salary costs if the Company hires additional Saudi employees. The occurrence of any of the above would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

2.2.9 Risks Related to the Prices of Energy, Electricity, Water and Related Services

The Council of Ministers issued Resolution No. 95 on 17/03/1437H (corresponding to 28/12/2015G), raising the prices of energy (including fuel), electricity, water and healthcare facility services in the residential, commercial and industrial sectors within the framework of the Kingdom's policies aimed at rationalizing the Government support program. The Ministry of Energy in the Kingdom issued a statement on 24/03/1439H (corresponding to 12/12/2017G) regarding the plan of the Fiscal Balance Program to improve the prices of energy products. This resulted in an increase in the prices of gasoline 91 and octane 95, gasoline and diesel for industry and utilities, diesel for transportation and kerosene as of 14/04/1439H (corresponding to 01/01/2018G). Water, electricity and other services expenses amounted to SAR 6.1 million, SAR 11.9 million, SAR 11.5 million and SAR 3.1 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 1%, 1.5%, 1.2% and 3.1% of total costs for the same periods, respectively. The price increases described above, as well as any other potential increases, may result in a reduction in discretionary spending or client disposable income in general. As a result, the Company's revenues may be adversely affected and the Company's operating expenses may increase, which would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.2.10 Risks Related to Foreign Currencies and Exchange Rates

The Company conducts transactions that are not denominated in Saudi Riyals and is therefore exposed to foreign exchange risk. The Saudi Riyal is currently pegged to the US Dollar at a fixed rate, although the Kingdom may cancel or change this peg in the future, which will cause the US dollar-denominated value of the Company's assets and liabilities to fluctuate. Any arrangements taken by the Company to hedge against foreign exchange fluctuations may not be sufficient to manage all of its risks, as foreign exchange rate fluctuations may have a material negative impact on the Company's business, results of operations, financial position and prospects.

2.2.11 Risks Related to Floods, Earthquakes, Other Natural Disasters and Acts of Vandalism

The Company or one of its health facilities may be exposed to unforeseen events or accidents beyond its control that may affect its operations. The occurrence of natural disasters or disruptive acts that are beyond the Company's control may adversely affect the Company's facilities or employees. The occurrence of such incidents may result in the suspension of work in the affected health facilities for a period of time, which would result in a loss of income for the Company during such period. In the event of any damage to the Company's facilities as a result of floods, earthquakes, storms or other natural disasters, or as a result of acts of sabotage such as terrorist attacks, this may result in the Company incurring significant costs and/or suspending its operations, which in turn would result in increased costs and decreased revenues. In addition, the Company will have to bear unforeseen capital expenditures to address the situation, such as incurring repair costs and exerting efforts to reconstruct and rehabilitate the damaged health facilities to restore them to their former condition. If any of the cases described above were to occur, this would have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.2.12 Risks Related to Changes in the Mechanism for Calculating Zakat and Income Tax

ZATCA issued Circular No. 6768/16/1438 dated 05/04/1438H (corresponding to 04/12/2016G), which requires Saudi companies listed on the Saudi Stock Exchange (Tadawul) to calculate income tax and Zakat based on the nationality of Shareholders and actual ownership of Saudis, GCC citizens and other nationals as stated in the "Tadawulaty" system at the end of the year. Before this Circular, companies listed on the Saudi Stock Exchange (Tadawul) were generally subject to the requirement to pay Zakat or tax based on the ownership of their founders in accordance with their bylaws, and the listing of shares was not a factor in determining the Zakat base. This Circular was scheduled to be implemented in the year ended 31 December 2016G and for subsequent years. However, ZATCA issued its Letter No. 12097/16/1438, dated 19/04/1438H (corresponding to 17/01/2017G), which states that the implementation of this Circular will be postponed to the financial year ended 31 December 2017G and for subsequent years.

Under the Income Tax Law issued pursuant to Royal Decree No. M/1, dated 15/01/1425H (corresponding to 07/03/2004G), as amended, income tax applies to (1) any resident capital market company with respect to Shares owned directly or indirectly by non-Saudi or non-GCC persons, and those persons engaged in the production of oil and hydrocarbons, except for the following (in which case, the relevant resident company is subject to Zakat): (2) shares owned in any resident capital company listed on the Exchange and purchased for the purpose of speculation through trading in the Exchange, and (3) shares owned directly or indirectly by persons working in the field of oil and hydrocarbon production in resident capital companies listed on the Exchange and shares owned directly or indirectly by these companies in capital companies; (b) any resident non-Saudi natural person who undertakes business activities in the Kingdom; (c) any non-resident person who undertakes activities in the Kingdom through a permanent establishment; (d) any non-resident person who has other taxable income from sources within the Kingdom without having a permanent establishment; (e) any person working in investments in natural gas; and (f) any person working in oil and other hydrocarbon production activities.

The Company cannot anticipate the changes made by ZATCA to the mechanisms for calculating both Zakat and income tax. If any future changes are applied to the Company that cause the Company to incur additional costs, this would have a material negative impact on the Company's business, results of operations, financial position and prospects.

2.2.13 Risks Related to Non-Compliance with VAT

The Kingdom promulgated the VAT Law, effective as of 14/04/1439H (corresponding to 01/01/2018G), which imposes a value-added tax of 5% on a number of products and services, including those provided by the Company. On 17/09/1441H (corresponding to 10/05/2020G) and in response to the economic impact of the COVID-19 pandemic, the Kingdom announced an increase in value-added tax to 15% as of 10/11/1441H (corresponding to 01/07/2020G). The final consumer bears the VAT, which has led to an increase in the prices of certain services provided by the Company. This increase or any future increases in the Zakat and tax requirements applicable to the Company, may affect client spending, which may lead to a decrease in demand for the services provided by the Company and adversely affect its profitability. The introduction of value-added tax is relatively new, and as such, the Company may make errors while implementing the regulatory requirements. This may lead to the imposition of penalties by ZATCA in accordance with the VAT Law, which would have a negative and material impact on the Company's business, results of operations, financial position and prospects.

The VAT Law applies to companies operating and residing in the Kingdom with taxable supplies amounting to SAR 375,000 within a 12 month period or whose annual value of products and/or supplies is expected to exceed SAR 375,000. Such business must be registered with ZATCA, and any facility subject to VAT is required to submit VAT returns to ZATCA on a monthly or quarterly basis and must pay its dues no later than the last day of the month following the end of the tax period. In addition, all establishments subject to VAT are required to maintain documents related to taxable products in general for 6 years and 15 years for capital assets. These documents include (a) VAT invoices received and issued; (b) accounting documents and books; (c) agreements related to large purchase and sale transactions; (d) financial statements; (e) import, export and shipping documents; and (f) any other documents related to calculation of VAT.

The E-Invoicing Regulation was approved by ZATCA on 19/02/1442H (corresponding to 04/12/2020G), the first phase of which became effective from the date of its approval, requiring establishments subject to its regulations to issue electronic invoices and notices in accordance with regulatory requirements. The second phase entered into force on 08/06/1444H (corresponding to 01/01/2023G) and included additional provisions related to the necessity of linking the systems of taxable entities with the systems of ZATCA. Moreover, due to the relatively recent implementation of the VAT Law and the announced increase in the VAT rate and electronic billing regulations, it is possible that the Company may make errors in the application of the provisions described above or any other provisions related to VAT and electronic billing in the relevant laws. This may lead to the imposition of penalties by ZATCA in accordance with the VAT Law, which would negatively and materially affect the Company's business, results of operations, financial position and prospects.

2.2.14 Risks Related to Pricing Systems and Payment and Co-Payment Systems Managed by Regulators

The healthcare sector is highly regulated in the Kingdom. The Law of Private Health Institutions stipulates that prices for healthcare services must be initially submitted to the Ministry of Health for approval. The prices of services may only be amended after obtaining prior approval from the Ministry of Health, and private health institutions may not offer any promotional offers for discounts without the prior approval of the Ministry of Health. Furthermore, future amendments to the prices of services provided by the Company may be subject to an intense audit and/or the Company may not be able to obtain approval from the Ministry of Health. Therefore, the Company does not have the freedom to increase or decrease prices or present any offers and discounts to meet its business requirements and objectives. Moreover, the Company may face delays in obtaining approval from the Ministry of Health, which will affect the Company's revenues and thus have a material and negative impact on the Company's business, results of operations, financial position and prospects.

2.3 Risks Related to the Offer Shares

2.3.1 Risks Related to Effective Control After the Offering by Abdulaziz bin Abdullah Almoosa Investment Company

After the Offering is completed, Abdulaziz bin Abdullah Almoosa Investment Company will own 65.75% of the Company's share capital. As a result, Abdulaziz bin Abdullah Almoosa Investment Company will be able to control matters that require Shareholder approval and will be able to significantly influence the Company's business, including significant matters such as the election of Directors, material transactions of the Company, dividends and capital adjustments. If circumstances were to arise where its interests conflicted with the interests of minority Shareholders (including the Subscribers), the minority Shareholders might be disadvantaged and Abdulaziz bin Abdullah Almoosa Investment Company might otherwise exercise its control over the Company. This, in turn, would have an adverse effect on the Subscribers' anticipated returns and/or result in the loss of all or a portion of their investment in the Company.

2.3.2 Risks Related to the Lack of a Previous Market for Trading in the Company's Shares

No market for trading the Company's Shares has ever existed nor does any such market currently exist. Moreover, an active market for the Company's Shares may not develop or be sustained after the Offering. The absence or lack of continuity of an active market with high liquidity may have a negative and material impact on the trading price of the Company's Shares or lead to Subscribers losing all or part of their investment in the Company, which would affect the expected returns of Subscribers.

2.3.3 Risks Related to Fluctuations in the Market Price of the Offer Shares

The Offer Price may not be indicative of the price at which the Shares will be traded after completion of the Offering and Subscribers may not be able to resell the Offer Shares at or above the Offer Price or at all. The trading price of Shares may be volatile and may fluctuate significantly as a result of a variety of factors, many of which are beyond the Company's control, including the following:

- negative fluctuations in the Company's operating performance and improvements in the performance of its competitors;
- actual or expected fluctuations in the quarterly or annual results of the Company's operations;
- reductions or changes in research coverage by securities analysts in relation to the Company, its competitors or the sector in which it operates;
- the reaction of the public to the Company's press releases and other public announcements;
- failure of the Company or its competitors to meet analysts' predictions;
- the appointment or resignation of key employees;
- changes in the Company's business strategy;
- changes in the regulatory environment;
- changes in applicable accounting rules and policies;
- political or military developments or terrorist attacks in the Middle East and North Africa region or elsewhere;

- political, economic or other developments taking place in or affecting the Kingdom or the countries in which the Company operates;
- exemption from or expiration of the Lock-up Period or other transfer restrictions on Shares;
- natural and other disasters; and
- changes in the general conditions of the market and the economy.

Any of these factors may result in large and sudden changes in the trading volume and market price of the Shares, which in turn would have a material adverse effect on the anticipated returns of Subscribers and/or result in the loss of all or a portion of their investment in the Company.

2.3.4 Risks Related to the Company's Ability to Distribute Dividends

The Company may not be able to pay dividends, or the Board of Directors may not recommend the payment of dividends and Shareholders may not approve payment thereof for any reason. Future distributions of dividends are dependent on several factors, including, inter alia, the Company's future profits, financial position, cash flows, working capital requirements, capital expenditure and distributable reserves (for further information regarding the Company's dividend distribution policy, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).

In addition, the Company is subject to the terms of current and future financing agreements, which may include restrictions on the distribution of profits, such as the facilities agreement entered into with the Saudi National Bank which restricts the Company's ability to distribute profits exceeding 50% of the annual net profit if the Offering does not occur. In addition, the facilities agreement concluded with Al Rajhi Bank restricts the announcement and distribution of dividends exceeding 50% of the annual net revenue until the Offering is complete. The Company may incur expenses or liabilities that reduce the cash available for dividend distribution or may utilize such cash for its operations. If the Company does not pay dividends on the Shares, Shareholders will only receive returns on investments in the Shares by selling the Shares at a price higher than the Offer Price. There is no guarantee that the Company will be able to distribute dividends to Shareholders or that the distribution of dividends will be recommended by the Board of Directors or approved by Shareholders, which would have a material adverse effect on the expected returns of investors' investment in the Offer Shares.

2.3.5 Risks Related to the Use of the Offering Proceeds

The Company will use the Offering proceeds, which will be obtained from the sale of the New Shares, to repay the outstanding indebtedness and finance the Company's expansion plans and for general corporate purposes (for further information, please refer to Section 8 "**Use of the Offering Proceeds**" of this Prospectus). The Company may not use the Offering proceeds in the planned manner. The Company will also have the discretion to use the Offering proceeds and Subscribers may consider the Company's use of the Offering proceeds to be inappropriate. The Offering proceeds may be invested to achieve long-term benefits for the Company; however, this may not lead to an increase in the results of the Company's operations or its market value, and the Company's objectives may not be achieved. In addition, if the Company decides to invest the Offering proceeds in certain investments, such investments may not generate significant returns or may lose value. The occurrence of any of the above factors would have an adverse effect on investors' anticipated returns or may result in the loss of all or a portion of their investment in the Company.

2.3.6 Risks Related to the Sale of a Large Number of Shares on the Exchange after the Offering

The sale of a large number of Shares on the Exchange after the completion of the Offering or the perception that such a sale will occur may negatively affect the market price of the Shares. Upon successful completion of the Offering, the Substantial Shareholder will be subject to a Lock-up Period of 6 months after the Offering, during which they may not dispose of any of their Shares. The sale of a large number of Shares by the Substantial Shareholder after the end of the Lock-up Period, or the perception that such a sale will occur, may have a negative and material impact on the Stock Exchange and may lead to a decline in the market price of the Shares.

Furthermore, if the Company decides to increase capital by issuing new Shares, the new Shares may negatively affect the market price of the Shares and dilute Shareholders' ownership in the Company if they do not subscribe for new Shares at that time. The occurrence of any of the foregoing factors would have a material adverse effect on Subscribers' anticipated returns and may result in the loss of all or a portion of their investment in the Company.

2.3.7 Risks Related to Research Published on the Company

The trading price and volume of the Offer Shares will depend in part on the research published by securities or sector analysts regarding the Company and its business. If analysts do not conduct sufficient research on an ongoing basis, or if one or more analysts covering the Company downgrades their recommendations regarding the Shares or publishes inaccurate or unfavorable research with respect to the Company's business, this may result in a decline in the market price of the Shares. In addition, if one or more such analysts who publish research ceases coverage of the Company completely or fails to publish regular reports on it, the Company may lose standing and visibility in the capital markets, which may lead to a significant decline in the market price of the Shares.

2.3.8 Risks Related to the Inability of Non-Qualified Foreign Investors to Acquire Shares Directly

Non-qualified Foreign Investors who wish to participate in the Offering must enter into swap arrangements with Capital Market Institutions which allow them to obtain, under the arrangements thereof, an economic interest in the Offer Shares in accordance with the applicable laws and regulations. Non-qualified Foreign Investors can trade these interests through Capital Market Institutions, which are the legal owners of the Shares. Accordingly, non-qualified Foreign Investors will not be entitled to legal ownership of the Shares and will not be able to vote on the Shares in which they have an economic interest.

3. Market and Industry Information

3.1 Introduction

The information in this section ("**Market and Industry Information**") is derived from the report prepared by the Market Consultant ("**PricewaterhouseCoopers Public Accountants – PwC**"). PwC is a network of firms operating from 151 countries across the globe with nearly 364,000 people committed to delivering quality in assurance, tax, and advisory services (which includes Consulting, Deals and Strategy& practices).

The Market Consultant does not, nor do any of its subsidiaries, sister companies, partners, shareholders, directors, managers or their relatives, own any shares or any interest of any kind in the Company or its subsidiaries. The Market Consultant has given, and not withdrawn as at the date of this Prospectus, its written consent for the use of its name, market information, and data supplied by it to the Company in the manner and format set out in this Prospectus.

The Board of the Company believes that information and data contained in this Prospectus from other resources, including those provided by the Market Consultant, are reliable. However, neither the Company nor any of its Board of Directors or managers, shareholders or other consultants have verified or checked the accuracy or completeness of the information contained in this section, and neither of them shall bear any responsibility for such information.

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3.2 Macroeconomic and Demographic Overview

3.2.1 Leading Economy in the Middle East and North Africa ("MENA") Region

The Kingdom of Saudi Arabia ("**KSA**") boasts the largest Gross Domestic Product ("**GDP**") in the MENA region, with an estimated Saudi Riyals ("**SAR**") 4.2 trillion in nominal terms as of 2022G, a large portion of which is dominated by the oil sector. KSA's nominal GDP grew by a compounded annual growth rate ("**CAGR**") of 10% from 2019G to 2022G, following a brief period of disruptions triggered by the Covid-19 pandemic and collapse in oil prices in 2020G. Economic growth over the past few years has been driven by the oil sector. However, non-oil GDP contribution grew at a robust CAGR of 5% between 2019G and 2022G, driven by dedicated efforts to diversify the economy under Vision 2030, a national transformation with a set of targeted structural reforms which have ushered in a new era of economic diversification.

Table 3.1: KSA Nominal GDP by Sector for the Years 2019G, 2020G, 2021G and 2022G

	2019G	2020G	2021G	2022G	CAGR 2019G – 2022G
Nominal GDP (SAR Bn)	3,145	2,754	3,278	4,157	10%
Oil Activities (SAR Bn)	950	604	920	1,608	19%
Non-Oil Activities (SAR Bn)	1,519	1,455	1,583	1,754	5%
Government Activities (SAR Bn)	584	577	578	603	1%
Net Taxes on Products (SAR Bn)	92	117	198	191	28%
KSA Nominal GDP Share in MENA(1) (%)	27.5%	27.3%	27.9%	30.1%	2.6p.p.(2)

Sources: GASTAT, Fitch

Notes: (1) MENA includes Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank and Gaza, Yemen (2) Percentage points

3.2.2 Strong Recent Economic Developments

KSA was the fastest growing G20 economy in 2022G, where the overall real GDP growth reached 8.7% reflecting both strong oil production and non-oil GDP growth. Solid economic growth and unwavering Saudization initiatives pushed the unemployment rate among Saudis to a record low in 2022G and national female labor force participation surpassed the 2030G target. The Kingdom has made strides in promoting gender equality, which resulted in almost doubling of the Saudi female labor force participation since 2017G, facilitated by the removal of formal restrictions in the legal code, employer incentive schemes, childcare assistance, and training and scholarships.

Table 3.2: KSA Employment and Labor Force Statistics(1) for the Years 2017G, 2018G, 2019G, 2020G, 2021G and 2022G

	2017G	2018G	2019G	2020G	2021G	2022G
Unemployment Rate (Total) (%)	6.0%	6.0%	5.7%	7.4%	6.9%	4.8%
Unemployment Rate (Saudis) (%)	12.8%	12.7%	12.0%	12.6%	11.0%	8.0%
Unemployment Rate (Expats) (%)	3.2%	1.0%	0.4%	2.6%	2.9%	1.5%
Labor Force Participation (Male) (%)	79.0%	78.7%	80.4%	80.6%	79.5%	80.5%
Labor Force Participation (Female) (%)	20.9%	21.9%	26.8%	32.1%	34.9%	34.5%
Labor Force Participation (Saudi Female) (%)	19.4%	20.2%	26.0%	33.2%	35.6%	36.0%
Labor Force Participation (Expatriate Female) (%)	24.2%	25.9%	28.8%	29.3%	33.3%	31.1%

Sources: GASTAT

Note (1): Qualitative insights on KSA employment and labor force historical trends summarized above are used with permission of the International Monetary Fund, from IMF Country Report 23/323 Saudi Arabia, IMF.org, 2023-09-01; permission conveyed through Copyright Clearance Center, Inc.

Moreover, inflation has been contained with Consumer Price Index ("CPI) averaging 3.3% in 2022G, lower than other regional and international markets, indicating a relatively stable economy.

Table 3.3: Consumer Price Index for the Year 2019G, 2022G and 2030G

Select Sample Countries	2022G	p.p.(1) Change 2019G – 2022G	p.p.(1) Change 2022G – 2030G
Turkey (%)	64.3%	52.5%	(53.3%)
MENA (%)	22.8%	17.2%	(17.3%)
United Kingdom (%)	10.5%	9.2%	(8.7%)
Belgium (%)	10.2%	9.3%	(7.2%)
Germany (%)	9.6%	8.1%	(7.9%)
France (%)	7.4%	5.7%	(5.1%)
United States (%)	6.5%	4.2%	(6.5%)
Canada (%)	6.5%	4.3%	(4.0%)
India (%)	5.7%	(0.2%)	(1.7%)
Japan (%)	4.0%	3.2%	(3.2%)
GCC (%)	3.7%	3.6%	(2.1%)
KSA (%)	3.3%	3.5%	(1.0%)
China (Mainland) (%)	1.8%	(2.7%)	0.5%

Sources: Fitch

Note: (1) Percentage points

3.2.3 Robust Macroeconomic Outlook

In 2023G, KSA's economy has contracted by 0.7%1 as recent oil production cuts weigh on growth. This contraction is largely triggered by the unilateral decision to cut oil exports starting July 1, 2023G by 1 million barrels per day. However, KSA is expected to witness strong economic growth of 3.7% CAGR by 2030G, driven by key reforms including state efficiency improvement, cost containment measures, and funding of large Sovereign Wealth Funds ("SWFs") capable of generating large revenue streams and cushioning the effects of probable cuts to Government subsidy. Moreover, ongoing initiatives from the various Vision 2030 Realization Programs are targeted at sustaining economic growth through economic diversification.

Table 3.4: KSA Real(2) GDP for the Years 2019G, 2022G, 2023G and 2030G

KSA Real2 GDP	2019G	2022G	2023G	2030G	CAGR 2023G – 2030G
Real(2) GDP (SAR Bn)	2,745	2,977	2,957	3,801	3.7%

Sources: Fitch, Qualitative Insights from S&P Global Market Intelligence

Notes: (1) Based on Fitch Solutions 2023G estimated real GDP figure with last review date of 1/5/2024G (2) Constant 2010G prices

KSA's economic growth outlook is expected to result in an uptake in the share of the higher income population bracket, which will in turn lead to an increased consumer spending. The population bracket earning more than SAR 281,000 (USD 75,000) and between SAR 188,000 – 281,000 (USD 50,000 – 75,000) are expected to increase from 24% to 29%, and 18% to 20% respectively between 2020G and 2028G. This growth can be attributed to the underlying economic growth outlook, driven by sectors including labor-intensive non-oil sectors notably wholesale, retail trade, construction and transport. This uptake is in turn mirrored by an increasing disposable income per capita and household spending trends, that are expected to sustain in the upcoming periods. KSA household spending is anticipated to increase by a CAGR of 6.4%, with disposable income per capita reaching SAR 58,200 by 2028G. This stems from various factors, including economic growth, enhanced employment opportunities, and shifting demographics. KSA's economy is undergoing a transformation, as it implements reforms to reduce oil dependence, diversify income sources, and enhance competitiveness. KSA's young and growing population, coupled with rising disposable incomes, is driving domestic consumption, creating opportunities for diverse sectors like retail, tourism, and healthcare.

Table 3.5: KSA Household Distribution by Disposable Income Bracket for the Years 2020G, 2021G, 2022G, 2023G and 2028G

	2020G	2021G	2022G	2023G	2028G	p.p.(1) Change 2020G-2022G	p.p.(1) Change 2022G-2028G
Less than SAR 188,000 (% of total # of households)	57%	58%	57%	61%	51%	(0.2%)	(5.8%)
SAR 188,000– 281,000 (% of total # of households)	18%	18%	18%	17%	20%	0.04%	1.2%
More than SAR 281k (% of total # of households)	24%	24%	25%	22%	29%	0.1%	4.6%

Sources: Fitch

Note: (1) Percentage point

Table 3.6: KSA Household Spending for the Years 2020G, 2021G, 2022G, 2023G and 2028G

	2020G	2021G	2022G	2023G	2028G	CAGR 2020G-2028G
Household Spending (SAR Bn)	1,219	1,388	1,489	1,572	2,007	6.4%
Household Spending per Capita (SAR '000)	39	45	46	48	58	5.1%

Sources: Fitch

Table 3.7: KSA Disposable Income per Capita for the Years 2020G, 2021G, 2022G, 2023G and 2028G

	2020G	2021G	2022G	2023G	2028G	CAGR 2020G-2028G
Disposable Income per Capita (SAR '000)	53	52	53	49	58	1.3%

Sources: Fitch

3.2.4 Saudi Vision 2030

KSA's sustained growth outlook is spurred by Vision 2030's structural reforms, which have ushered in a new era of economic diversification through its strategic Vision Realization Programs ("VRPs"). Key VRPs include the following:

- **Privatization Program**
  - Identifies government assets and resources across several sectors for privatization or private sector participation, with the aim of improving the quality of services offered to citizens and businesses, and reducing costs
  - Major achievements include the enactment of the Saudi Privatization Law and establishment of the National Center for Privatization and Public Private Partnership ("NCP")
- **National Transformation Program**
  - Covers a range of themes, including empowering the private sector, achieving government excellence, developing economic partnerships, and accelerating digital transformation
- **National Industrial Development & Logistics Program**
  - The Program is unleashing Saudi Arabia's potential as a global logistics hub with high efficiency, quality and speed
  - Programs such as Made in Saudi, to enhance local content in oil and non-oil sectors, are paving the way for Saudi Arabia's Fourth Industrial Revolution which will harness new technologies for the betterment of society
- **Public Investment Fund Program**
  - Maximizes the impact of the Public Investment Fund ("PIF"), which drives the diversification of Saudi Arabia's economy: as of July 2022G, PIF had USD 700Bn assets under management, created 500,000 jobs and established 79 companies
  - Giga-projects under the Program are redefining the Kingdom's future and pioneering a new way of sustainable living for the world: NEOM, ROSHN, the Red Sea Project, Qiddiya and Diriyah
- **Health Sector Transformation Program**
  - The Program is transforming the Kingdom's healthcare system to be more comprehensive, effective, and integrated, while prioritizing innovation, financial sustainability, disease prevention, and improved access
  - Focuses on expanding e-health services and digital solutions, improving the quality of care, and adhering to international standards

Vision 2030 intends to enhance private participation, attract foreign direct investments, reduce reliance on oil, and further reform the labor market for which some key performance indicators ("**KPIs**") have already been surpassed.

Table 3.8: Select Key Performance Indicators Saudi Vision 2030 for the Years 2022G and 2030G

	2022G	2030G Target
Private Sector Contribution (% of GDP)	43%	65%
FDI Contribution (% of GDP)	3.0%	5.7%
Non-Oil Exports Contribution (% of Overall Exports)	16%	50%
Unemployment Rate (% of Saudi Nationals)	8%	7%
Saudi Female Labor Force Participation (% of Saudi Females)	36%	30%

Sources: GASTAT, Vision 2030, KSA Ministry of Investment, KSA Ministry of Finance, Argaam

Since the onset of Vision 2030, KSA advanced in its diversification through a reduction of the oil sector's contribution. The Kingdom witnessed a reduced reliance on the oil sector across its revenues, as non-oil revenue mobilization has doubled (from SAR 186Bn in 2017G to SAR 420Bn in 2022G) with an increasing contribution to total revenues (from 30% in 2017G to 33% in 2022G). Over the medium term, Saudi Arabia's structural reforms and implementation of the Vision Realization Programs, sectoral and regional strategies and giga projects will continue raising non-oil growth. Non-oil revenues are expected to grow at a CAGR of 7% between 2022G and 2028G, with a 14% increase in total revenue share contribution to reach 47% by 2028G.

Table 3.9: KSA Government Revenues for the Years 2017G, 2022G and 2028G

	2017G	2022G	2028G	CAGR 2017G-2022G	CAGR 2022G-2028G
Oil Revenues (SAR Bn)	436	857	712	14%	(3%)
Non-Oil Revenues (SAR Bn)	186	420	639	18%	7%
Non-Oil Revenues Contribution (% of KSA Government Revenues)	30%	33%	47%	+3p.p.(1)	14% Percentage Points

Sources: Used with permission of the International Monetary Fund, from IMF Country Report 23/323 Saudi Arabia, IMF.org, 2023-09-01; permission conveyed through Copyright Clearance Center, Inc., KSA Ministry of Finance

3.2.5 Large Population Concentrated in Few Major Regions

From a demographic standpoint, KSA is the most populous country in the Gulf Cooperation Council ("**GCC**"), boasting a population of 32Mn in 2022G. KSA's population historical growth was the least impacted by the Covid-19 pandemic compared to other GCC countries, as it exhibited a robust growth of 2.3% CAGR between 2019G and 2022G, surpassing all other GCC countries. KSA's population has a relatively higher share of nationals (58% on average of the total population between 2019G and 2022G) vis-à-vis other key GCC countries, which in turn justifies the lower impact associated with expatriate departures during the pandemic, on KSA's demographic growth. Moreover, the annual demographic growth outlook of 1.3% between 2022G and 2030G is expected to outpace the rest of the GCC.

Table 3.10: GCC Population by Country for the Years 2019G, 2020G, 2021G, 2022G, 2023G and 2030G

	2019G	2020G	2021G	2022G	2023G	2030G	CAGR 2019G- 2022G	CAGR 2022G-2030G
KSA (Mn)	30.1	31.6	30.8	32.2	32.7	35.8	2.3%	1.3%
UAE (Mn)	9.2	9.3	9.4	9.4	9.5	10.0	0.8%	0.7%
Oman (Mn)	4.6	4.5	4.5	4.6	4.6	5.1	(0.2%)	1.3%
Kuwait (Mn)	4.4	4.4	4.3	4.3	4.3	4.6	(1.3%)	0.8%
Qatar (Mn)	2.8	2.8	2.7	2.7	2.7	2.9	(1.3%)	0.7%
Bahrain (Mn)	1.5	1.5	1.5	1.5	1.5	1.6	(0.5%)	0.8%

Sources: GASTAT, Fitch

KSA is divided into 13 administrative regions: Riyadh, Makkah, Eastern Region, Madinah, Aseer, Jazan, Al Qaseem, Tabuk, Hail, Al Jawf, Najran, Northern Borders, Al Bahah. Riyadh administrative region is the most populated cluster with 8.6 Mn residents in 2022G, representing 27% of the country's total population, emphasizing its status as the political and economic hub. Makkah and the Eastern administrative regions had 8 Mn and 5.1 Mn residents respectively as of 2022G, representing 25% and 16% of the country's total population. Together, the 3 clusters accounted for about 68% of the country's total population. Moreover, 5 cities account for 49% of the total KSA population: Riyadh (6.9Mn), Jeddah (3.7Mn), Makkah (2.4Mn), Madinah (1.4Mn) and Dammam (1.4Mn), as of 2022G.

3.2.6 Young but Rapidly Ageing Population

KSA's population is young but rapidly ageing which is expected to further fuel consumption of health services, signaling a need for further investment in the sector. The 60+ year group is expected to grow the fastest at a CAGR of 10.1% during 2022G-2030G, nearly 8 times higher than the overall population growth rate. This is poised to have a positive impact on the healthcare sector, signaling increased demand for health services and emphasizing the importance of healthcare infrastructure and support for elderly individuals, specifically in specialties related to the older age group including long term care, geriatric care, neurosciences and orthopedics. Moreover, changing marriage patterns, higher divorce rates, increased female workforce participation, and related societal shifts are expected to lead to a decrease in the 0-14 age population bracket.

Table 3.11: KSA Population by Age Bracket for the Years 2019G, 2020G, 2021G, 2022G, 2023G and 2030G

	2019G	2020G	2021G	2022G	2023G	2030G	CAGR 2019G-2022G	CAGR 2022G-2030G
0-14 Years (% of Total Population)	26.0%	26.0%	26.2%	25.9%	25.6%	22.6%	2.2%	(0.4%)
15-24 Years (% of Total Population)	15.3%	15.0%	14.5%	14.4%	14.5%	15.3%	0.1%	2.1%
25-59 Years (% of Total Population)	54.4%	54.5%	54.4%	54.3%	54.1%	51.7%	2.2%	0.7%
60+ Years (% of Total Population)	4.3%	4.5%	4.9%	5.3%	5.8%	10.4%	10.4%	10.1%

Sources: GASTAT, Fitch

Moreover, KSA's population comprises mostly of males consistently accounted for 60-61% of the total population between 2020G and 2022G. However, The Saudi government is committed to gender equality, bolstering women's rights, support systems, and care programs to create an inclusive work environment. This initiative aims to narrow the gender gap, making KSA an attractive destination for female expatriates. Additionally, nationals have consistently accounted for 57-60% of the total population between 2020G and 2022G. Opportunities presented by Vision 2030 focused on economic diversification and social development are expected to attract global talent and allow expats to actively contribute to the nation's goals.

Table 3.12: KSA Population by Gender and Nationality for the Years 2020G, 2021G and 2022G

	2020G	2021G	2022G
Males (% of Total Population)	61%	60%	61%
Females (% of Total Population)	39%	40%	39%
Nationals (% of Total Population)	57%	60%	58%
Expats (% of Total Population)	43%	40%	42%

Sources: GASTAT

3.2.7 Eastern Province Emerging as the Kingdom's Prime Energy (Oil & Gas) Hub, Key Petrochemicals Hub, and Mining Hub

The Eastern Province is in the eastern part of Saudi Arabia on the coast of the Arabian Gulf. It is the largest in the country in terms of land area (covering over 30% of the total area of the Kingdom) and the third largest in terms of population (5.1 million in 2022G representing 15.9% of total KSA population). It has a diverse geography with a 700-kilometer coastline and is home to Al Ahsa Oasis, the world's largest oasis and a UNESCO World Heritage Site. The Eastern Province has a total of 12 governates and is surrounded by Northern Borders, Al Qassim, Riyadh and Najran regions. Key cities include Dammam, Al Khobar, Jubail, Dhahran, Al Hafuf, Al Ahsa, Buqaiq, and Ras Tannurah.

The Eastern Province has abundant natural resources of oil and gas. Home to nine of the largest oil fields by reserves, the province accounts for more than 50% of the Kingdom crude oil production and has the largest onshore and offshore fields - Al Ghawar and Safaniya. Headquartered in Dhahran, Eastern Province, Saudi Aramco is the Kingdom's leading oil and gas company, which continues to discover new fields in the region and further develop the energy sector. Major Saudi Aramco owned energy projects in the region include the establishment of the Fadhili Gas Plant in Jubail and the Jafurah unconventional gas field development in Al Ahsa. According to the "Invest in Sharqia" report by Invest Saudi published in January 2023G, the former is the first by Saudi Aramco to treat non-associated gas to increase the supply of cleaner burning natural gas to reduce emissions. The latter, discovered in 2016, is the largest non-associated gas field in the Kingdom to date. According to field studies at Jafurah, the volume of gas resources is projected to be 200 trillion cubic feet of rich raw gas, which will provide a lucrative feedstock for the petrochemical industries. The Jafurah project is set to meet the rising demand for high value petrochemicals feedstock and complement Saudi Aramco's focus on hydrogen.

With access to some of the largest oil and gas fields in the world, the Eastern Province is also a petrochemical hub. The province leads the Kingdom in terms of petrochemical exports in the country and is home to Saudi Basic Industries Corporation ("**SABIC**"), one of the largest petrochemical companies in the world. Through programs such as the National Industrial Development and Logistics Program, the province seeks to capitalize on its current position as a leader in basic chemicals and expand into downstream industries, conquering higher stages of the petrochemicals value chain.

Additionally, Ras Al-Khair Industrial City, strategically located on the Arabian Gulf near Jubail Industrial City, is considered one of the largest mining industrial cities in the world and is responsible for fueling the Kingdom's mining sector growth. It is connected to the main mines in the Kingdom by a 1,400 km railway and includes a SAR 3 billion port built to export petrochemical, phosphate, and aluminum products manufactured at nearby facilities.

3.2.8 Eastern Province Emerging as a Local and Global Trade Hub

The Eastern Province has a strategic location and advanced transport and logistics infrastructure. It shares borders with the United Arab Emirates, Qatar, Kuwait, Iraq, and Oman. Bahrain is also linked to the province by the 25 km long King Fahd Causeway. According to the "Invest in Sharqia" report by Invest Saudi published in January 2023G, the province has direct access to all Gulf Cooperation Council ("**GCC**") countries through land and sea transportation, with 66% of non-oil exports passing through its seaports. Moreover, it is a well-connected region, having 60% of the Kingdom's borders hosting four of the major ports (i.e., King Abdulaziz port in Dammam, King Fahad Industrial Port and Jubail Commercial Port in Jubail, and Ras Al-Khair Port in Ras Al-Khair), the third largest international airport in Saudi Arabia by number of passengers (King Fahd International Airport in Dammam) and a railway network that connects the cities of Al Hofuf, Abqaiq and Dammam to Riyadh.

3.2.9 Eastern Province's Demographics are Young without Significant Outward Migration

The Eastern Province has a population of 5.1Mn as of 2022G with over 60% of individuals under the age of 35. Over the last few years, the province has experienced a strong population growth (2.6% CAGR in the period of 2019G-2022G) and an increase in the local talent pool. A major portion of the population of the Eastern Province is concentrated in major cities like Dammam, Jubail, and Al Khobar. Further, Eastern Province cities such as Al Ahsa have one of the lowest rates of population migration to Riyadh compared to other KSA cities, indicative of its livability and work opportunity attractiveness.

3.2.10 Eastern Province's Robust Macroeconomic and Demographic Growth Outlook

The Eastern Province has a strong economy due its strong oil and gas and petrochemical sector. The province's economy is expected to further grow supported by targeted government initiatives such as the National Transformation Program and the National Industrial Development Program. These programs and projects along with others are supported by governmental entities such as the Agricultural Development Fund and the Tourism Development Fund.

Various upcoming integrated infrastructure projects are expected to support the macroeconomic and demographic outlook of the Eastern Province, and result in a population uptake which can further fuel demand for healthcare services, including:

- **Al Fulwa - ROSHN Project** is a fully integrated community to house 100,000 people featuring 18,000 residential units located in south of Al Hofuf
- **Downtown Area Modernization Project** aims to enhance the attractiveness and competitiveness of the downtown areas in Al Khobar and Al Hofuf creating a vibrant society and thriving economy
- **SEVEN Project** will launch an amusement park in Al Aziziyah - 6 movie theatres & 3 entertainment projects in Eastern Province
- **Al Uqair Beach Project** is expected to create 37,700 direct job opportunities and another 56,000 indirect and seasonal job opportunities
- **ASFAR** signed an MoU with Al Ahsa Municipality in 2024G to develop a major tourism attraction in Al Ahsa (area of 500,000 sqm) and to transform the Eastern Province's leisure and hospitality sectors
- **The RIG**, located close to the Kingdom's east coast, is a tourism and entertainment project spanning more than 150,000 square meters in size with 3 hotels, 11 restaurants and facilities for live shows, extreme sports and adventures with a fast ferry, yachts, cruises and helicopters. the project expects more than 900,000 annual visitors by 2032G
- **Dan Agri- & Ecotourism Project** spans across 1.8 Mn sqm in Al Ahsa featuring an eco, agri and adventure resort and expects around 14 million visitors across the targeted destinations by 2030
- **Al Ahsa Airport Expansion** will raise the airport's capacity by 250% to reach 1 Mn passengers annually
- **Railway Eastern Network Expansion** will add 10 modern trains in the Eastern region

3.3 Healthcare Sector Overview

3.3.1 Healthcare Regulatory and Provider Landscape

The healthcare regulatory landscape in KSA encompasses 9 government entities overseeing the different pillars of healthcare: Public Health, Provision & Standards, Private Insurance, Food, Drug, and Medical Devices, Health Practitioners, Research and Reports, Data Digitization.

Health sector regulators include:

- **Ministry of Health ("MoH")**: Provides health care, formulates rules and regulations governing the public and private health sector, and monitors its performance
- **Saudi Food and Drug Administration ("SFDA")**: Regulates pharmaceutical, medical device and food products to ensure the safety of food and drug for humans and animals
- **Saudi Health Council ("SHC")**: Coordinates and integrates healthcare system stakeholders and institutions
- **National Center for Disease Control ("CDC")**: Aims to protect and promote the public health, prevent disease, and raise the public preparedness by organizing the efforts between the relevant authorities
- **Council Health Insurance ("CHI")**: Regulates the private health insurance sector
- **National Health Information Center ("NHIC")**: An electronic network of health information center that connects MoH, university hospitals, and other relevant government agencies
- **Saudi Commission for Health Specialties**: Controls the activities of health personnel, spreads the public health culture in society, and promotes health
- **Saudi Central Board for Accreditation of Healthcare Institutions ("CBAHI")**: Grants accreditation certificates to all healthcare facilities operating in KSA and sets the healthcare quality and patient safety standards
- **Saudi National Institute for Health ("Saudi NIH")**: Drives research and innovation to get effective interventions for population segments

KSA healthcare is currently provided free of charge to all Saudi citizens and expatriates working in the public sector, primarily through the Ministry of Health and augmented by other governmental health facilities. MoH hospitals are mainly funded by the government, financed through oil revenue. The government provides free health services to pilgrims through the Ministry of Health facilities whether they are nationals or visitors. The MoH is the largest provider of healthcare services in the Kingdom, providing over 50% of inpatient care. Other Governmental sector include facilities funded by the Ministry of Defense and Aviation Medical Services, Ministry of Interior Medical Services, National Guard Medical Health Affairs, university hospitals, King Faisal Specialist Hospital and Research Center ("KFSH&RC"), and others, and serve Saudi citizens for tertiary care services and the extended royal family and dignitaries for all levels of care. The private sector has been the primary service provider for foreign workers. Initially the private hospitals were small, generally physician-owned facilities funded primarily by out-of-pocket and expatriate payments. However, the move to provide insurance coverage has encouraged the entrance of multi-hospital systems into the market. Currently, private health care expenditures are financed through a combination of employee insurance and out-of-pocket payments by the employer and consumer.

KSA's health regulatory initiatives are evolving to enhance healthcare quality, access, and innovation, in line with Vision 2030 and the National Transformation Program.

Table 3.13: Evolution of Key Health Regulatory Initiatives

Year	Initiative
1999G	Formation of Council of Cooperative Health Insurance which is a major move to increase involvement of private sector
2006G	CBAHI develops first set of quality standards for hospitals which is an indication of commitment to international quality standards
2016G	Introduction of mandatory private health insurance for private sector employees that aligns with Vision 2030 goals announced
2019G	Amendment of the private healthcare institutions law, allowing 100% foreign ownership, aims to stimulate investments in the sector
2022G	Launch of the Health Sector Transformation Program prioritizing digital health technologies and solutions
2030G	Completion of the economic and social development targets for Vision 2030

Source: KSA MoH, CBAHI, Vision 2030

3.3.2 Improving Quality of Care

As such, over the past few years, quality of care in KSA has been improving as evidenced by key indicators including reducing neonatal mortality rate and increasing Saudi life expectancy. The neonatal mortality rate has dropped from 3.6 per 1,000 live births in 2018G to 2.4 per 1,000 live births in 2022G. Moreover, life expectancy at birth within the Saudi nationality has increased from 75 years in 2018G to 78 years in 2022G. The Government has introduced several programs and initiatives to improve the quality of care, including the Saudi Central Board for Accreditation of Healthcare Institutions ("**CBAHI**"). The MoH has also launched services such as the National Accreditation Program for Health Facilities ("**NAP**"). The NAP assesses and accredits healthcare facilities based on several criteria, including patient safety, infection control, and quality of care.

3.3.3 Leading Healthcare Market in the MENA Region

While being the 7th most populous country in the MENA region, KSA's healthcare sector focused investments and ongoing Vision 2030 targeted healthcare initiatives have positioned it as the MENA's leading spender comprising 33% of the overall healthcare spending in the region. The Healthcare Sector Transformation Program launched in 2016G, is the first Vision Realization Program established under Vision 2030 and aims at transforming the healthcare system to be more comprehensive, effective, and integrated by prioritizing innovation while improving access to healthcare. Key initiatives include expanding access through the roll out of mandatory health insurance, modernizing facilities, and fostering private sector investment.

Table 3.14: Healthcare Spending by MENA Country (Top 5) for the Year 2022G

Top 5 MENA Countries	Healthcare Spending (2022G)	% of MENA Healthcare Spending (2022G)
KSA (USD Bn, %)	62	33%
UAE (USD Bn, %)	24	13%
Egypt (USD Bn, %)	28	15%
Algeria (USD Bn, %)	12	6%
Iran (USD Bn, %)	12	6%

Sources: Fitch

KSA's healthcare spending grew at a CAGR of 11% from SAR 170 billion in 2019G to SAR 232 billion in 2022G, primarily propelled by increasing health insurance penetration, increasing cost of medical goods and services, and other government and policy related initiatives including the rampant localization of the pharmaceutical market and deployment of the accountable care organization model.

Table 3.15: KSA Healthcare Expenditure for the Years 2019G, 2020G, 2021G and 2022G

	2019G	2020G	2021G	2022G	CAGR 2019G-2022G
KSA Healthcare Expenditure (SAR Bn)	170	184	212	232	11%

Sources: Fitch

Moreover, KSA's healthcare spending per capita exceeds MENA's average, and has been growing at a relatively fast pace vis-à-vis other developed and emerging markets. KSA's healthcare spending per capita demonstrated a strong growth, achieving a CAGR of 9% from 2019G to 2022G. Growth partly reflected an increase in disposable incomes amid the strong economic recovery on the back of higher oil production and prices. The rise in expatriate numbers following the pandemic and the clearing of the backlog of delayed medical treatments also aided the increase. KSA's healthcare spending per capita is expected to grow at 4% by 2030G. The rise in disposable incomes, life expectancy, urbanization and growing prevalence of chronic and lifestyle diseases, coronary problems, and other obesity related illnesses, are expected to drive consumption further.

Table 3.16: Healthcare Spending by Capita for the Years 2019G, 2022G and 2030G

Select Sample Countries	2022G	CAGR 2019G-2022G	CAGR 2022G-2030G
United States (USD)	13,874	7.5%	4.5%
Switzerland (USD)	11,580	6.3%	3.7%
Australia (USD)	7,347	7.8%	6.2%
Germany (USD)	6,021	3.3%	4.5%
United Kingdom (USD)	5,591	8.3%	1.5%
Singapore (USD)	3,987	9.9%	7.3%
South Korea (USD)	2,985	4.8%	7.2%
United Arab Emirates (USD)	2,512	8.9%	7.2%
Taiwan, China (USD)	2,144	8.5%	6.6%
GCC (USD)	1,981	8.5%	5.0%
Saudi Arabia (USD)	1,924	8.6%	4.3%
Poland (USD)	1,151	4.8%	12.9%
Brazil (USD)	867	(0.4%)	6.3%
China (Mainland) (USD)	762	8.4%	7.5%
Mexico (USD)	700	7.8%	11.8%
MENA (USD)	397	3.9%	3.3%
Turkey (USD)	245	(16.7%)	(0.5%)
Indonesia (USD)	159	7.2%	4.5%
India (USD)	76	7.8%	9.7%

Sources: Fitch

Among the GCC nations, KSA ranked first in terms of healthcare spending as a % of GDP at 5.6% in 2022G. The healthcare sector remains a top priority for the KSA Government, and a cornerstone sector in Vision 2030. The Government has allocated 14% of its budget to healthcare in 2022G. However, there is still a gap in terms of spending compared to other international developed and emerging benchmarks. Developed countries like the USA and UK spent 18.2% and 12.3% of GDP on Healthcare respectively in 2022G. Efforts of the KSA Government and private sector growth are expected to continue and drive growth of the Healthcare market going forward.

Table 3.17: Healthcare Spending as a % of GDP for the Years 2019G, 2022G and 2030G

Select Sample Countries	2022G	p.p.(1) change 2019G-2022G	p.p.(1) change 2022G-2030G
United States (%)	18.2%	0.9%	0.8%
Switzerland (%)	12.5%	1.1%	1.1%
United Kingdom (%)	12.3%	2.1%	(0.9%)
Germany (%)	12.3%	0.6%	1.0%
Australia (%)	11.2%	0.4%	0.8%
Brazil (%)	9.6%	(0.3%)	1.3%
South Korea (%)	9.3%	1.1%	0.6%
Taiwan, China (%)	6.7%	0.2%	0.5%
Poland (%)	6.6%	0.2%	1.5%
Mexico (%)	6.1%	0.7%	1.4%
China (Mainland) (%)	6.1%	0.1%	0.8%
Saudi Arabia (%)	5.6%	0.0%	0.9%
United Arab Emirates (%)	5.2%	0.9%	1.8%
MENA (%)	5.1%	(0.4%)	0.0%

Select Sample Countries	2022G	p.p.[1] change 2019G-2022G	p.p.[1] change 2022G-2030G
Singapore (%)	5.1%	0.4%	0.7%
GCC (%)	5.1%	0.0%	0.9%
Indonesia (%)	3.3%	0.2%	1.1%
India (%)	3.1%	0.2%	0.8%
Turkey (%)	2.3%	(2.4%)	(1.4%)

Sources: Fitch

Note: (1) Percentage point

3.3.4 High Incidence of Lifestyle Diseases

KSA records one of the highest prevalence of key lifestyle diseases compared to other benchmarks, signaling a heightened demand for chronic disease management, preventative care services and growing need for specialized healthcare. With 19% of the over 20 years age group suffering from diabetes, and 24% suffering from obesity, the demand for preventive care screening for the management of chronic diseases presents expansion opportunities for the healthcare and pharmaceutical industries. The rapidly aging population in KSA is expected to further increase the prevalence of such diseases, in addition to fueling demand for chronic care particularly for Osteoporosis, Alzheimer, Dementia, Parkinson and Multiple Sclerosis.

Table 3.18: Prevalence Rate of Select Chronic & Lifestyle Related Diseases

Country	Adult Obesity[1]	Adult Diabetes[1]	Hypertension[1]
KSA	24%	19%	34%
Germany	24%	7%	30%
England	26%	6%	30%
OECD	20%	7%	31%
Global	13%	10%	33%

Sources: World Obesity Federation, WHO, World Bank, NHS, OECD, International Diabetes Federation. IDF Diabetes Atlas, 10th edn. Brussels, Belgium: International Diabetes Federation, 2021G. http://www.diabetesatlas.org

Note: (1) Latest available data

However, KSA's healthcare infrastructure and healthcare utilization is still maturing and continues to lag global benchmarks on key Healthcare parameters, indicating room for further growth and investment in the sector.

Table 3.19: Key Healthcare Metrics

Country	Beds per 1,000 Capita[1]	Physicians per 1,000 Capita[1]	Nurses per 1,000 Capita[1]	Consultations per Capita[1]
KSA	2.4	3.3	6.1	5.2
Australia	3.8	4.0	12.8	6.6
Germany	7.8	4.5	12.0	9.6
France	5.7	3.2	8.6	5.5
Italy	3.1	4.1	6.2	5.3
UK	2.4	3.2	8.7	NA
USA	2.8	2.7	NA	3.4
Canada	2.6	2.8	10.3	4.7
Japan	12.6	2.6	12.1	11.1
South Korea	12.8	2.6	8.8	15.7

Sources: KSA MoH, OECD

Note: (1) Latest available data (KSA data as of 2022G, Australia data as of 2016G-2022G, Germany, France, and Italy data as of 2021G, UK data as of 2021G-2022G, USA and Canada data as of 2020G-2021G, Japan data as of 2020G-2021G and South Korea data as of 2021G)

3.3.5 Healthcare Transformation

Vision 2030’s health sector focused Vision Realization Programs such as the Health Sector Transformation Program seek to elevate healthcare delivery in KSA. The Health Sector Transformation Program seeks to restructure the health sector, consequently enhancing its capabilities as an effective, integrated ecosystem that sets the health of every member of society at the forefront of its priorities. Strategic objectives include easing the access to healthcare services, improving the value of such services, strengthening prevention against health threats, and enhancing traffic safety. Key 2030 targets are to have 88% of the population covered by inclusive health services, and 100% of the population covered by the unified digital medical records system. This program is aimed at driving the Kingdom’s healthcare system towards greater comprehensiveness through strategic initiatives aligned with Vision 2030 goals. The program encompasses various strategic reform initiatives including:

- **Health Sector Governance:**
  - Clearly define the functions and responsibilities of the regulatory roles in the health sector according to their respective competencies and scope to reduce duplication of tasks or functions and bridge the gaps in the health system
- **Institutional Transformation of Healthcare Facilities:**
  - Provide higher quality healthcare services to standards of efficiency and productivity, and to separate the provision of health services from the Ministry through the formation of 22 health clusters which will be integrated into healthcare organizations (Accountable Care Organizations) to provide those services
- **Modern Care Model:**
  - All hospitals and primary care centers will be allocated to health clusters across the Kingdom, each serving approximately one million people. Each cluster will consist of primary care centers, general hospitals, and specialized services, so that any beneficiary undergoing examination in the cluster may avail of all the required services through an integrated administrative system. Cluster administrations are responsible for ensuring the flexibility of service procedures, the speed of service delivery, and beneficiary satisfaction
- **National Health Insurance and New Financing Models:**
  - Establish and operate the Center for National Health Insurance to create a sustainable financing mechanism to provide free health services for citizens such that the center purchases health services from health cluster operators in accordance with the global best practices
- **E-Health:**
  - Improve the effectiveness and efficiency of the healthcare sector through IT and digital transformation. The initiative will work to achieve e-health implementation in health facilities, raise the efficiency of e-health outputs by establishing a secure information system and work on linking all systems to create a unified electronic medical record
- **Workforce Planning:**
  - Linking educational outputs and the labor market through workforce planning to identify sector demand in various disciplines of health, technical and human capital management in cooperation with educational and health institutions and develop programs to build the capabilities of health workers
- **Private Sector Participation:**
  - Private sector roles are required for the financing and operation of publicly funded healthcare services. Main areas of opportunity for the private sector include rehabilitation, long term care, home care, pharmacy, extended care, primary care, radiology, laboratory services and service launches for hospitals and medical cities

One key objective of the healthcare transformation is to separate healthcare provision from the MoH. As such, the role of MoH will be redefined as the regulator and health clusters will work to fundamentally change beneficiary care to meet the standards set by the modern care model in KSA.

Moreover, one of the clearly established strategic objectives of the Kingdom's healthcare transformation agenda is to shift towards Value-Based Health Care ("VBHC"). CHI supports Vision 2030 Value-Based Healthcare agenda, aiming to attain optimal value in healthcare through the promotion of transparency, equity and the principles of VBHC. CHI has made the first step towards VBHC and has set a clear roadmap on how to introduce Value-Based payment models, across 4 different phases:

- Phase 1: Introduce bespoke patient classification systems and data standards for CHI
- Phase 2: Measure outcomes from administrative data and enhance primary healthcare
- Phase 3: Understand financial value of rendered services & come up with DRG relative resources weights & case-mix indicators
- Phase 4: Introduce value-based payment model to improve outcome and reduce cost

Additionally, the Public Private Partnership ("PPP") landscape in KSA is expected to thrive with a target to privatize 290 hospitals and 2,300 primary healthcare centers by 2030G. The Saudi Healthcare Commission introduced private sector participation across 9 priority areas for public private partnerships. Priority areas include primary care, hospitals, medical cities, laboratories, radiology, pharmacies, rehabilitation, long-term care, and home care. The MoH expects that in the next 5 years, there will be 100 PPP projects in health services with USD 12.7Bn in private sector investment. The 2019G Private Health Institutions Law permits foreign investors to own, operate, and manage hospitals and health centers in KSA through PPP and build-operate-transfer ("BOT") models. The healthcare sector is now open to wholly foreign-owned businesses, and incentives will be offered to multinationals interested in establishing a headquarter in KSA.

3.3.6 Health Insurance Sector Growth

In 2016G, KSA began the implementation of a mandatory unified health insurance scheme aimed at ensuring that all citizens and residents of KSA are medically insured. Recently, in 2022G, CHI has introduced 18 new and 10 amended benefits across the different insurance tiers, unveiling new pathways for improved patient journeys, healthcare excellence, and enhanced clinical outcomes. The refined objectives of the updated Essential Benefit Package ("EBP") include supporting healthy lifestyles through special coverages for various beneficiary groups, preventing diseases by taking a holistic and value-based approach to healthcare delivery, and ensuring mental and physical wellbeing through a wide range of new and amended benefits. Such benefits encompass a variety of services including disease prevention and screening, telemedicine, homecare, adult vaccination, kidney transplantation, mental health, dialysis care, weight loss surgeries, congenital anomalies, amongst others. In 2023G, KSA mandated insurance coverage for new domestic workers in efforts to regulate the labor market and protect worker's rights. Effective February 2024G, KSA mandated insurance for new expat domestic workers through the MUSANED platform. KSA's mandatory health insurance for expat domestic workers, including housemaids and drivers, drives a shift towards private healthcare consumption, specifically within primary care.

By the end of 2022G, the number of private health insurance beneficiaries had surged by 18% compared to 2021G, reaching 11.5 Mn, with expats' share at 66%. Health insurance companies are looking to extend their coverage to 25 Mn beneficiaries by 2030G. KSA is encouraging more businesses to implement health insurance for Saudi nationals to wean them off public healthcare and stimulate the private healthcare and insurance sectors.

Table 3.20: KSA Private Health Insurance Beneficiaries for the Years 2020G, 2021G, 2022G and 20230G

	2020G	2021G	2022G	2030G	CAGR 2022G – 2030G
Number of Private Health Insurance Beneficiaries (Mn)	9.8	9.8	11.5	25.0	10.1%
Number of Beneficiaries (% of Total KSA Population)	31%	32%	36%	70%	34p.p.(1)

Sources: CHI, GASTAT

Note (1): Percentage point

The growing insured population and increasing medical inflation have led to an uptake in health insurance gross written premiums ("**GWPs**"). GWPs grew at a CAGR of 18% from SAR 22.8Bn in 2020G to SAR 31.8Bn in 2022G. 2020G witnessed a remarkable shift due to Covid-19 where individuals have postponed necessary medical treatments and procedures as the pandemic unfolded, creating a backlog of deferred claims. The effect of this continued in 2021G leading to a rise in medical inflation. Other key 2021G factors are the emergence of the 'New Norm Flu' (new strain of influenza) and further enhancements made to medical insurance packages. In response to those challenges, KSA created the Saudi Insurance Authority by end of 2023G in order to regulate, supervise, control and enhance the insurance sector.

Table 3.21: KSA Health Insurance Gross Written Premiums for the Years 2020G, 2021G, 2022G and 20230G

	2020G	2021G	2022G	2023G	2030G
Health Insurance Gross Written Premiums (SAR Bn)	22.8	25.1	31.8	34.5	54.4
Health Insurance Gross Written Premiums per Capita (SAR)	724	816	989	1,055	1,520

Sources: SAMA, GASTAT, Fitch

3.3.7 Robust Healthcare Sector Outlook

As a result of the various epidemiological and policy related drivers, the KSA healthcare market is forecasted to grow at 6.5% CAGR with rising private sector contribution reaching 25% by 2030G. KSA healthcare sector growth is driven by demographic, epidemiological, mega development projects, and policy related drivers as follows:

- Demographic shifts with a rapidly ageing population (60+ aged population expected to grow at 10.1% CAGR during 2022G-2030G vs. 1.3% for the total population) signaling an increased demand for healthcare services
- Roll out of mandatory health insurance and increasing uptake of private insurance by Saudi nationals. KSA private health insurance beneficiaries expected to grow at 10% CAGR between 2022G-2030G. This is expected to drive both overall sector growth, and private sector contribution uptake
- Mega development infrastructure projects expected to provide a large population base (e.g., ROSHN, NEOM)
- MoH corporatization where healthcare provision is expected to be revamped through the creation of Accountable Care Organizations ("ACOs"), where the MoH will adopt a more regulatory role, while privatizing the operational role
- Thriving PPP landscape with more than 100 PPP projects expected in the health services sector over the next 5 years

Similarly, the Eastern Province healthcare sector is expected to have a robust growth outlook due to favorable macroeconomic and demographic fundamentals, major infrastructure development projects, and privatization initiatives as follows:

- The population growth rate of the Eastern Province between 2019G and 2022G (CAGR of 2.6%) has surpassed that of the overall KSA population (CAGR of 2.3%) in the same period. Moreover, the Eastern Province has a young demographic profile with 62% of population under the age of 35 as of 2022G. Additionally, key cities in the Eastern Province such as Al Ahsa have one of the lowest rates of population migration to Riyadh compared to other KSA cities, indicative of its livability and attractiveness of work opportunities.
- The Eastern Province has a robust economy due its strong oil and gas and petrochemical sectors. Major infrastructure development projects are expected to drive further economic growth and population uptake, which can further fuel demand for healthcare services. Specifically, select projects focused on the Al Ahsa region include the downtown area modernization project, ASFAR's tourism project, the Dan Agri & Ecotourism project, and expansion of the Al Ahsa airport.
- Moreover, the Eastern Province healthcare sector is a major focus for the Government as part of its Privatization Program. The Government has various Public Private Partnership ("PPP") opportunities across the Eastern Province in the fields of primary care, home healthcare, rehabilitation, long term care and skilled nursing care services, as well as telemedicine.

Table 3.22: KSA Healthcare Expenditure Outlook for the Years 2023G, 2026G, 2028G and 20230G

	2023G	2026G	2028G	2030G
Total Healthcare Expenditure (SAR Bn)	232	274	306	360
Healthcare Expenditure as a % of GDP (%)	5.9%	6.2%	6.2%	6.4%
Healthcare Expenditure per Capita (SAR)	7,103	8,042	8,774	10,068
Private Healthcare Expenditure (SAR Bn)	42	61	75	89
Private Healthcare Expenditure Contribution (% from Total Healthcare Expenditure)	18%	22%	24%	25%
Public Healthcare Expenditure (SAR Bn)	190	213	232	271
Public Healthcare Expenditure Contribution (% from Total Healthcare Expenditure)	82%	78%	76%	75%

Sources: Fitch

3.4 Hospitals (i.e., Acute Care) Sub-Sector Overview

3.4.1 Healthcare Supply Overview

KSA has 455 acute care hospitals as of 2022G, with the highest concentration in Riyadh, Eastern and Jeddah health regions. Riyadh, the most populated health region in KSA with 27% of total population as of 2022G, has the highest concentration of hospitals (22% of total - 102 hospitals). Eastern, the third most populated health region in KSA with 11% of total population as of 2022G, has the second highest concentration of hospitals (11% of total – 50 hospitals), followed by Jeddah (10% of total – 44 hospitals).

Table 3.23: KSA Acute Care Hospital Breakdown by Health Region(1,2) for the Year 2022G

Health Region	Number of Acute Care Hospitals (2022G)	% of Total Acute Care Hospital Supply (2022G)
Riyadh	102	22%
Eastern(3)	50	11%
Jeddah	44	10%
Aseer	32	7%
Al Ahsa	16	4%
Hafr Al-Baten	8	2%
Others	203	45%
Total	**455**	**100%**

Sources: KSA MoH

Note: (1) Acute care hospital count excludes dedicated non acute care hospitals (2) The number of private sector acute hospitals in the Eastern Province health regions (Eastern, Al Ahsa and Hafr Al-Baten) is derived based on a detailed bottom-up supply estimation encompassing all accredited players in the Eastern Province (3) Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

Similarly, from a bed supply standpoint, 48% of KSA's acute care bed supply is in Riyadh, Eastern and Jeddah health regions. KSA acute care bed capacity grew by 4% from 68,879 beds in 2019G to 71,639 beds in 2022G, representing a net addition of 2,760 beds, with the highest addition in Riyadh (704 beds), Al Qaseem (404 beds), Tabuk (336 beds) and Eastern Region (335 beds).

Table 3.24: KSA Acute Care Bed Breakdown by Health Region(1,2) for the Years 2019G and 2022G

Health Region	Number of Acute Care Beds		% of Total Acute Care Bed Supply	
	2019G	2022G	2019G	2022G
Riyadh	17,601	18,305	26%	26%
Eastern(3)	7,987	8,322	12%	12%
Jeddah	7,799	7,368	11%	10%
Al Ahsa	2,833	3,088	4%	4%
Hafr Al-Baten	1,339	1,369	2%	2%
Others	31,320	33,187	45%	46%
Total	**68,879**	**71,639**	**100%**	**100%**

Sources: KSA MoH

Note: (1) Acute care bed count excludes dedicated non-acute care beds (2) The number of private acute hospital beds in the Eastern Province health regions (Eastern, Al Ahsa and Hafr Al-Baten) is derived based on a detailed bottom-up supply estimation encompassing all accredited players in the Eastern Province (3) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

The public sector (MoH and Other Governmental sector) dominates the acute care market accounting for 67% of the total number of acute care hospitals, and 77% of the total number of acute care beds as of 2022G.

Table 3.25: KSA Acute Care Facility and Bed Breakdown by Sector(1,2) for the Year 2022G

Sector	Acute Care Hospitals (2022G)		Acute Care Beds (2022G)	
	# of Hospitals	% of Total	# of Beds	% of Total
Ministry of Health	256	56%	40,054	56%
Other Governmental	50	11%	14,936	21%
Private(2)	149	33%	16,649	23%

Sources: KSA MoH

Note: (1) Acute care facility and bed count excludes dedicated non-acute care supply (2) The number of private acute hospital and beds in the Eastern Province health regions (Eastern, Al Ahsa and Hafr Al-Baten) is derived based on a detailed bottom-up supply estimation encompassing all accredited players in the Eastern Province

The private sector is led by large local or regional hospital chains such as Saudi German Hospital ("**SGH**"), Dr. Sulaiman Al-Habib Medical Group ("**HMG**") and Mouwasat collectively accounting for 30% and 32% of bed supply in KSA and Eastern Province respectively. Mouwasat and Almana group are the largest players in the Eastern Province accounting for 39.2% of the Eastern Province private market share. Local chains such as Al Moosa Specialist Hospital, Al Ahsa Hospital, and Naba Alsaha's Al Zahra General Hospital are focused exclusively on serving the Eastern Province, accounting for 9.3%, 4.8%, and 2.7% market share in the Eastern Province, respectively as of 2023G.

Table 3.26: KSA Private Acute Care Facility and Bed Supply Overview for the Year 2023G

Facility / Group Name	KSA Private Acute Care Supply (2023G)			Eastern Province(3) Acute Care Supply (2023G)		
	Hospitals (#)	Beds(1) (#)	Market Share(2)	Hospitals (#)	Beds(1) (#)	Market Share(2)
Saudi German Hospital	8	2,010	11.8%	1	150	3.3%
Dr. Sulaiman Al-Habib Medical Group	7	1,762	10.4%	1	458	10.0%
Mouwasat Hospital	6	1,280	7.5%	4	860	18.7%
Al Hammadi Hospital	2	1,028	6.1%	-	-	-
Almana	5	943	5.6%	5	943	20.5%
Dallah Health	24	840	4.9%	-	-	-
National Medical Care Co.	2	784	4.6%	-	-	-
Specialized Medical Center	2	600	3.5%	-	-	-
Dr. Soliman Fakeeh Hospital	2	579	3.4%	-	-	-
Al Moosa Specialist Hospital	1	430	2.5%	1	430	9.3%
Johns Hopkins Aramco Healthcare	2	350	2.1%	2	350	7.6%
Al Ahsa Hospital	1	220	1.3%	1	220	4.8%
Al Zahraa General Hospital	1	125	0.7%	1	125	2.7%
TOTAL	**41**	**10,951**	**64%**	**16**	**3,536**	**77%**

Sources: KSA MoH, Company Annual Report, Investor Presentations, Individual Hospitals Websites, CBAHI, Management Input

Note: (1) Refers to acute care bed count (excludes non-acute care i.e., post acute care and mental health bed count) (2) The market share is calculated based on total 2023G private bed supply which includes PPP related bed supply (3) Based on a detailed bottom-up supply estimation encompassing all accredited private players in the Eastern Province (Eastern, Al Ahsa and Hafr Al-Baten) (4) Excludes Dallah affiliates

In the Eastern Province specifically, large chains such as HMG, Mouwasat and Almana are present in Khobar and Dammam, while local players such as Al Moosa Specialist Hospital and Al Ahsa Hospital have a strong foothold in the Al Ahsa region.

Table 3.27: Eastern Province Private Acute Care Facility and Bed Supply Overview (Top 10 Hospitals in Terms of Bed Count) for the Year 2023G

Facility Name	Eastern Province Private Acute Care Supply (Top 10 Hospitals, 2023G)	
	Beds (#)	Market Share[1,2]
Dr Sulaiman Al Habib Hospital, Khobar	458	10.0%
Al Moosa Specialist Hospital, Al Ahsa	430	9.3%
Almana General Hospital, Dammam	343	7.5%
Mouwasat Hospital, Dammam	280	6.1%
Johns Hopkins Aramco, Dhahran	270	5.9%
Mouwasat Hospital, Khobar	260	5.6%
Almana General Hospital, Khobar	250	5.4%
Al Ahsa Hospital, Al Ahsa	220	4.8%
Mouwasat Hospital, Jubail	200	4.3%
Almana General Hospital, Hofuf	200	4.3%

Sources: KSA MoH, Company Annual Report, Investor Presentations, Individual Hospitals Websites, CBAHI, Management Input

Note: (1) Market share calculated based on private bed count in the Eastern Province (2) Private bed count in the Eastern Province is based on a detailed bottom-up supply estimation encompassing all accredited private players in the Eastern Province (Eastern, Al Ahsa and Hafr Al-Baten)

Table 3.28: City-Wise Private Bed Distribution in the Eastern Province for the Year 2023G

City	City-Wise Private Bed Distribution[1] in Eastern Province (2023G)	
	Beds[1] (#)	% of Total Private Beds
Khobar	1,571	34%
Dammam	981	21%
Al Ahsa	730	16%
Jubail	300	7%
Dhahran	270	6%
Others	750	16%
Total	**4,602**	**100%**

Sources: KSA MoH, Company Annual Report, Investor Presentations, Individual Hospitals Websites, CBAHI, Management Input

Note: (1) Private bed count in the Eastern Province is based on a detailed bottom-up supply estimation encompassing all accredited private players in the Eastern Province (Eastern, Al Ahsa and Hafr Al-Baten)

3.4.2 Healthcare Manpower Overview

The number of health professionals in KSA increased by 59,412 over the past 4 years reaching 502,189 in 2022G. The private sector has accounted for the bulk 59% of the incremental manpower.

Table 3.29: KSA Health Manpower Breakdown by Type for the Years 2018G and 2022G

Manpower Category	Number of Health Professionals ('000)		CAGR 2018G – 2022G
	2018G	2022G	
Nurses	181	196	2%
Allied Health Professionals	124	138	3%
Physicians	88	105	5%
Pharmacists	29	34	4%
Dentists	17	24	9%
Midwives	4	5	4%
Total	**443**	**502**	**3%**

Sources: KSA MoH

The localization of the healthcare workforce is one of Vision 2030's strategic objectives and has witnessed significant momentum over the past 4 years. In April 2022G, the government set a target for 60% of specialized health professionals to be Saudi nationals. All sector provider categories grew the Saudi nationals' contribution to their physicians' (from 32% to 41% from total) and nurses' (from 38% to 45% from total) categories. The MoH and Other Governmental facilities has already surpassed, on a total level, the 60% targeted Saudization rate, across the nurses and physician categories, respectively. The private sector, despite the recent momentum, still lags significantly behind the Saudization target.

Table 3.30: KSA Health Manpower Breakdown by Sector and Nationality for the Years 2018G and 2022G

Provider Type	Physicians (#, % of Nationals)		Nurses (#, % of Nationals)	
	2018G	2022G	2018G	2022G
Ministry of Health	16,725 (37%)	26,356 (48%)	61,672 (59%)	69,833 (67%)
Other Governmental	9,314 (51%)	11,806 (60%)	5,809 (17%)	15,235 (38%)
Private	1,968 (8%)	4,862 (16%)	2,079 (5%)	3,191 (6%)
Total	**28,006 (32%)**	**43,025 (41%)**	**69,560 (38%)**	**88,258 (45%)**

Sources: KSA MoH

3.4.3 Hospital Acute Care Gap Outlook

KSA hospitalization rate lags behind well-developed healthcare systems such as the OECD average. KSA's hospitalization rate was at 8.4% in 2022G compared to the OECD average of 13.6%, indicating room for a further uptake in consumption of healthcare services as compared to well-developed markets. This gap can be expected to be narrowed over the next few years through incremental capacity, and increased access to healthcare services through roll-out of mandatory insurance.

KSA is expected to witness significant bed supply of 12,783 beds by 2028G suggesting a current need gap for acute care provision in the Kingdom. 67% of upcoming facility supply is private, leading to an increase in private facility supply contribution from 34% to 37% by 2028G, and 51% of upcoming bed supply is private leading to an increase in private bed supply contribution from 23% to 28% by 2028G.

Table 3.31: KSA Upcoming Acute Care Facility and Bed Breakdown by Sector for the Period 2024G-2028G

Sector	Existing Facility Supply (#, % of Total)	Upcoming Facility Supply (#, % of Total)	Future Facility Supply (#, % of Total)	Existing Bed Supply (#, % of Total)	Upcoming Bed Supply (#, % of Total)	Future Bed Supply (#, % of Total)
	2023G	2024G-2028G	2028G(3)	2023G	2024G-2028G	2028G(3)
Private(1)	156 (33%)	38 (67%)	194 (37%)	16,990 (24%)	6,465 (51%)	23,455 (28%)
Public	307 (66%)	19 (33%)	326 (63%)	55,290 (76%)	6,318 (49%)	61,608 (72%)
Total	**463 (100%)**	**57(2) (100%)**	**520 (100%)**	**72,280 (100%)**	**12,783 (100%)**	**85,063 (100%)**

Sources: KSA MoH, MEED Projects, Company Annual Report, Investor Presentations, Individual Hospitals Websites, Management Input

Note: (1) Private supply includes PPP supply (2) The upcoming facility count excludes projects which are an expansion of existing hospitals (3) Known (publicly announced) upcoming supply data is available up until 2028G as per publicly available information

Public upcoming bed supply is primarily concentrated in Riyadh, Asir and Al Jouf collectively comprising 65% of known (publicly announced) upcoming bed supply between 2024G and 2028G. Public upcoming supply in the Eastern Region is limited compared to other regions in KSA, with supply concentrated in Khobar through the addition of a 500-bed facility in 2024G. Moreover, the Eastern Province Municipality is expected to add bed supply for specialized cardiac care in Khobar by 2027G. Asir and Al Jouf are expected to witness large bed supply through the commissioning of Medical Cities. King Faisal Medical City and Military Medical City are underway in Asir with a capacity of 824 acute care beds and 150 beds, respectively, by 2027G. Prince Mohammad Abdulaziz Medical City to add 1,000 beds in Al Jouf by 2027G.

Known (publicly announced) upcoming private bed supply in KSA is estimated to be 5,965 beds between 2024G and 2028G with 77% concentrated in Riyadh and Makkah. In the Eastern Province specifically, Almoosa Health Company is positioned as the primary supplier of incremental beds in the upcoming years. Of the 835 beds expected to come online in the Eastern Province by 2028G, Almoosa is contributing 84% through the commissioning of 2 new facilities in Al Hofuf (300 beds) and Khobar (400 beds).

Table 3.32: KSA Known (Publicly Announced) Public and Private Upcoming Supply by Region for the Period 2024G-2028G

Region	Upcoming Public Supply		Upcoming Private Supply	
	# of Beds	% of Total	# of Beds	% of Total
Riyadh	2,164	34%	2,926	49%
Al Jouf	1,000	16%	-	-
Asir	974	15%	-	-
Madinah	580	9%	407	7%
Eastern Region	500	8%	835	14%
Makkah	500	8%	1,657	28%
Al Qaseem	300	5%	-	-
Jazan	300	5%	-	-

Region	Upcoming Public Supply		Upcoming Private Supply	
	# of Beds	% of Total	# of Beds	% of Total
Tabuk	-	-	140	2%
Total	**6,318**	**100%**	**5,965[1]**	**100%**

Sources: KSA MoH, MEED Projects, Company Annual Report, Investor Presentations, Individual Hospitals Websites, Management Input

Note: (1) Excludes PPP bed supply

Moreover, 6 PPP projects, mostly focused on university hospitals are expected to come online by 2028G, including: Al Yamama Women and Children Hospital (500-bed specialized hospital in Riyadh), King Khaled University Hospital in Aseer, Jazan University Hospital, Umm Al-Qura University Hospital in the Holy Capital, Al Musadiyah Maternity and Children Hospital in Jeddah, Imam Abdulrahman Bin Faisal University Hospital in Eastern Region.

Given existing and upcoming supply dynamics detailed above, it is estimated that KSA requires an additional 25,000 – 35,0001 acute care beds in order to be in line with well-established healthcare systems. Specifically, Eastern Province additional acute need gap is estimated to be 4,000 – 5,0001 beds by 2030G.

Table 3.33: Acute Care Infrastructure Density for the Year 2022G or Latest Available

	KSA	Eastern Province			OECD[3]
		Al Ahsa	Eastern[2]	Hafr Al-Baten	
Acute Care Beds per 1,000 Capita (#)	2.2	2.8	2.3	2.9	3.2

Sources: KSA MoH, OECD

Note: (1) Need gap stated as of 2030G; upcoming supply known (publicly announced) for 2024G-2028G; as such, the additional requirement stated as of 2030G does not account for any upcoming supply in 2029G-2030G, as such data is not available in the public domain (2) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation (3) OECD average is the sum of curative somatic beds and other somatic hospital beds' density per 1,000 capita

3.5 Non-Acute Care (Rehabilitation, Long Term Care, Mental Health) Sub-Sector Overview

Within Non-Acute Care provision, two types of offerings exist: Medical (Physical) Post Acute Care ("**PAC**") and Lifestyle Rehabilitation, each having multiple sub-offerings. Key sub-offerings within Medical (Physical) Post Acute Care include Post Acute Rehab ("**PAR**"), Long Term Care ("**LTC**") and Ventilated Long Term Care ("**VLTC**"). Key sub-offerings within Lifestyle Rehabilitation include Mental Health (focus of this section) and De-addiction Services.

3.5.1 Medical (Physical Post Acute Care)

A. Medical (Physical) Post Acute Care Offering Spectrum

PAC provision largely comprises of three inpatient service offerings:

- **Post-Acute Rehab ("PAR")** refers to rehabilitation and recovery care post serious injuries, disease (e.g., stroke), and complex surgeries
  - Rehabilitation focused long term care after complex surgeries (e.g., orthopaedic, paediatric, cardiology, and neuro surgeries)
  - Rehabilitation for severe injuries (e.g., loss of limbs, severe head or spinal trauma)
- **Long-term Care ("LTC")** refers to care for patients who require long term care in a non-acute treatment setting with limited medical supervision
  - Patients with impairing conditions and disabilities
  - Patients with genetic and degenerative diseases (e.g., Dementia, Parkinson's, Multiple Sclerosis)
  - Neonates and pediatric patients suffering from disabilities and chronic medical conditions related to genetic and chromosomal abnormalities
- **Ventilated Long-term Care ("VLTC")** refers to long term care for patients requiring a ventilator, with serious chronic health problems and respiratory failure, including prolonged intensive care units ("ICU") patients
  - Patients in persistent vegetative states

- Patients requiring prolonged mechanical ventilation
- Critical care ICU patients requiring longer treatment due to medical complications

B. KSA Post Acute Care Supply Overview

Post acute care supply in KSA is largely limited with only 22 dedicated post acute care facilities, resulting in creating a burden on acute care hospitals, and signaling the need for additional infrastructure to support the provision of post acute care services. Capital and operating costs of setting up LTC and rehab facilities is significantly lower than acute care settings. The need for infrastructure to support the provision of LTC and rehab facilities is, as such, one of the main policy drivers of the KSA government. In 2023G, the MoH, in collaboration with the NCP, launched the Expressions of Interest for LTC, rehab and home care projects in Riyadh and Eastern Region:

- LTC and Skilled Nursing Home: Design, build, finance, operate, and maintain 200 beds for LTC and 100 beds for skilled nursing home for each region
- Medical Rehabilitation Hospital: Design, build, finance, operate and maintain 150 beds and 120,000 outpatient rehabilitation sessions annually for each region

Table 3.34: KSA PAC Hospital Breakdown by Health Region(1) for the Year 2022G

Region	Number of PAC Hospitals (2022G)	% of Total PAC Hospital Supply (2022G)
Riyadh	6	27%
Jeddah	3	14%
Eastern(2)	3	14%
Al Ahsa	1	5%
Hafr Al-Baten	1	5%
Others	8	36%
Total	**22**	**100%**

Sources: KSA MoH, Company Annual Report, Investor Presentations, Individual Hospitals Websites, Management Input

Note: (1) Number of post acute care hospitals in the Other Governmental and Private sectors across KSA is based on a detailed bottom-up supply estimation (2) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

Table 3.35: KSA PAC Hospital Breakdown by Sector(1) for the Year 2022G

Sector	Number of PAC Hospitals (2022G)	% of Total PAC Hospital Supply (2022G)
Ministry of Health	12	55%
Other Governmental Sector	2	9%
Private	8	36%
Total	**22**	**100%**

Sources: KSA MoH, Company Annual Report, Investor Presentations, Individual Hospitals Websites, Management Input

Note: (1) Number of post acute care hospitals in the Other Governmental and Private sectors across KSA is based on a detailed bottom-up supply estimation

PAC supply grew by 405 beds between 2019G and 2022G to reach 3,060 total beds. Riyadh accounts for the bulk (45%) of dedicated PAC supply, followed by Jeddah (17%) and Eastern region (10%) as of 2022G. Unlike the acute care segment which is largely dominated by the public sector, the PAC market is led by private facilities that control 56% of total dedicated PAC bed supply in 2022G. Private sector contribution within PAC is expected to further increase as long-term care and rehabilitation are amongst the 9 priority areas for public private partnerships.

Table 3.36: KSA PAC Bed Breakdown by Health Region(1) for the Years 2019G and 2022G

Health Region	Number of PAC Beds		% of Total PAC Bed Supply	
	2019G	2022G	2019G	2022G
Riyadh	1,254	1,374	47%	45%
Jeddah	520	520	20%	17%
Eastern2	120	320	5%	10%
Al Ahsa	80	80	3%	3%
Hafr Al-Baten	50	50	2%	2%
Others	631	716	24%	23%
Total	**2,655**	**3,060**	**100%**	**100%**

Sources: KSA MoH, Company Annual Report, Investor Presentations, Individual Hospitals Websites, Management Input

Note: (1) Number of post acute care hospitals in the Other Governmental and Private sectors across KSA is based on a detailed bottom-up supply estimation (2) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

Table 3.37: KSA PAC Bed Breakdown by Sector(1) for the Years 2019G and 2022G

Sector	Number of PAC Beds		% of Total PAC Bed Supply	
	2019G	2022G	2019G	2022G
Ministry of Health	1,076	1,161	41%	38%
Other Governmental Sector	188	188	7%	6%
Private	1,391	1,711	52%	56%
Total	**2,655**	**3,060**	**100%**	**100%**

Sources: KSA MoH, Company Annual Report, Investor Presentations, Individual Hospitals Websites, Management Input

Note: (1) Number of post acute care hospitals in the Other Governmental and Private sectors across KSA is based on a detailed bottom-up supply estimation

Sultan Bin Abdulaziz Humanitarian City ("SBAHC"), Al Moosa Rehabilitation Hospital, and Health Oasis Hospital control 55% of KSA's private post acute care bed supply as of 2023G. Al Moosa Rehabilitation Hospital is the biggest private player in Eastern Province controlling 51.5% of the private post acute care bed count as of 2023G.

Table 3.38: KSA Private Post Acute Care Facility and Bed Supply Overview for the Year 2023G

Facility Name	City	KSA Private Post Acute Care Supply(1) (2023G)			Eastern Province Post Acute Care Supply(1) (2023G)		
		Hospitals (#)	Beds (#)	Market Share(2)	Hospitals (#)	Beds (#)	Market Share(2)
Sultan Bin Abdulaziz Humanitarian City	Riyadh	1	511	25.7%	-	-	-
Health Oasis Hospital	Riyadh	1	300	15.1%	-	-	-
Al Moosa Rehabilitation Hospital	Al Ahsa	1	276(3)	13.9%	1	276(3)	51.5%
Sukoon International Extended Care Centre	Jeddah	1	200	10.1%	-	-	-
Chronic Care Specialized Medical Hospital	Jeddah	1	200	10.1%	-	-	-
Mouwasat Medical Services Company	Dammam	1	200	10.1%	1	200	37.3%
Anfas	Riyadh	1	120	6.0%	-	-	-
Abdul Latif Jameel Hospital	Jeddah	1	120	6.0%	-	-	-

Facility Name	City	KSA Private Post Acute Care Supply(1) (2023G)			Eastern Province Post Acute Care Supply(1) (2023G)		
		Hospitals (#)	Beds (#)	Market Share(2)	Hospitals (#)	Beds (#)	Market Share(2)
Cambridge Medical & Rehabilitation Center	Dhahran	1	60	3.0%	1	60	11.2%
TOTAL		**9**	**1,987**	**100%**	**3**	**536**	**100%**

Sources: KSA MoH, Company Annual Report, Investor Presentations, Individual Hospitals Websites, Management Input

Note: (1) Based on a detailed bottom-up private post acute care supply estimation for KSA and the Eastern Province (2) The market share is calculated based on total 2023G private post acute care bed supply (3) Al Moosa Rehabilitation Hospital's total bed count only includes beds for physical rehabilitation, excluding those for inpatient mental health care, which is 24 beds

C. Burden of PAC Patients on Acute Care Sector

One focal challenge faced by acute care facilities in KSA is the burden of LTC patients occupying acute care bed capacity. The Government is incentivizing private sector participation within PAC to relieve the burden from the public sector, specifically given the expected rampant demand over the next few years, due to key drivers (ageing population, rising chronic & lifestyle diseases and increasing urbanization).

Table 3.39: KSA Beds Occupied by LTC Patients by Sector for the Period between 1 March 2020G and 1 November 2020G(1)

Sector	% of KSA Beds Occupied by LTC Patients (March 2020G – November 2020G)
Ministry of Health	6%
Other Governmental Sector	7%
Private	5%

Source: Saudi Health Council

Note: (1) As per the latest publicly available data by Saudi Health Council "The current situation of Long Term Care in SA 2020G" report. The above data is based on a cross-sectional study conducted by the Saudi Health Council between 1 March and 1 November 2020G, to estimate the burden of LTC patients on Saudi acute care hospitals; the total number of beds for hospitals which provided data about LTC patients was 44,773 beds

D. Rampant Post Acute Care Growth Drivers

The growth of post acute care in KSA is fueled by an ageing population, government initiatives, rising mental health conditions and other chronic diseases prevalence, as well as rising urbanization.

- **Ageing Population:** The 60+ age group in KSA is projected to grow rapidly at 10.1% CAGR from 2022G to 2030G leading to increased demand for LTC services due to the specialized care needs of elderly individuals. Ageing population is attributable to increasing life expectancy at birth, which has grown by 4% for Saudi nationals from 75 years in 2018G to 79 years in 2022G, with the government targeting 80 years by 2030G as per Vision 2030.
- **Government Initiatives:** KSA government is driving growth in LTC service provision through infrastructure investments, policies supporting LTC facilities and initiatives to enhance the quality of care. For example, the government has released tenders for 4 PPP PAC projects in Riyadh and Dammam (2 rehabilitation hospitals and 2 long term care and skilled nursing homes) expected to add around 900 PAC bed supply by 2028G.
- **Increasing Mental Health Disease Prevalence:** The demographic shift towards an increasing elderly population is anticipated to coincide with a rise in the prevalence of mental health conditions such as dementia, thereby augmenting the demand for PAC services. Further, chronic diseases such as diabetes are associated with worsening dementia. KSA has a relatively high incidence of chronic diseases such as diabetes and obesity at 19% and 24%, respectively.
- **Rising Urbanization:** Changing lifestyles, urbanization, and increasing female workforce participation from 21% in 2017G to 35% in 2022G are leading to changes in family structures and dynamics. This shift may result in a reduced ability of families to provide care for elderly or disabled family members at home, increasing the demand for PAC services, as well as home care and telemedicine services.

E. Post Acute Care Upcoming Supply Overview

Upcoming post acute care projects are mainly driven by private sector investments in Riyadh, Jeddah, and Madinah, alongside public-private partnerships mainly in Riyadh and Eastern region. The public sector plans on introducing Rehab & LTC supply as part of wider Medical Cities. King Faisal Medical City in Aseer and Prince Mohammed Bin Abdulaziz Medical City in Al-Jouf, set to be completed by 2027G, will have dedicated LTC & Rehab facilities as part of extensive Medical City offerings. The private sector's post acute care developments are concentrated in Riyadh, Jeddah, and Madinah. 2 projects in Riyadh will offer a total of 250 beds, while 2 projects in Makkah are expected to provide a combined capacity of 368 beds. The new facility in Madinah is the Mouwasat Hospital that has been repurposed for LTC. PPP projects are focused on Riyadh and the Eastern region. The 2 Rehab and LTC projects in Dammam will collectively offer 450 beds, with 2 identical projects in Riyadh providing the same capacity. The known (publicly announced) upcoming post acute care facilities in KSA over the next few years comprise 1,718 total beds, out of which 36% and 52% are attributed to private and PPP supply respectively.

Table 3.40: KSA Known (Publicly Announced) PAC Upcoming Supply for the Period 2024G-2028G

Project Name	Ownership	Description	City	Bed Count	Year
King Faisal Medical City	Public	Includes a Medical Rehabilitation Center	Abha	200	2027G
Prince Mohammed Bin Abdulaziz Medical City	Public	Includes a Rehabilitation Hospital	Al-Jouf	NA(1)	2027G
Olayan Long Term Acute Care & Rehabilitation Hospital	Private	Long Term Care & Rehabilitation Hospital	Riyadh	150	2024G
RIVA Med-tech City Specialized Hospital in Riyadh	Private	Rehab and Wellness Center	Riyadh	100	2028G
Jeddah Park Hospital	Private	Physical Medicine, Rehabilitation Extended Care	Jeddah	200	2024G
Al Murjan Group Long Term Care Centre in Jeddah	Private	Long Term Care Center	Jeddah	168	2025G
Mouwasat Long Term Care Center Al-Madinah Al-Munawara	Private	Long Term Care Center (Rehabilitation & Extended Care)	Madinah	NA(1)	2024G
Medical Rehabilitation Hospital in Dammam	PPP	Medical Rehabilitation Hospital	Dammam	150	2026G
Medical Rehabilitation Hospital in Riyadh	PPP	Medical Rehabilitation Hospital	Riyadh	150	2026G
Long term care & Skilled Nursing hospital Project in Dammam	PPP	Long Term Care and Skilled Nursing Hospital	Dammam	300	2027G
Long term care & Skilled Nursing hospital Project in Riyadh	PPP	Long Term Care and Skilled Nursing Hospital	Riyadh	300	2027G

Source: MEED Projects, Argaam

Note: (1) Bed count not publicly available

F. Post Acute Care Gap Outlook

Given existing and upcoming supply dynamics detailed above, it is estimated that KSA requires an additional 20,000 – 25,0001 post acute care beds in order to be in line with well-established healthcare systems. Specifically, Eastern Province additional post acute need gap is estimated to be 2,500 – 3,0001 beds by 2030G.

Table 3.41: Post Acute Care Infrastructure Density for the Year 2022G or Latest Available

	KSA	Eastern Province			OECD
		Al Ahsa	Eastern(3)	Hafr Al-Baten	
Post Acute Care Beds per 100,000 Capita (#)	13.1(2)	41.6(2)	11.6(2)	10.6(2)	92.4

Sources: KSA MoH, OECD

Note: (1) Need gap stated as of 2030G; upcoming supply known (publicly announced) for 2024G-2028G; as such, the additional requirement stated as of 2030G does not account for upcoming supply in 2029G-2030G as such data is not available in the public domain (2) Health infrastructure density is calculated based on addressable PAC population which excludes the estimated lower tier population segment given underlying insurance coverage limitations (including limitations as part of the Basic Insurance Policy as it relates to relevant conditions such as Alzheimer's and disability cases) (3) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

3.5.2 Mental Health

A. Mental Health Supply Overview

The inpatient mental health sub-sector in KSA is primarily served by MoH with 20 dedicated facilities comprising 4,255 beds across the Kingdom as of 2022G. The bulk of MoH inpatient mental heath bed supply (52%) is concentrated in 4 key health regions. Riyadh and Jeddah are each served by 2 MoH facilities with 700 and 335 beds respectively. The Mental Hospital in Taif is the largest specialized mental health hospital in KSA, and an integrated training center for medical specialties in the psychological field. Eastern Province has 3 facilities serving Dammam in Eastern region (Erada Complex for Mental Health - 500 beds), Al Ahsa (Mental Health Hospital - 200 beds) and Hafr Al Baten (Mental Health Hospital - 50 beds). Taif appears to have a comparatively higher mental health beds penetration on a per capita basis (61 beds per 100,000 capita) compared to Eastern Province, Riyadh and Jeddah, suggesting room for additional mental health infrastructure in those key provinces.

Table 3.42: KSA MoH Dedicated Mental Health1 Bed Supply by Health Region for the Year 2022G

Region	# of Mental Health Beds (2022G)	# of Mental Health Beds per 100,000 Capita (2022G)	# of MoH Mental Health Facilities (2022G)
Riyadh	700	8.1	2
Taif	670	60.8	1
Eastern(2)	500	14.1	1
Jeddah	335	8.4	2
Madinah	200	9.4	1
Qaseem	200	15.0	1
Al Ahsa	200	18.1	1
Tabouk	200	22.6	1
Hàil	200	26.8	1
Jazan	200	14.2	1
Najran	200	33.8	1
Qurayyat	150	76.9	1
Aseer	100	5.8	1
Northern	100	26.8	1
Al-Bahah	100	29.5	1
Al-Jouf	100	24.9	1
Hafr Al-Baten	50	10.7	1
Bishah	50	16.2	1

Source: KSA MoH

Note: (1) Facility & bed supply represented above corresponds to 'psychiatric' hospitals and beds as per MoH's statistical yearbook; although some MoH facilities do offer de-addiction services, the segregation of supply between Mental Health and De-addiction is not available in the public domain; hence, 'psychiatric' MoH hospital supply as per MoH statistical yearbook is representative of the Mental Health supply above for the purpose of the analysis (2) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

Private supply has been limited primarily due to the lack of comprehensive insurance historically for the lower tier segment of the expatriate population, as well as stringent licensing regulations.

Table 3.43: Overview of Select KSA Private and Other Governmental Sector Players Offering Inpatient Mental Health Services for the Year 2023G(1)

Hospital Name	Sector	City	Number of Dedicated Inpatient Mental Health Beds (2023G)
Dallah Namar Hospital	Private	Riyadh	45
Al Moosa Rehabilitation Hospital	Private	Al Ahsa	24
Dr. Soliman Fakeeh Hospital	Private	Jeddah	21
Johns Hopkins Aramco Hospital	Private	Dhahran	20
Makkah Medical Center Hospital	Private	Makkah	NA(2)
King Khalid University Hospital	Other Governmental	Riyadh	23
Prince Sultan Medical Military City	Other Governmental	Riyadh	10

Source: KSA MoH, Primary Research, Management Input

Note: (1) The list of private and other governmental facilities offering inpatient mental health services is derived on a best-effort basis as per publicly available sources; number of beds for key facilities shown above derived on best effort basis based on information available on the hospital website / publicly available or primary research calls (2) Not disclosed by the hospital through primary research

B. KSA Prevalence and Consumption Overview

KSA has a relatively high prevalence of mental health disorders compared to other international benchmarks. The prevalence of mental health conditions among youth in KSA, according to the Saudi National Mental Health Survey, is at 40% compared to 26% in Australia and 13.7% in European countries. Moreover, the occurrence of mental health conditions across lifetime in KSA is at 34.2% compared to 31.7% in the Netherland.

However, treatment consumption is still relatively low. The Saudi National Mental Health Survey findings indicate that 80% of Saudis with severe mental health disorders do not seek any treatment, and that 8.9% of Saudis with severe mental health disorders seek treatment from a religious or non-medical healer. The survey findings show that only 13.6% of Saudis seek treatment for their mental health condition in a given year. This is largely due to key demand suppressors including the social stigma associated with mental disorders, inadequate infrastructure, stringent regulations and historical affordability challenges:

- **Social Stigma:** 80% of patients in Saudi Arabia suffering from severe mental health disorders do not seek assistance or treatment largely due to historic and long-standing taboos around the subject.
- **Inadequate Infrastructure:** Dedicated mental health facilities in KSA are predominantly operated by the public sector while very few private facilities offer mental health through small-sized departments. The market appears to be underserved, in addition to a poor infrastructure in the existing facilities.
- **Stringent Regulations:** Licensing regulations for psychiatrists and psychologists pose challenges, hindering facilities from hiring adequate talent. Consequently, long waiting lists for services emerge, contributing to a high burnout rate among existing psychiatrists.
- **Affordability:** Although mental health is gradually becoming accessible in KSA, comprehensive insurance to cover treatment was only available to a premium paying segment of the population. However, private consumption of mental health services is expected to witness an uptake due to CHI's recent amendment of essential benefits that encompasses mental health coverage within the private sector.

In 2022G, CHI introduced new Mental Health benefits as part of the updated Essential Benefit Package, as part of its efforts to prioritize long term care for mental health patients, and coverage costs for detecting, diagnosing, and treating acute and chronic mental diseases (limit of SAR 50,000). This initiative, in addition to Government strategy imperatives as part of Vision 2030, are expected to result in an uptake in mental health services consumption, specifically in the private sector. In fact, the provision of effective care for people with mental health illnesses is a stated objective of the KSA Vision 2030. The KSA is expected to continue witnessing an increase in Mental Health awareness and reinforcement through Government initiatives and strategies including: focus on preventive health to reduce burden of non-communicable diseases as well as mental health illnesses, effective treatment for people with mental health disorders, and facilitation of access to psychiatric consultations and upgrades to current infrastructure and capacity.

C. Mental Health Upcoming Supply Overview

An upcoming known (publicly announced) supply of 550 mental health beds is anticipated by 2024G across 3 facilities in Abha and Riyadh. The MoH is expected to add 400 mental health beds to Abha through the launch of Abha Mental Health Hospital in 2024G. The MOH and NCP are seeking expressions of interest for the operations of the SABIC Behavioral Care Specialist Hospital, a PPP project in Al-Nargis, North Riyadh, expected to have 150 beds. Moreover, the Ministry of Interior is expected to add mental health and addiction treatment specialist hospitals as part of the Security Forces Medical Complex in Riyadh by 2024G (number of beds is however not available in the public domain).

D. Mental Health Gap Outlook

Given existing and upcoming supply dynamics detailed above, it is estimated that KSA requires an additional 6,000 – 8,0001 mental health beds in order to be in line with well-established healthcare systems. Specifically, Eastern Province additional mental health need gap is estimated to be 1,000 – 1,2001 beds by 2030G.

Table 3.44: Mental Health Infrastructure Density for the Year 2022G or Latest Available

	KSA	Eastern Province			UK(4)
		Al Ahsa	Eastern(3)	Hafr Al-Baten	
Mental Health Beds per 100,000 Capita (#)	13.5(2)	20.0(2)	14.4(2)	10.6(2)	34.0

Sources: KSA MoH, OECD

Note: (1) Need gap stated as of 2030G; the additional requirement stated as of 2030G does not account for upcoming supply between 2025G and 2030G, as such data is not available in the public domain (2) Health infrastructure density has been calculated based on total KSA population as CHI's updated Essential Benefits Package (All Tiers) provides mental health treatment coverage including inpatient services (3) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation (4) UK average from OECD refers to psychiatric beds

3.6 Retail Pharmacy Sub-Sector Overview

3.6.1 Largest Pharmaceutical Market in the GCC

The KSA pharmaceutical market size is SAR 41Bn as of 2022G, representing 54% of the total GCC pharmaceutical market. The KSA pharmaceuticals market has witnessed significant growth with a 13% CAGR between 2020G and 2022G. This can be largely attributed to an uptake in consumption due to Covid-19 pandemic, and associated supply chain disruptions which prompted the SFDA to assess the overall inventory requirement (up to 6 months). Rising demand for chronic disease management and accelerated local production of innovative pharmaceuticals are expected to support the long-term growth of the local pharmaceutical industry. The government has deployed public investment funds to invest in local drug production for the manufacturing of essential biopharmaceutical, gene therapies and innovative small-molecule medicines. The new commercial-scale contract development and manufacturing organization, Lifera, wholly owned by the Public Investment Fund ("PIF"), reflects the Government's targeted efforts to make KSA a regional hub for such products.

Table 3.45: KSA Pharmaceutical Market Size for the Years 2020G, 2022G, 2023G and 2030G

	2020G	2022G	2023G	2030G
KSA Pharmaceutical Market Size (SAR Bn)	32.4	41.1	42.4	60.8
KSA Share from Total GCC Pharmaceutical Market (%)	52%	54%	54%	53%
KSA Pharmaceutical Market Share from Total Healthcare Expenditure (%)	18%	18%	18%	17%

Sources: Fitch

3.6.2 Government Push Towards 'Genericization'

Prescription drugs comprise 91% of the total KSA pharmaceutical market as of 2022G. However, generics are expected to be the fastest growing segment going forward as the KSA government is pushing for 'genericization' for cost containment and public spending rationalization. In fact, registration requirements continue to favor domestically produced generic drugs over innovative drugs made by foreign firms. Moreover, as mandatory price cuts are imposed, patents expire and generic-friendly policies are enacted, sales of generics will outpace sales of patented medicines. As such, many multinational drug makers in KSA continue to strengthen their generic activities, and more partnerships are expected with local generic manufacturers. Growth in generic drugs market size can also be attributed to ineffective intellectual property protections and weak patent enforcement, despite some improvements in recent years. Key challenges include prescribers' and patients' preference for patented drugs, although this will pave the way for 'branded generics.

Table 3.46: KSA Pharmaceutical Market Size by Segment for the Years 2020G, 2022G, 2023G and 2030G

	2020G	2022G	2023G	2030G	CAGR 2020G-2030G
Prescribed Drugs (SAR Bn)	29.6	37.2	38.7	57.5	6.9%
Over-the-Counter (OTC) Drugs (SAR Bn)	2.8	3.9	3.7	3.3	1.4%

Sources: Fitch

Table 3.47: KSA Prescribed Pharmaceutical Market Size by Category for the Years 2020G, 2022G, 2023G, and 2030G

	2020G	2022G	2023G	2030G	CAGR 2020G-2030G
Patented Drugs (SAR Bn)	17.8	21.7	22.2	30.1	5.4%
Generic Drugs (SAR Bn)	11.8	15.5	16.5	27.4	8.8%

Sources: Fitch

3.6.3 Private Retail Pharmacy Supply Concentrated in Few Regions

KSA has 10,347 private pharmacies as of 2022G. Riyadh, Jeddah and the Eastern Province collectively accounted for 58% of the total KSA private pharmacies supply in 2022G. Riyadh ranks first in terms of pharmacy supply representing 33% of KSA total supply, followed by Jeddah (15%), and the Eastern Province (10% - including Al Ahsa and Hafr Al Baten). However, the Eastern Province is amongst the lowest in terms of private pharmacy supply per capita, compared to other health regions, suggesting room for further growth and investment in the sector.

Table 3.48: Number of KSA Private Pharmacies by Health Region for the Year 2022G

	Number of Private Pharmacies (#, 2022G)	Number of Private Pharmacies per Capita (#, 2022G)
Riyadh	3,409	0.40
Jeddah	1,548	0.39
Eastern(1)	699	0.20
Makkah	644	0.24
Aseer	623	0.36
Madinah	583	0.27
Jazan	549	0.39
Qaseem	498	0.37
Tàif	357	0.32
Tabouk	345	0.39
Hàil	213	0.29
Al Ahsa	205	0.19
Najran	138	0.23
Hafr Al-Baten	94	0.20
Al-Jouf	90	0.22
Al-Bahah	87	0.26
Northern	84	0.22
Qunfudah	52	0.19
Qurayyat	47	0.24

Sources: KSA MoH

Note: (1) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

3.6.4 New Emerging Business Models for Leading Retail Pharmacy Players

Traditional retail pharmacy players are transitioning into more resilient business models through attaching clinical care services to their pharmacies to capture a higher share of the patient wallet. For example, Al Nahdi has started integrating primary care clinics into its pharmacies through Nahdicare and is expected to scale up to 10 clinics by 2026G. Having clinical services attached to retail pharmacies is an emerging trend in the region contributing to upscaling revenue potential through increased foot traffic and cross-selling opportunities.

Moreover, the 'hospital pharmacy' model is resilient with a consistent and reliable captured patient base. Almoosa Health Company, operating 5 pharmacies attached to its different facilities and departments, benefit from a captured base of inpatients, as well as complementary outpatient revenue streams through the launch of the first smart outpatient pharmacy in the region. Almoosa Health Company generated SAR 62Mn revenue per pharmacy outlet in 2023G, which is almost nine times higher than the average retail pharmacy revenue per outlet for Al Nahdi in the Eastern Province (based on the latest publicly available geography-wise revenue segregation data for Al Nahdi). This further validates the resilience of the 'hospital pharmacy' business model and is a key driver for the vertical integration trend observed amongst leading traditional retail pharmacy players in the region.

3.7 Clinics (i.e., Primary Care) Sub-Sector Overview

The clinics sub-sector has rebounded post the Covid-19 pandemic to reach 167Mn visits in 2022G, almost in line with pre-covid levels of 171Mn visits in 2018G and 2019G. Specifically, private demand for outpatient care is gaining traction as private share from total outpatient visits in the Kingdom increased from 35% in 2018G to 39% in 2022G, despite the incidence of Covid-19, driven by government initiatives and increasing private insurance penetration.

However, the number of OP visits per capita in KSA, which stood at 5.2 visits per capita as of 2022G, still lags well-developed healthcare systems (e.g., 6 OP visits per capita on average in OECD countries) indicating room for further growth and investment in the sector.

Table 3.49: KSA Total Outpatient Visits by Sector for the Years 2018G, 2019G, 2020G, 2021G and 2022G

Sector	2018G	2019G	2020G	2021G	2022G	CAGR 2018G-2022G
MoH Hospitals & Clinics (Mn Visits)	84	85	62	76	81	(1%)
Private Hospitals & Clinics (Mn Visits)	60	57	48	63	66	3%
Other Governmental Hospitals & Clinics (Mn Visits)	27	29	18	22	20	(7%)

Sources: KSA MoH

Specifically, the KSA government is restructuring the healthcare system driving the consumption and competition within primary care provision in the short term. As such, several trends are expected to drive the consumption and increase competition within primary healthcare services in KSA in the short term:

- **Transition towards a Value-Based Health Care (VBHC) Model**: CHI developed a strategy to support Vision 2030 push towards Value-Based Healthcare, with primary care enhancement being one of the key strategic pillars
- **Transition of Primary Care towards a Gatekeeper Model**: Vision 2030 emphasizes the utilization of primary care as a first step through family practice and the concept of gatekeeping. Efforts are already underway to transition towards a primary care gatekeeper model in line with developed Healthcare ecosystems, with a partial number of citizens currently linked to a primary healthcare center through the SEHATTY application based on location and patient preference
- **Regulatory Shifts Enabling Payers to Enter Primary Care**: Regulatory reforms allowing payers to enter primary care sectors providing educational, preventative and curative services
- **Incentivization of Vertical Integration amongst Key Players**: Government actively promoting value-based care & innovation by integrating primary care clinics into pharmacies

As such, players in KSA are rapidly expanding into primary and outpatient care, signaling a rise in competitive intensity. As part of Vision 2030, MoH is aiming to privatize 2,300+ PHCs across KSA by 2030G. Moreover, following government initiatives and regulatory shifts, new players are entering the primary care segment including payers (Meena, a subsidiary of Tawuniya, with 3 primary care clinics to be established in Riyadh in the short term) and pharmacy retailers (Nahdi expected to scale up to 10 clinics by 2026G). Additionally, current large local and regional players are also expanding their outpatient offerings and clinics such as Sulaiman Al Habib (3 upcoming medical centers in Dammam in 2024G, Buraidah in 2024G, and King Abdullah Economic City), Saudi German Hospital (14 upcoming outpatient clinics in Jeddah by 2026G) and Almoosa Health Company (5 upcoming primary care centers in Al Ahsa, Al Khobar and Dammam by 2027G).

3.8 Home Healthcare Sub-Sector Overview

Home healthcare services, as offered by the KSA MoH, cover a diverse array of 12 key services and indications:

- Chronic disease management for patients with diabetes, cancer, hypertension, and cardiovascular disease
- Wound care and bedsores management services for bedridden patients like pressure ulcers or surgical wounds
- Palliative Care services involve providing support to patients with advanced illnesses like cancer or heart failure
- Intravenous therapy services, such as administering antibiotics and hydration therapy through IV injection
- Physical therapy services for homebound patients, including those recovering from car accidents
- Home-based support for patients undergoing urinary catheterization, ensuring personalized care
- Care for enteral nutrition patients by providing specialized feeding tube management, and nutritional monitoring
- At-home laboratory testing services like blood tests, urine analysis, and genetic testing
- Home delivery of medications and medical supplies (prescribed drugs, OTCs and medical devices)
- Home transport for non-ambulatory individuals includes wheelchair-accessible vehicles for medical appointments
- Psychological and social support to psychiatric patients
- Healthcare education for patients and families

KSA home care patient volumes have witnessed significant growth over the past 2 years. The number of patients receiving home health services from MoH hospitals in KSA grew by a CAGR of 16% between 2020G and 2022G, vs. 1% growth in total KSA population. This indicates a rampant need for home care services triggered by changing age profile (10% CAGR in 60+ aged population between 2020G and 2022G) and surge in prevalence of chronic diseases. Riyadh and Eastern Region collectively account for a significant share of home care beneficiaries (14% and 9% from total MoH home care beneficiaries respectively as of 2022G).

Table 3.50: Patient Volume Receiving Home Care from MoH Hospitals by Health Region for the Years 2020G, 2021G and 2022G

Region	2020G	2021G	2022G	CAGR 2020G-2022G
Riyadh	5,187	5,551	6,994	16%
Eastern(1)	3,722	4,197	4,774	13%
Aseer	4,000	3,561	4,534	6%
Al Qaseem	2,180	2,322	2,597	9%
Al Ahsa	1,052	1,143	1,622	24%
Hafr Al-Baten	575	548	766	15%
Others	21,195	22,898	29,402	18%

Sources: KSA MoH

Note: (1) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

Home care, specifically in Riyadh and Eastern Province, is amongst the main focal points of Vision 2030, through PPPs targeted at improving quality home care provision, coverage and treatments. Presently, the capabilities, resources and efficiency in home care vary across regions with limited services provided. Due to a lack of efficient operational procedures and proper information systems, the utilization of home care personnel remains low. An improved home care provision will reduce the pressure on both acute care and LTC and rehabilitation hospitals. In 2020G, KSA announced the implementation of a uniform model for elderly in KSA in collaboration with the private and non-profit sectors. In 2023G, the MoH in collaboration with the NCP launched the expression of interest for long term care, rehabilitation and home healthcare projects in Riyadh and Eastern Region. The home healthcare project entails the clinical operation and maintenance of 5,000 patients for each region. Expressions of Interest were received from 154 Saudi and international companies based in 14 countries including UAE, USA, UK and France.

The private supply of home healthcare services is dominated by large local hospital chains or emerging standalone home health operators, primarily concentrated in Riyadh.

Table 3.51: Sample of Select Private Home Healthcare Players in KSA (Non-Exhaustive)

Facility Name	Location	Key Services Offered (Non-Exhaustive)
Fakeeh Care Group	Riyadh, Makkah Madinah	Mother and baby care, special needs care, lab test, vaccinations, mobile dental unit, portable radiology, medication delivery, nursing services, physical therapy, sleep study, respiratory therapy, geriatric medicine, psychiatry consultations, home hemodialysis
Dr. Sulaiman Al Habib	Riyadh, Al Qaseem	Diagnosing & treating chronic diseases, asthma, acute diseases, heart diseases, psychological support, arthritis, wounds, preventive medicine, childhood diseases and care, vaccination
Almoosa Health Company	Eastern Province	Physical therapy, care for patients with chronic disease, specialized medical care, nursing services, mother and childcare services, respiratory care services
TMC Health	Eastern Province	Chronic disease care, intravenous therapy services, psychological support, laboratory tests, nursing services
VitalAire	Riyadh	Sleep management, oxygen therapy
Caresa	Riyadh	Elderly care, doctor visits, infant vaccination, dietary services, medication delivery, mother and infant care, lab tests, adult care, children care services
AlBait	Riyadh	Elderly care, laboratory at home, mechanical ventilation, diabetes care, palliative care, nursing services
Salam Home Healthcare	Makkah	Disease management, neurology, maternity & childcare, medication management, heart care, elderly care, diabetes, hemodialysis, wound care and rehab

Sources: Companies' Websites

3.9 Telemedicine Sub-Sector Overview

'Data and Digitalization' is amongst the Health Sector Transformation Program ("HSTP") strategic branches targeted at enacting a digital revolution in the field of healthcare with e-health and virtual care as the core. 'Data and Digitalization' HSTP Strategic Branch Objectives include the following:

- Unified electronic health records for all
- Virtual care and e-health / telemedicine models (focus of this section)
- Cybersecurity and health data protection
- Information systems and information technology infrastructure

Various Government related initiatives as it relates to Vision 2030 and HSTP, and market related factors are expected to drive the implementation and adoption of Telemedicine services in KSA:

- **Vision 2030 prioritizes advancements in digital healthcare**: Vision 2030 is leading the charge in utilizing technology to revolutionize the delivery of healthcare services with ease and efficiency. In October 2022G, the Government launched the world's largest virtual hospital and the first in the Middle East, SEHA Virtual Hospital, offering 12 specialties and 35 sub-specialties, and interconnecting over 130 hospitals in the country. This represents a significant milestone in the healthcare sector transformation and digitalization program.
- **COVID-19 expedited the implementation of telemedicine:** The Covid-19 pandemic resulted in a strong boost to the uptake of telemedicine where the only method for care delivery was virtual. Moreover, it has accelerated the development and activation of the unified health record and integration with the Absher system and triggered the update of the national digital transformation strategy to include advanced technology solutions.

- **MoH initiatives drive the adoption of telemedicine:** MOH developed a digital health strategy to guide the use of and investment in digital technologies to increase efficiency and performance, improve health outcomes and enable health providers to deliver better services. In 2022G, MoH issued regulations governing all telehealth services and overseeing compliance with standards by healthcare facilities and professionals. Moreover, MoH launched Sehhaty application to facilitate the provision of integrated healthcare to individuals, including remote appointments.
- **Consumer acceptance fuels telemedicine platform launch:** Growing consumer awareness and acceptance of digital health solutions are paving the way for the launch of new applications and platforms. Select KSA based telemedicine applications include: (1) Cura, one of the largest platform in KSA offers telemedicine and medical consultations via live chat and video calls, and (2) Nala, launched in 2019G, is one of the first to use artificial intelligence to provide patient diagnoses within seconds.

As such, the KSA Telemedicine market commands the largest share (52%) in the MEA region, with Mental Health, followed by Cardiology and Gynecology representing the bulk of the market.

Table 3.52: MEA Telemedicine Market Size Contribution by Country for the Years 2020G

Country	Share from Total MEA Telemedicine Market Size (2020G)
KSA (%)	52%
UAE (%)	18%
South Africa (%)	26%
Rest of MEA (%)	16%

Source: Middle East & Africa Telemedicine Market, Forecast to 2028G- COVID 19 Impact and Analysis. Empowered by EMIS www.emis.com

KSA telemedicine market has witnessed a significant uptake recently primarily triggered by the Covid-19 pandemic. The number of virtual appointments in MoH hospitals grew by 82% in 2022G compared to 2021G, indicating a rampant demand for such services. Riyadh and the Eastern Region have the highest virtual appointments volume compared to other health regions in KSA collectively accounting for 28% of total KSA MoH virtual appointments. Eastern Region and Al Ahsa witnessed the highest growth in terms of number of appointments (271% and 164% CAGR, respectively) from 2021G to 2022G, indicating a comparatively higher demand momentum for telemedicine services vis-à-vis other key regions in KSA.

Table 3.53: Number of Virtual Appointments in MoH Hospitals by Health Region for the Years 2021G and 2022G

Region	2021G	2022G	CAGR 2021G-2022G
Riyadh	142,768	336,095	135%
Eastern(1)	78,575	291,390	271%
Jazan	146,692	247,942	69%
Jeddah	126,400	170,817	35%
Al Ahsa	58,022	153,174	164%
Hafr Al-Baten	85,590	78,083	(9%)
Others	633,051	1,030,104	63%

Sources: KSA MoH

Note: (1) KSA MoH's Eastern health region subsumes cities such as Dammam, Khobar, Dhahran and Qatif among others, and excludes Al Ahsa and Hafr Al-Baten health regions that are shown separately in the above table in line with MoH statistical yearbook health region segregation

From a private supply standpoint in the Eastern Province specifically, the majority of key large private players have an integrated electronic health record system & mobile application while only a few have remote monitoring & prescription management. Almoosa, Mouwasat, Dr.Sulaiman Al Habib and Johns Hopkins Aramco Healthcare provide a wide range of digital health services including telehealth, remote monitoring and prescription management (smart pharmacies) through their mobile application or website. New and emerging telehealth platforms are paving their way into the market. Cura, a healthtech app based in KSA licensed by MoH, offers telemedicine services with a network of 6,000 licensed doctors and 30 clinics and hospitals. Other services offered include blood sample collection and e-prescriptions.

3.10 Opportunity Identification and Company Positioning

Almoosa Health Company is a leading integrated healthcare provider, established in 1996, and currently operating 730 beds in the Eastern Province. The Company has consistently achieved milestones in the recent years bringing to life its vision to be a world-class health system that promotes wellness and heals illness.

Table 3.54: Almoosa Health Company Recent Milestones for the Period 2018G-2023G

Year	Milestones
2018G	– Surgical Review Corporation ("**SRC**") accreditation for Bariatric Centre of Excellence – American Society for Metabolic and Bariatric Surgery ("**ASMBS**") accreditation – Received King Abdulaziz Quality Award ("**KAQA**") – Joint Commission International ("**JCI**") accreditation for the 4th time
2019G	– Collaboration with UChicago Medicine for clinical best practices – Healthcare Information and Management Systems Society ("**HIMSS**") Level 6 accreditation – Association for the Advancement of Blood & Biotherapies ("**AABB**") accreditation – C. Everett Koop award
2020G	– American College of Radiology ("**ACR**") CT Scan accreditation – DAISY Award – Launching Al Moosa Specialist Hospital ("**ASH**") Portal – First version of mobile application
2021G	– Planetree Golden Designation (2nd time) – Home Healthcare Program – American Society of Health System Pharmacists ("**ASHP**") accreditation – HIMSS Level 7 accreditation
2022G	– Opening of major centers: Oncology, IVF – American Heart Association ("**AHA**") certification as a comprehensive stroke center – Leadership in Energy and Environmental Design ("**LEED**") Gold for North Tower – Inaugural Helipad Arrival
2023G	– AABB accreditation – American Nurses Credentialing Center ("**ANCC**") Magnet and Practice Transition Accreditation Program ("**PTAP**") accreditation – Opening of primary care department – Opening of Al Moosa Rehabilitation Hospital (Al Ahsa) and becoming a Shirley Ryan AbilityLab Global Network Principal

Sources: Management Input

The Company's high standard of care has been drawing patients from across the country and around the world, aligning with the Kingdom's vision for fostering inbound medical tourism. Over the past 3 years, 26,524 patient episodes involving patients from other regions in KSA (outside the Eastern Province, including Riyadh, Asir, Madinah, Al Bahah, Hail, Northern Borders, Makkah, Jeddah, Jazan, Al Qaseem, and others), and 7,374 international patient episodes involving patients from other countries (including Qatar, Kuwait, Bahrain, Oman, India, UAE, Philippines, China, Australia, Palestine, and Iraq) occurred at Al Moosa Specialist Hospital.

The Company provides an extensive scope of healthcare services across the following segments: Acute Care, Non-Acute Care, Home Healthcare, Primary Care, Telemedicine, and Pharmacy.

3.10.1 Acute Care

Al Moosa Specialist Hospital located in Al Ahsa is the Company's flagship facility since 1996. It consists of a 30-bed Main Hospital Building, 200-bed Maternity & Children Tower and a recent 200-bed Multispecialty North Tower added in 2022G. Al Moosa Specialist Hospital is internationally accredited and offers Centres of Excellence across various specialties including:

- **The Heart Centre:** The hospital is one of the few facilities in KSA offering cardio physiology services. It has onboarded two of the select c.40 electrophysiologists in KSA. Moreover, the specialized heart failure program is provided through one of the c.15 specialized doctors in KSA. The centre provides elective invasive and non-invasive cardiac surgeries for both adult and pediatric patients, has 3 catheterization laboratories, 17 critical care units, and a dedicated automated cardiac operating room.

- **Orthopedic, Joint Replacement and Sports Injury Centre:** The centre is one of the largest in Al Ahsa. It has introduced groundbreaking robotic Orthopedic surgery and partnered with Zimmer Biomet for the cutting-edge Rosa Robotic Surgical Assistant. It has dedicated operating rooms and a specialized inpatient unit equipped with an advanced gym. Moreover, the Sports Trauma unit provides comprehensive specialized care to athletes of the Al Ahsa region.
- **Oncology Centre:** The centre is the first comprehensive cancer centre in the Al Ahsa region providing diagnostic, therapeutic and support services under one roof, and catering to both adult and pediatric patients. Exceptional results in patient satisfaction have been reported by the Press Ganey organization. Moreover, Al Moosa Specialist Hospital is the first private hospital to offer radiation therapy through an exclusive radiotherapy centre with advanced modalities. The hospital also has an advanced nuclear medicine unit with the latest diagnostic devices, including PET, CT and SPECT scan.
- **Pediatric Center**: One of the hospital's key salient features is the provision of Pediatric services at a sub-specialty level across a wide spectrum of sub-specialties including psychology, endocrinology, dermatology, cardiology, digestive system disorders, respiratory, infectious diseases and others. The hospital also has a significant number of Pediatric and Neonatal Critical Care beds (44 NICU and 18 PICU).
- **Critical Care and Trauma Support Services**: The hospital has the only licensed helipad in Al Ahsa and is recognized as the first comprehensive stroke centre in KSA. It offers 24/7 trauma services with round-the-clock availability of critical care and emergency physicians including neurologists and plastic surgeons.

Additionally, Al Moosa Specialist Hospital is an academic teaching hospital accredited by the Saudi Commission for Health Specialties ("**SCHS**") in 19 residency and fellowship training programs. Residency programs include Pediatric, Orthopaedics, Adult Neurology, ObGyn amongst others. Fellowship programs include Adult Cardiology, Neonatology, Adult Critical Care Nursing, Clinical Pharmacy amongst others. The hospital also complements its medical offerings with a Continuing Professional Development Department ("**CPDD**"), a research centre and a life support centre. The CPDD, accredited by the SCHS, includes a continuing professional development unit which organizes and conducts healthcare related programs, a training and staff development unit, and a Patient-Family and Community Education ("**PF&CE**") team providing one-to-one education and skill instruction to patients and family members through tailored education material, awareness campaigns, and support group sessions. The research centre's key activities include consultancy services for clinical research proposal development, research paper publication and sponsored studies, and conducts an annual symposium, one of the largest in the Eastern Province. The life support centre consists of an official American Heart Association ("**AHA**") training centre, and an official training centre for Advanced Trauma Life Support courses for doctors ("**ATLS**") and nurses ("**ATCN**") in affiliation with the American College of Surgeons ("**ACS**").

The Company aims to further expand key specialties currently offered within the existing Al Moosa Specialist Hospital in the short term, namely Orthopedics, Pediatrics, Ophthalmology, ObGyn, Diabetes and Dentistry. Moreover, the Company aims to further expand its core multispecialty infrastructure by adding 2 new facilities in Al Hofuf by 2027G with 300 beds and Khobar by 2028G with 400 beds. This will in turn help bridge the acute care need gap in the Eastern Province, which currently has 2.5 beds per 1,000 capita compared to 3.2 beds per 1,000 capita on average in OECD countries, as well as help meet the anticipated rise in healthcare needs in the Eastern Province spurred by population growth, which in turn is stemming from the underlying economic expansion.

3.10.2 Non-Acute Care and Home Healthcare

Al Moosa Rehabilitation Hospital (Al Ahsa) is a recently launched 300-bed rehab and long-term care hospital in Ahsa, Eastern Province, a Global Network Principal of global physical medicine and rehabilitation leader Shirley Ryan AbilityLab. The hospital provides a wide range of specialized centres and services and is one of the few KSA private facilities offering inpatient mental health. The facility, established in 2023G, supports in bridging the need gap and enhancing the physical and mental rehabilitation infrastructure in line with Vision 2030 goals. Select specialized centres include Neurology and Stroke Recovery, Adaptive Sport Rehabilitation, Musculoskeletal and Orthopedic Rehab, Spinal Cord Injury Rehabilitation, Pediatric Rehabilitation, and Mental Health.

The facility will benefit from direct clinical adjacencies through internal referrals from Al Moosa Specialist Hospital to step down rehabilitation services, specifically given the high surgical focus of the acute care facility.

The facility has an attached home care offering, in line with the Kingdom's efforts in improving home care coverage to reduce pressure on acute and post-acute hospitals, including skilled nursing care, physical therapy, occupational therapy and assistance with daily living in the comfort of patients' homes. The offering caters to remote areas with limited healthcare access and provides a wide array of services including certified nursing care (e.g., home care for diabetics, indwelling catheter care and maintenance, wound care and personal care), physical therapy services (e.g., sports injuries, rehabilitation for the elderly), chronic disease patient care, specialized medical care, mother and child care and respiratory care services (e.g., nebulizer therapy).

3.10.3 Primary Care

The Company reinforces the KSA vision's commitment to advancing the primary care gatekeeper model, through its plan to open 5 standalone primary healthcare centres by 2027G providing 9 different specialties (Family Medicine, Urgent Care, Pediatrics, ObGyn, Ophthalmology, Dentistry, Dermatology, ENT, Internal Medicine), each with an attached pharmacy, basic pathology, and imaging departments. This will result in the establishment of a feeder network allowing to control the patient journey end to end, as well as serve the needs of various population tiers across the full continuum of care ranging from preventive care and early screening and diagnosis to advanced medical services. Additionally, it will help The Company in strategically capitalizing on the rampant primary care opportunity in KSA, given the various trends and Government related imperatives that are expected to drive the consumption of primary healthcare services in the short term.

3.10.4 Telemedicine

Almoosa Health Company has evolved beyond traditional care settings and has been providing medical consultations and healthcare services remotely utilizing digital platforms such as video conferencing, mobile applications, and secure online portals. Key services include virtual consultations, electronic medical records where the hospital maintains a safe and secure centralized repository of patient data digitally, prescription management including electronic medication prescription, and remote monitoring allowing patients to share vital signs with doctors. As such, the Company's telemedicine offering supports the 'Data and Digitization' HSTP branch targeted at driving the implementation and adoption of Telemedicine services in KSA through prioritizing advancements in digital healthcare.

3.10.5 Pharmacy

The Company has launched the first outpatient smart pharmacy in the region and has an advanced automated inpatient pharmacy, enabling a streamlined and efficient prescription fulfilment process. The outpatient pharmacy is strategically located in the Main Hospital (North and South Towers) and within the Rehabilitation Hospital for easy access, and functions around the clock to optimally serve patients. The inpatient pharmacy has an automated drug dispensing system, Omnicell, consisting of medicine cabinets which identify individual patients through their file numbers. The system accurately and promptly dispenses medication according to doctors' prescriptions, and orders are delivered by automated guided vehicles besides the dispensing stations throughout the inpatient wards, eliminating the need for human interference.

In conclusion, the foundation of Almoosa Health Company's concept is to develop a streamlined and integrated healthcare platform offering the full continuum of care across all levels of clinical intervention, and forming a symbiotic offering and distinguished service portfolio across preventive, primary, secondary, tertiary and post-acute care services. The Company's transformation will lead to a seamless integration where the patient journey remains uninterrupted, while ensuring smooth transitions, coordinated care plans and continuity of treatment.


صيدلية الموسى

4. Overview of the Company and the Nature of its Business

4.1 Overview

Almoosa Health Company is a closed Saudi joint-stock company established pursuant to Ministry of Commerce Resolution No. 59, dated 18/03/1442H (corresponding to 04/11/2020G) and registered under Commercial Registration No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G), with its registered address at 3256 Dhahran Road, Al Khars District, P.O. Box 5098, Postal Code 31982, Al Mubarraz City, the Kingdom of Saudi Arabia.

In 1994G, the Company commenced its operations as a branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship under the name “Al Moosa Specialist Hospital (Al Ahsa),” which is registered in the Commercial Register of the city of Al Mubarraz under No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G). Pursuant to the Company’s Articles of Association reviewed by the Ministry of Commerce and registered with the notary public by the Partners under No. 391474381, dated 22/09/1439H (corresponding to 06/06/2018G), the branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship was transformed into a limited liability company under the name “Al Moosa Specialist Hospital” with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) cash Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per Share. In accordance with the Partners’ resolution approved by the Ministry of Commerce under No. 100002504, dated 04/03/1442H (corresponding to 21/10/2020G), Abdulaziz Abdullah Almoosa, who owns one hundred thousand (100,000) Shares of the Company’s share capital, transferred ten thousand (10,000) Company Shares through the assignment of one thousand (1,000) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Sara Abdulaziz Almoosa, (5) Zainab Abdulaziz Almoosa, (6) Omaima Abdulaziz Almoosa, (7) Yaser Abdulaziz Almoosa, (8) Yousef Abdulaziz Almoosa, (9) Lama Abdulaziz Almoosa, and (10) Ahmed Abdulaziz Almoosa without consideration. Pursuant to the Partners’ resolution dated 04/03/1442H (corresponding to 21/10/2020G) and Ministry of Commerce resolution No. 47, dated 04/03/1442H (corresponding to 21/10/2020G), the Company was transformed from a limited liability company into a closed joint-stock company under the name “Al Moosa Specialist Hospital” with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) ordinary Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per Share. In accordance with the decision of Abdulaziz Abdullah Almoosa dated 24/02/1444H (corresponding to 21/09/2022G), Abdulaziz Abdullah Almoosa, who owns ninety thousand (90,000) Shares of the Company’s share capital, transferred ten thousand (10,000) Shares in the Company through the assignment of (i) one thousand, five hundred (1,500) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Ahmed Abdulaziz Almoosa, (5) Yousef Abdulaziz Almoosa, and (6) Yaser Abdulaziz Almoosa; and (ii) two hundred and fifty (250) Shares to each of (1) Sara Abdulaziz Almoosa, (2) Zainab Abdulaziz Almoosa, (3) Lama Abdulaziz Almoosa, and (4) Omaima Abdulaziz Almoosa without consideration. Pursuant to the Extraordinary General Assembly resolution dated 11/06/1445H (corresponding to 24/12/2023G), the Company’s share capital was increased from one million Saudi Riyals (SAR 1,000,000) to three hundred and fifty million Saudi Riyals (SAR 350,000,000), divided into thirty-five million (35,000,000) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. The increase, amounting to three hundred and forty-nine million Saudi Riyals (SAR 349,000,000), was satisfied through the capitalization of three hundred and forty-nine million Saudi Riyals (SAR 349,000,000) from a Shareholder’s contribution account (resulting from: (1) the net assets transferred upon the conversion of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship into a limited liability company, and (2) a contribution of land valued at SAR 53.7 million by one of the Company’s Shareholders). On 04/08/1445H (corresponding to 14/02/2024G), Abdulaziz Abdullah Almoosa, who owns twenty-eight million (28,000,000) Shares of the Company’s share capital, assigned one million, seven hundred and fifty thousand (1,750,000) of the Company Shares to Abdulaziz bin Abdullah Almoosa Charity Company. On 04/08/1445H (corresponding to 14/02/2024G), the Extraordinary General Assembly approved changing the name of the Company from “Al Moosa Specialist Hospital” to “Almoosa Health Company.” On 16/09/1445H (corresponding to 26/03/2024G), (1) Abdulaziz Abdullah Almoosa, (2) Habiba Abdulrahman Almoosa, (3) Mohammad Abdulaziz Almoosa, (4) Malek Abdulaziz Almoosa, (5) Sara Abdulaziz Almoosa, (6) Zainab Abdulaziz Almoosa, (7) Omaima Abdulaziz Almoosa, (8) Yaser Abdulaziz Almoosa, (9) Yousef Abdulaziz Almoosa, (10) Lama Abdulaziz Almoosa, and (11) Ahmed Abdulaziz Almoosa assigned all their Shares in the Company, totaling thirty-three million, two hundred and fifty thousand (33,250,000) Shares, to Abdulaziz bin Abdullah Almoosa Investment Company in exchange for granting them Shares therein. On 16/10/1445H (corresponding to 25/04/2024G), the Company’s Extraordinary General Assembly approved the Company’s capital increase from three hundred and fifty million Saudi Riyals

(SAR 350,000,000) divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share to four hundred and forty-three million, thirty-five thousand, eight hundred Saudi Riyals (SAR 443,035,800), divided into forty-four million, three hundred and three thousand, five hundred and eighty (44,303,580) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share through the public offering of nine million, three hundred and three thousand, five hundred and eighty (9,303,580) New Shares (for further information regarding the Company's history, please refer to Section 4.1.2 "**The Company's History and Evolution of its Ownership and Capital Structure**" of this Prospectus).

As of the date of this Prospectus, the Company's share capital is SAR 350,000,000, divided into 35,000,000ordinary Shares with a fully paid nominal value of SAR 10 per Share. The Company's share capital after the Offering will be SAR 443,035,800, divided into 44,303,580 ordinary Shares with a nominal value of SAR 10 per Share, as a result of the Company's capital increase through the issuance and public offering of 9,303,580 New Shares (representing 21% of the Company's share capital after the Offering).

The Company's activities, according to its Bylaws, are as follows:

1. transportation and storage – warehousing;
2. human health and social work activities – hospitals;
3. human health and social work activities – medical and dental clinic activities;
4. human health and social work activities – other aspects of human health; and
5. arts, leisure and entertainment – sports club activities.

The Company's activities, according to its Commercial Registration Certificate, are as follows:

1. hospitals;
2. long-term care and convalescent hospitals;
3. hospitals for treatment and rehabilitation of addicts;
4. medical operation of hospitals;
5. specialist medical complexes;
6. day surgery centers;
7. general medical complexes;
8. medical clinics;
9. critical medical care centers;
10. health co-working centers;
11. fertility, embryology and infertility treatment centers;
12. medical operation of medical complexes and day surgery centers;
13. radiology centers;
14. plasma collection centers;
15. ambulance transportation service centers;
16. medical laboratories;
17. complementary and alternative medicine complexes;
18. medical rehabilitation facilities;
19. speech and swallowing therapy centers;
20. hemodialysis centers;
21. foot and ankle care centers;
22. prosthetics and orthotics centers;
23. nutrition centers;
24. home medical service centers;
25. mobile medical clinics;
26. occupational therapy centers;

27. physiotherapy centers;
28. emergency care centers;
29. pain relief centers;
30. hearing treatment centers;
31. telecare and telemedicine centers;
32. artificial eye centers;
33. teleradiology centers;
34. medical operation of medical laboratories, radiology centers and supporting medical services;
35. sample collection centers;
36. IV centers;
37. sport clubs;
38. men's gyms and sport centers; and
39. women's gyms and sport centers.

The Company operates primarily in the healthcare sector, providing integrated healthcare services that include primary, acute and rehabilitative care services at Al Moosa Specialist Hospital (Al Ahsa) and Al Moosa Rehabilitation Hospital (Al Ahsa). The Company also provides subsidiary services to this sector, such as pharmaceutical, home healthcare and telemedicine services (for further information regarding the Company's business, please refer to Section 4.3 "**Overview of the Company's Business**" of this Prospectus). As of 31 March 2024G, the Company is deemed a leader in its business segments with a capacity of 730 beds, providing various services to approximately one million clients, including individuals and private and Governmental sectors in the Eastern Province of the Kingdom, specifically in the city of Al Ahsa, where the Company operates as of the date of this Prospectus, Al Moosa Specialist Hospital and Al Moosa Rehabilitation Hospital (Al Ahsa), based on a workforce comprising more than 2,900 employees as of the date of this Prospectus. The Company is also, as of the date of this Prospectus, designing, constructing and developing 2 specialist hospitals in Al Khobar and Al Hofuf, which are still under construction as of the date of this Prospectus (for further information regarding the Company's future projects, please refer to Section 4.8 "**Overview of the Company's Future Plans and Initiatives**" of this Prospectus). It is worth noting that the Company's net revenues amounted to SAR 701.5 million, SAR 816.0 million, SAR 979.0 million and SAR 277.2 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The Company's net income amounted to SAR 62.4 million, SAR 51.0 million, SAR 98.1 million and SAR 13.7 million for the same periods, respectively. The Company's total assets amounted to SAR 1,545.3 million, SAR 1,825.2 million, SAR 2,301.8 million and SAR 2.34 billion for the same periods, respectively. The Company's total liabilities amounted to SAR 947.3 million, SAR 1,177.0 million, SAR 1,645.8 million and SAR 1,697 million for the same periods, respectively.

The Directors acknowledge that there is no intention to make any material change in the nature of the Company's business as of the date of this Prospectus.

4.1.1 Ownership Structure of the Company Pre- and Post-Offering

As of the date of this Prospectus, the Company's share capital is SAR 350,000,000, divided into 35,000,000 fully paid ordinary Shares with a nominal value of SAR 10 per Share. The Company's share capital after the Offering will be SAR 443,035,800, divided into 44,303,580 ordinary Shares with a nominal value of SAR 10 per Share, as a result of the Company's capital increase through the issuance and public offering of 9,303,580 New Shares (representing 21% of the Company's share capital after the Offering).

The following table sets out the Company's ownership structure before and after the Offering:

Table 4.1: The Company's Ownership Structure Pre- and Post-Offering

No.	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Ownership (%)	Number of Shares	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz bin Abdullah Almoosa Investment Company	33,250,000	332,500.000	95%	29,131,256	291,312,560	65.75%
2.	Abdulaziz bin Abdullah Almoosa Charity Company	1,750,000	17,500,000	5%	1,750,000	17,500,000	3.95%
3.	Shares allocated to the Employee Investment Fund	-	-	-	131,250	1,312,500	0.30%
4.	Public	-	-	-	13,291,074	132,910,740	30%
Total		**35,000,000**	**350,000,000**	**100%**	**44,303,580**	**443,035,800**	**100%**

Source: The Company

4.1.2 The Company's History and Evolution of its Ownership and Capital Structure

A. Incorporation (1994G)

The Company commenced its operations as a branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship under the name "Al Moosa Specialist Hospital (Al Ahsa)", which is registered in the Commercial Register of the city of Al Mubarraz under No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G).

B. Transformation into a Limited Liability Company (2018G)

Pursuant to the Company's Articles of Association reviewed by the Ministry of Commerce under No. 391474381, dated 22/09/1439H (corresponding to 06/06/2018G), the branch of Abdulaziz Abdullah Abdulwahab Commercial Sole Proprietorship was transformed into a limited liability company under the name "Al Moosa Specialist Hospital (limited liability company)" with a fully paid share capital of SAR 1,000,000, divided into 100,000 shares with a fully paid nominal value of SAR 10 per share. The following table sets out the Company's ownership structure after its transformation into a limited liability company:

Table 4.2: The Company's Ownership Structure Upon Transformation from a Branch of a Sole Proprietorship into a Limited Liability Company

No.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz Abdullah Almoosa	100,000	10	1,000,000	100%
Total		**100,000**	**-**	**1,000,000**	**100%**

Source: The Company

C. Change in Ownership Structure (2020G)

In accordance with the Partners' resolution approved by the Ministry of Commerce under No. 100002504, dated 04/03/1442H (corresponding to 21/10/2020G), Abdulaziz Abdullah Almoosa, who owns 100,000 Shares of the Company's share capital, transferred 10,000 Company Shares through the assignment of 1,000 Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Sara Abdulaziz Almoosa, (5) Zainab Abdulaziz Almoosa, (6) Omaima Abdulaziz Almoosa, (7) Yaser Abdulaziz

Almoosa, (8) Yousef Abdulaziz Almoosa, (9) Lama Abdulaziz Almoosa, and (10) Ahmed Abdulaziz Almoosa. The following table sets out the Company's ownership structure after the ownership change:

Table 4.3: The Company's Ownership Structure as of 04/03/1442H (corresponding to 21/10/2020G)

No.	Partner	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz Abdullah Almoosa	90,000	10	900,000	90%
2	Habiba Abdulrahman Almoosa	1,000	10	10,000	1%
3.	Mohammad Abdulaziz Almoosa	1,000	10	10,000	1%
4.	Malek Abdulaziz Almoosa	1,000	10	10,000	1%
5.	Sara Abdulaziz Almoosa	1,000	10	10,000	1%
6.	Zainab Abdulaziz Almoosa	1,000	10	10,000	1%
7.	Omaima Abdulaziz Almoosa	1,000	10	10,000	1%
8.	Yaser Abdulaziz Almoosa	1,000	10	10,000	1%
9.	Yousef Abdulaziz Almoosa	1,000	10	10,000	1%
10.	Lama Abdulaziz Almoosa	1,000	10	10,000	1%
11.	Ahmed Abdulaziz Almoosa	1,000	10	10,000	1%
Total		**100,000**	**-**	**1,000,000**	**100%**

Source: The Company

D. Transformation into a Joint-Stock Company (2020G)

On 04/03/1442H (corresponding to 21/10/2020G), the Company was transformed from a limited liability company into a closed joint-stock company under the name "Al Moosa Specialist Hospital (a closed joint-stock company)" with a fully paid share capital of SAR 1,000,000, divided into 100,000 ordinary Shares with a fully paid nominal value of SAR 10 per Share. The following table sets out the Company's ownership structure after its transformation into a closed joint-stock company:

Table 4.4: The Company's Ownership Structure as of 04/03/1442H (Corresponding to 21/10/2020G)

No.	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz Abdullah Almoosa	90,000	10	900,000	90%
2.	Habiba Abdulrahman Almoosa	1,000	10	10,000	1%
3.	Mohammad Abdulaziz Almoosa	1,000	10	10,000	1%
4.	Malek Abdulaziz Almoosa	1,000	10	10,000	1%
5.	Sara Abdulaziz Almoosa	1,000	10	10,000	1%
6.	Zainab Abdulaziz Almoosa	1,000	10	10,000	1%
7.	Omaima Abdulaziz Almoosa	1,000	10	10,000	1%
8.	Yaser Abdulaziz Almoosa	1,000	10	10,000	1%
9.	Yousef Abdulaziz Almoosa	1,000	10	10,000	1%
10.	Lama Abdulaziz Almoosa	1,000	10	10,000	1%
11.	Ahmed Abdulaziz Almoosa	1,000	10	10,000	1%
Total		**100,000**	**-**	**1,000,000**	**100%**

Source: The Company

E. Change in Ownership Structure (2022G)

In accordance with the decision of Abdulaziz Abdullah Almoosa dated 24/02/1444H (corresponding to 21/09/2022G), Abdulaziz Abdullah Almoosa, who owns 90,000 Shares of the Company's share capital, transferred 10,000 Shares in the Company through the assignment of (i) 1,500 Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Ahmed Abdulaziz Almoosa, (5) Yousef Abdulaziz Almoosa, and (6) Yaser Abdulaziz Almoosa; and (ii) 250 Shares to each of: (1) Sara Abdulaziz Almoosa, (2) Zainab Abdulaziz Almoosa, (3) Lama Abdulaziz Almoosa, and (4) Omaima Abdulaziz Almoosa. The following table sets out the Company's structure after the ownership change:

Table 4.5: The Company's Ownership Structure as of 24/02/1444H (corresponding to 21/09/2022G)

No.	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz Abdullah Almoosa	80,000	10	800,000	80%
2.	Habiba Abdulrahman Almoosa	2,500	10	25,000	2.5%
3.	Mohammad Abdulaziz Almoosa	2,500	10	25,000	2.5%
4.	Malek Abdulaziz Almoosa	2,500	10	25,000	2.5%
5.	Sara Abdulaziz Almoosa	1,250	10	12,500	1.25%
6.	Zainab Abdulaziz Almoosa	1,250	10	12,500	1.25%
7.	Omaima Abdulaziz Almoosa	1,250	10	12,500	1.25%
8.	Yaser Abdulaziz Almoosa	2,500	10	25,000	2.5%
9.	Yousef Abdulaziz Almoosa	2,500	10	25,000	2.5%
10.	Lama Abdulaziz Almoosa	1,250	10	12,500	1.25%
11.	Ahmed Abdulaziz Almoosa	2,500	10	25,000	2.5%
Total		**100,000**	**-**	**1,000,000**	**100%**

Source: The Company

F. Capital Increase (2023G)

Pursuant to the Extraordinary General Assembly resolution dated 11/06/1445H (corresponding to 24/12/2023G), the Company's share capital was increased from SAR 1,000,000 to SAR 350,000,000, divided into 35,000,000 Shares with an equal nominal value of SAR 10 per Share, fully paid-up in cash. The increase, amounting to SAR 349,000,000, was satisfied through the capitalization of SAR 349,000,000 from a Shareholder's contribution account resulting from: (1) the net assets transferred upon the conversion of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship into a limited liability company and (2) a contribution of land valued at SAR 53.7 million by one of the Company's Shareholders.

The following table sets out the Company's ownership structure after the capital increase:

Table 4.6: The Company's Ownership Structure as of 11/06/1445H (corresponding to 24/12/2023G)

No.	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz Abdullah Almoosa	28,000,000	1	280,000,000	80%
2.	Habiba Abdulrahman Almoosa	875,000	1	8,750,000	2.5%
3.	Mohammad Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
4.	Malek Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
5.	Sara Abdulaziz Almoosa	437,500	1	4,370,000	1.25%
6.	Zainab Abdulaziz Almoosa	437,500	1	4,370,000	1.25%
7.	Omaima Abdulaziz Almoosa	437,500	1	4,370,000	1.25%
8.	Yaser Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
9.	Yousef Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
10.	Lama Abdulaziz Almoosa	437,500	1	4,370,000	1.25%
11.	Ahmed Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
Total		**35,000,000**	**-**	**350,000,000**	**100%**

Source: The Company

G. Change in Ownership Structure (2024G)

On 04/08/1445H (corresponding to 14/02/2024G), Abdulaziz Abdullah Almoosa, who owns 28,000,000 Shares of the Company's share capital, assigned 1,750,000 of the Company Shares to Abdulaziz bin Abdullah Almoosa Charity Company. The following table sets out the Company's ownership structure after the ownership change:

Table 4.7: The Company's Ownership Structure as of 04/08/1445H (corresponding to 14/02/2024G)

No.	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz Abdullah Almoosa	26,250,000	1	262,500,000	75%
2.	Abdulaziz bin Abdullah Almoosa Charity Company	1,750,000	1	17,500,000	5%
3.	Habiba Abdulrahman Almoosa	875,000	1	8,750,000	2.5%
4.	Mohammad Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
5.	Malek Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
6.	Sara Abdulaziz Almoosa	437,500	1	4,370,000	1.25%
7.	Zainab Abdulaziz Almoosa	437,500	1	4,370,000	1.25%
8.	Omaima Abdulaziz Almoosa	437,500	1	4,370,000	1.25%
9.	Yaser Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
10.	Yousef Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
11.	Lama Abdulaziz Almoosa	437,500	1	4,370,000	1.25%
12.	Ahmed Abdulaziz Almoosa	875,000	1	8,750,000	2.5%
Total		**35,000,000**	**-**	**350,000,000**	**100%**

Source: The Company

H. Change of Company's Name (2024G)

On 04/08/1445H (corresponding to 14/02/2024G), the Extraordinary General Assembly approved changing the name of the Company from "Al Moosa Specialist Hospital" to "Almoosa Health Company". The change in the Company's name did not lead to any change in the Company's ownership structure.

I. Change in Ownership Structure (2024G)

On 16/09/1445H (corresponding to 26/03/2024G), (1) Abdulaziz Abdullah Almoosa, (2) Habiba Abdulrahman Almoosa, (3) Mohammad Abdulaziz Almoosa, (4) Malek Abdulaziz Almoosa, (5) Sara Abdulaziz Almoosa, (6) Zainab Abdulaziz Almoosa, (7) Omaima Abdulaziz Almoosa, (8) Yaser Abdulaziz Almoosa, (9) Yousef Abdulaziz Almoosa, (10) Lama Abdulaziz Almoosa and (11) Ahmed Abdulaziz Almoosa assigned all their Shares in the Company, totaling 33,250,000 Shares to Abdulaziz bin Abdullah Almoosa Investment Company in exchange for granting them Shares therein. The following table sets out the Company's ownership structure after the ownership change:

Table 4.8: The Company's Ownership Structure as of 16/09/1445H (corresponding to 26/03/2024G)

No.	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz bin Abdullah Almoosa Investment Company	33,250,000	10	332,500.000	95%
2.	Abdulaziz bin Abdullah Almoosa Charity Company	1,750,000	10	17,500,000	5%
Total		**35,000,000**	**-**	**350,000,000**	**100%**

Source: The Company

J. Capital Increase for the Purpose of Offering (2024G)

On 16/10/1445H (corresponding to 25/04/2024G), the Company's Extraordinary General Assembly approved the Company's capital increase from SAR 350,000,000 divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share to SAR 443,035,800, divided into 44,303,580 ordinary Shares with a nominal value of SAR 10 per Share through the public offering of 9,303,580 New Shares.

4.1.3 Overview of the Substantial Shareholders in the Company

As of the date of this Prospectus, the Company has two Shareholders who own all of the Company's Shares, amounting to 35,000,000 ordinary Shares. These two Shareholders are considered Substantial Shareholders, as each of them directly owns 5% or more of the Company's share capital. The Substantial Shareholders are (1) Abdulaziz bin Abdullah Almoosa Investment Company, and (2) Abdulaziz bin Abdullah Almoosa Charity Company. The following table sets out the details of the Substantial Shareholders in the Company before and after the Offering:

Table 4.9: Substantial Shareholders by Direct Ownership Before and After the Offering

No.	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Ownership (%)	Number of Shares	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz bin Abdullah Almoosa Investment Company	33,250,000	332,500.000	95%	29,131,256	291,312,560	65.75%
2.	Abdulaziz bin Abdullah Almoosa Charity Company	1,750,000	17,500,000	5%	1,750,000	17,500,000	3.95%
Total		**35,000,000**	**350,000,000**	**100%**	**30,881,256**	**308,812,560**	**69.70%**

Source: The Company

The following summary details the Company's corporate Substantial Shareholders:

A. Abdulaziz bin Abdullah Almoosa Investment Company

Abdulaziz bin Abdullah Almoosa Investment Company is a Saudi limited liability (holding) company registered in the city of Al Mubarraz under Commercial Registration No. 2252107998, dated 11/09/1445H (corresponding to 21/03/2024G). As of the date of this Prospectus, the share capital of Abdulaziz bin Abdullah Almoosa Investment Company is SAR 1,000,000, divided into 100,000 shares with an equal nominal value of SAR 10 per share.

According to the Commercial Registration of Abdulaziz bin Abdullah Almoosa Investment Company, its main activities include: (1) managing subsidiaries of holding companies; (2) investing holding companies' funds; (3) owning properties and movables necessary for holding companies; (4) providing loans, guarantees and financing to subsidiaries of holding companies; (5) owning industrial property rights of subsidiaries of holding companies; and (6) leasing industrial property rights of subsidiaries of holding companies. The following table sets out the ownership structure of Abdulaziz bin Abdullah Almoosa Investment Company:

Table 4.10: Ownership Structure of Abdulaziz bin Abdullah Almoosa Investment Company

No.	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Shareholding (%)
1.	Abdulaziz Abdullah Almoosa	76,000	10	760,000	76%
2.	Habiba Abdulrahman Almoosa	3,000	10	30,000	3%
3.	Mohammad Abdulaziz Almoosa	3,000	10	30,000	3%
4.	Malek Abdulaziz Almoosa	3,000	10	30,000	3%
5.	Yaser Abdulaziz Almoosa	3,000	10	30,000	3%
6.	Yousef Abdulaziz Almoosa	3,000	10	30,000	3%
7.	Ahmed Abdulaziz Almoosa	3,000	10	30,000	3%
8.	Lama Abdulaziz Almoosa	1,500	10	15,000	1.5%
9.	Sara Abdulaziz Almoosa	1,500	10	15,000	1.5%

No.	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Shareholding (%)
10.	Zainab Abdulaziz Almoosa	1,500	10	15,000	1.5%
11.	Omaima Abdulaziz Almoosa	1,500	10	15,000	1.5%
Total		**100,000**	**-**	**1,000,000**	**100%**

Source: The Company

B. Abdulaziz bin Abdullah Almoosa Charity Company

Abdulaziz bin Abdullah Almoosa Charity Company is a one-person, limited liability, non-profit, private Saudi company registered in the city of Al Mubarraz under Commercial Registration No. 2252107935, dated 27/07/1445H (corresponding to 08/02/2024G). As of the date of this Prospectus, the share capital of Abdulaziz bin Abdullah Almoosa Charity Company is SAR 50,000, divided into 5,000 shares with an equal nominal value of SAR 10 per share.

The business of Abdulaziz bin Abdullah Almoosa Charity is focused on charitable and social initiatives, as it pays special attention to educational and charitable initiatives. Its business includes supporting various educational facilities in cooperation with the Ministry of Education and sponsoring the Sheikh Abdulwahab Al- Mousa Award for Excellence in Education, an annual award presented to various categories for participation in the educational process and the construction of schools, including: (1) the construction of Maryam Al Sheikh Mubarak School; (2) the construction of Tarfat Almoosa School; and (3) the construction of Abdulrahman Almoosa School.

The following table sets out the ownership structure of Abdulaziz bin Abdullah Almoosa Charity Company:

Table 4.11: Ownership Structure of Abdulaziz bin Abdullah Almoosa Charity Company

No.	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Shareholding (%)
1.	Abdulaziz Abdullah Almoosa	5,000	10	50,000	100%
Total		**5,000**	**-**	**50,000**	**100%**

Source: The Company

4.1.4 Overview of the Indirect Substantial Shareholders in the Company

The following table details Substantial Shareholders based on their indirect ownership in the Company:

Table 4.12: The Company's Substantial Shareholders by Indirect Ownership as of the Date of this Prospectus

No.	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)	Number of Shares	Total Nominal Value of Shares (SAR)	Ownership (%)
1.	Abdulaziz Abdullah Almoosa(1)	27,020,000	270,200,000	77.20%	23,889,755	238,897,550	53.92%

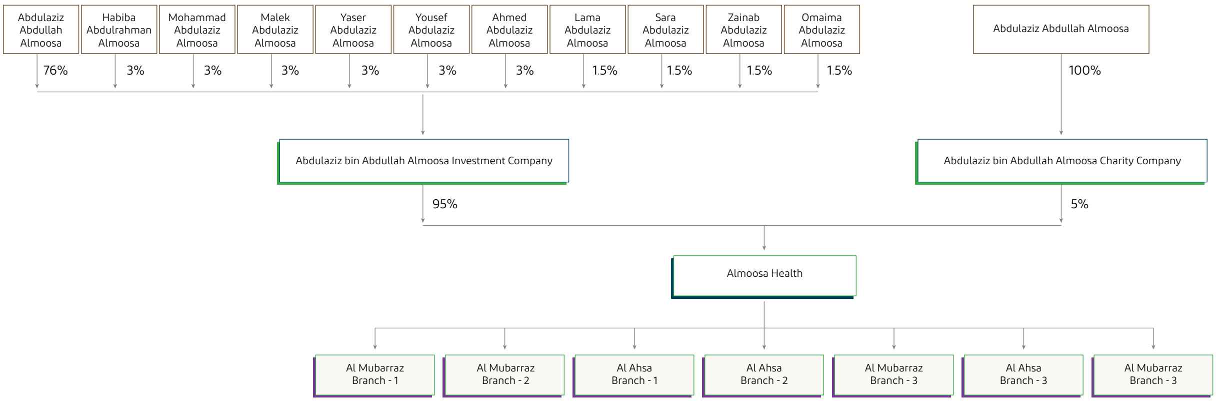
(1) Indirect ownership resulted from the following: Abdulaziz Abdullah Abdulwahab Almoosa owns 76% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital. Also, Abdulaziz Abdullah Abdulwahab Almoosa owns 100% of the share capital of Abdulaziz bin Abdullah Almoosa Charity Company, which owns 5% of the Company's share capital.

Source: The Company

4.1.5 The Company's Structure

The following figure shows the Company's structure as of the date of this Prospectus:

Figure 2: The Company's Structure as of the Date of this Prospectus



Source: The Company

4.2 The Company's Vision, Mission, Strengths and Strategy

4.2.1 Vision

A trusted global health system that spreads health and fights disease.

4.2.2 Mission

We serve with passion and lead societal transformation by providing effective healthcare services.

4.2.3 Core Values and Strategic Principles

The Company's business revolves around a number of core values that drive its operations and the services it provides, which are as follows:

a. **Investing in people**: The Company seeks to educate, develop and retain highly qualified and skilled professionals who promote health, provide distinguished healthcare.

b. **Continuous improvement**: All Company representatives jointly strive to improve performance and establish high standards in order to advance the Company's activities at the personal, professional, institutional and financial levels to achieve the Company's vision and ensure its continuity.

c. **Exceptional patient experience**: The Company seeks to achieve a distinguished healthcare experience for patients and provide highly professional teams that provide patients and their families with personalized experiences, including all aspects of care and attention for patients, as well as achieve their aspirations in terms of therapeutic experience.

d. **Advancing quality and patient safety**: The Company is committed to achieving the highest international quality standards in the health sector and using effective and continuous development tools, in order to provide high-quality healthcare that achieves maximum safety for patients.

e. **Spreading health awareness**: The Company undertakes, through its social responsibility and communication programs and its entity as a whole, to be an effective social partner in promoting and spreading health and social awareness in a holistic sense, along with effectively integrating this value with its agenda and activities in order to achieve a high level of social awareness.

The Company's strategic principles are as follows:

a. **People:** Attracting, educating, and developing talented practitioners and employees who provide the highest levels of care and promote health awareness;

b. **Patient Safety and Quality of Service:** Maintaining our role as a regional leader by achieving superior patient safety outcomes through continuous and effective improvement;

c. **Patient Experience:** Fulfilling our national duty by improving the experience of patients and their families;

d. **Health Awareness:** Promoting physical, emotional, intellectual, social, spiritual, environmental and occupational health by integrating all of these dimensions into our decisions and activities;

e. **Performance:** Improving personal, operational, professional and financial performance to achieve our mission and vision;

f. **Our Pledge:** We promise to add value to our Shareholders and meet the diverse needs of our community in an equitable and inclusive manner. We also pledge to invest in the sustainability of our environment and community, and we commit to enhancing governance and inspiring continuous transformation in healthcare.

4.2.4 Strengths and Competitive Advantages

A. Reliable Health System

To ensure enhanced patient satisfaction and improved results, the Company is committed to providing integrated healthcare that guarantees patients have a smooth and effective experience across various aspects of healthcare, thanks to its multidisciplinary integrated care team, modern technologies, effective communication channels with patients, and entertainment services. The Company has measured brand awareness among its customer base through the loyalty index, with the brand awareness rate reaching 89.2%, 90.1%, 90.3% and 88.4% as of the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.

B. Strategic Location

The Company's strategic location in the heart of Al Ahsa ensures ease of access for a wide range of people in the Kingdom and the Arabian Gulf to its various services. The Company's hospitals are strategically distributed to ensure ease of access to its services from all locations. The main Al Moosa Specialist Hospital is located in northern Al Ahsa, and Al Moosa Rehabilitation Hospital is at the northern gateway to Al Ahsa. The Company is also working on a hospital project in Al Hofuf to serve the people of the southern region of Al Ahsa city, and a hospital project in Al Khobar to serve its people (for further details regarding future plans and initiatives, please refer to Section 4.8 "**Overview of the Company's Future Plans and Initiatives**" of this Prospectus).

C. Design

The Company believes in the importance of evidence-based design for its medical facilities. The Company cooperates with the leading international architectural engineering companies specializing in the design of healthcare institutions and facilities to ensure a safe and comfortable environment that promotes the treatment process and meets the needs of patients. The Company ensures the inclusion of green spaces in its designs to improve the experience of patients, their families and visitors.

D. Exceptional Patient Experience

The Company aims to provide a convenient and integrated patient journey through innovative care management strategies, including through the provision of open communication channels and digital health records, in addition to receiving suggestions through PressGaney, which measures patient satisfaction. Al Moosa Specialist Hospital (Al Ahsa) is ranked among the top 10 hospitals in the Gulf for ensuring comprehensive and personalized care that meets the needs of every patient.

E. Social Responsibility

The Company is committed to good governance, social responsibility and sustainability practices. The Board of Directors convenes every 3 months to conduct strategic discussions, evaluate performance and growth opportunities and promote diversity and inclusion at all levels. The Company also participates in social activities that benefit the community it serves and supports educational and awareness-raising initiatives in the fields of healthcare and community development (for further details regarding the Company's social responsibility strategy, please see Section 4.13 "**Social Responsibility**" of this Prospectus).

F. Sustainability

The Company adopts environmentally friendly practices and LEED green building certification principles with a focus on energy efficiency, waste management, water conservation and reducing carbon footprint.

G. Technology

The Company deploys the latest technologies to empower patients and improve their participation in making decisions about their care. The Company provides a patient-dedicated application to book appointments and request virtual consultations. It also uses HIS and Yassii systems to manage, store, retrieve and analyze patient health information in collaboration with Oracle. This earned Al Moosa Specialist Hospital (Al Ahsa) the Healthcare Information and Management Systems Society (HIMSS) Stage 7 Accreditation, which indicates the adoption and integration of advanced health information technology. In addition, the Company adopts many other technological means, including, but not limited to, PetCT-Spect-CT, hybrid operations, an automated laboratory and an automated pharmacy.

Al Moosa Specialist Hospital (Al Ahsa) is also considered one of the leading private hospitals in the field of providing advanced radiotherapy services. Al Moosa Rehabilitation Hospital (Al Ahsa) provides advanced technical rehabilitation services in the field of ambulatory rehabilitation in cooperation with Hocoma.

H. Operational Efficiency

The Company has achieved significant positive results through effective inventory and supply chain management, including improved revenue per bed and a reduced average length of hospitalization by two days through seamless cross-departmental coordination, advanced care protocols and a patient-centric approach, which enhances patient satisfaction, improves resource utilization and reduces costs.

I. Commitment to Quality

The Company is committed to international quality standards, which has earned it numerous prestigious accreditations both nationally and internationally. These include Magnet accreditation from the American Nurses Credentialing Center (ANCC) (an award given to care institutions that have successfully applied Magnet standards in providing exceptional quality care), Joint Commission International (JCI), the International Standards Organization (ISO), the College of American Pathologists (CAP), the American Association of Blood Banks (AABB), the Commission on Accreditation of Rehabilitation Facilities (CARF), the American Society of Health-System Pharmacists (ASHP), the American Heart Association (AHA) for chest pain and strokes, Planetree accreditation, King Abdulaziz Quality Award, HIMSS Stage 7 Accreditation (HIMSS 7) and PTAP (Practice Transition Accreditation Program) accreditation (for further details regarding the Company's awards and its accreditation certificates, please refer to Section 4.9 "**Awards, Achievements and Accreditation Certificates**" of this Prospectus). These accreditations provide assurance to patients and their families of the Company's commitment to quality.

4.2.5 Strategy and Future Prospects

A. Investing in Human Capital

Educate, develop, and retain talented professionals who deliver excellent care and promote wellness.

B. Promoting Wellness

Foster and spread health awareness in its broadest definition, encompassing physical, emotional, and social wellness by incorporating these dimensions in all of the Company's decisions and actions.

C. Patient Safety and Quality

Be a regional leader in quality outcomes and patient safety through continuous and effective improvement.

D. Patient Experience

Leadership in elevating the experience for patients and their families.

E. Performance Improvement

Continuously improve personal, professional, company, and financial performance to achieve the Company's mission and vision.

4.2.6 Summary of Material Events

The following table sets out a summary of the Group's material events:

Table 4.13: Summary of the Group's Material Events

Date	Material Events
1996G	Establishing and opening of the first hospital under the name "Almoosa General Hospital" to serve the people of Al Ahsa with a capacity of 30 beds.
1997G	Opening of the Company's first outpatient pharmacy.
1998G	The Company contracted with Saudi Aramco to provide healthcare services to Saudi Aramco employees at Almoosa General Hospital.
2000G	The capacity of the main building of Almoosa General Hospital was increased to 100 beds.
2009G	Almoosa General Hospital obtained accreditation from the Joint Commission International (JCI) for implementing all international quality standards in patient care and safety.
2012G	Al Moosa General Hospital obtained accreditation from the Joint Commission International (JCI) for the second time for implementing all international quality standards in patient care and safety.
2013G	Al Moosa General Hospital obtained accreditation from the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI), which is the official body responsible for granting accreditation certificates to all healthcare facilities operating in the public and private sectors in the Kingdom.
2014G	– Change in the name of Al Moosa General Hospital to "Al Moosa Specialist Hospital" and launch of a new brand identity. – Achievement of HACCP health accreditation certificate. – Opening of Al Moosa Specialist Hospital (Al Ahsa) - South Tower and increase of its capacity to 240 beds.
2015G	Al Moosa General Hospital obtained accreditation from the Joint Commission International (JCI) for the third time for implementing all international quality standards in patient care and safety.
2016G	Construction operations commenced for the Al Moosa Specialist Hospital (Al Ahsa) - North Tower.
2017G	The laboratory of Al Moosa Specialist Hospital (Al Ahsa) received accreditation from the College of American Pathologists (CAP).
2018G	– Al Moosa Specialist Hospital (Al Ahsa) received the King Abdulaziz Quality Award. – The Bariatric Center at Al Moosa Specialist Hospital (Al Ahsa) was accredited as a center of excellence by the Surgical Review Corporation (SRC). – Recorded in the Guinness Book of World Records for the largest number of persons attending an educational lesson on hand washing, attended by 714 individuals of all ages, with the aim of raising the level of awareness among members of society of the importance of cleaning hands as an essential factor in preventing various diseases. – Al Moosa Specialist Hospital (Al Ahsa) obtained accreditation from the Joint Commission International (JCI) for the fourth time for implementing all international quality standards in patient care and safety.
2019G	– Conclusion of a cooperation agreement with UChicago Medicine, under which UChicago Medicine provides consulting services to Al Moosa Specialist Hospital (Al Ahsa) to help advance several clinical and non-clinical areas, including supply chain management, quality, reporting, strategic planning, training and clinical and executive education. – Accreditation by the American Association of Blood Banks (AABB), which is the highest accredited certificate in the world in the field of blood banks. – Received the C. Everett Koop award for promoting hygiene in the workplace. – American Health Information Management Systems Society (HIMSS) Stage 6 certification for electronic medical record keeping and healthcare management systems.
2020G	– Al Moosa Specialist Hospital (Al Ahsa) received accreditation from the American College of Radiology (ACR), the gold standard for guaranteeing accurate diagnosis and high-quality care. – Al Moosa Specialist Hospital (Al Ahsa) achieved Magnet status, a standard of excellence for nursing staff in providing healthcare services to patients. – Launch of telemedicine services.
2021G	– Opening of Al Moosa Specialist Hospital (Al Ahsa) - North Tower and increase of its capacity to 430 beds. – Al Moosa Specialist Hospital (Al Ahsa) obtained accreditation from the American Society of Health-System Pharmacists (ASHP). – Al Moosa Specialist Hospital (Al Ahsa) obtained accreditation from the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI). – Al Moosa Specialist Hospital (Al Ahsa) obtained HIMSS Stage 7 certification. – Al Moosa Specialist Hospital (Al Ahsa) obtained accreditation from the Joint Commission International (JCI) for the fifth time for implementing all international quality standards in patient care and safety, confirming its commitment to international quality requirements.
2023G	– Al Moosa Specialist Hospital (Al Ahsa) once again received Magnet status for excellence in nursing care. – Al Moosa Specialist Hospital (Al Ahsa) obtained Practice Transition Accreditation Program (PTAP) certification, a fellowship certificate in professional training for multidisciplinary nursing practices. – Al Moosa Specialist Hospital (Al Ahsa) was accredited as the first Saudi hospital with an integrated center for the treatment of strokes. – Inauguration of Al Moosa Rehabilitation Hospital (Al Ahsa)

Source: The Company

4.3 Overview of the Company's Business

Since 1996G, the Company has invested in numerous healthcare projects to provide human-centered healthcare services at global standards, with a diverse team working together to achieve the Company's mission in a large and fast-growing market. The Company operates through a main business sector, which is the healthcare sector, which includes services that are provided to meet the needs of patients in various fields, starting with primary care and acute care and extending to include rehabilitative care. The Company also undertakes its business through a secondary business sector, namely the subsidiary services sector, which supports its main sector and includes pharmaceutical services, home healthcare services and telemedicine services. The Company's operations are primarily concentrated in the Eastern Province, a prime energy hub in the Kingdom and one of the key trading centers and emerging mining hubs. This region is characterized by less intense competition in the healthcare sector (for more information about the market in which the Company operates, please refer to Section 3 "**Market and Industry Information**" of this Prospectus). As of 31 March 2024G, the Company is a leader in its business segments with a capacity of 730 beds, providing various services to approximately one million clients annually, including individuals, private and Government sectors in the Eastern Province of the Kingdom (for more information about the Company's clients, please refer to Section 4.6 "**Overview of the Company's Clients**" of this Prospectus). As of the date of this Prospectus, the Company operates Al Moosa Specialist Hospital and Al Moosa Rehabilitation Hospital (Al Ahsa), relying on a workforce that includes more than 2,900 employees as of the date of this Prospectus. The Company is also, as of the date of this Prospectus, designing, constructing and developing two specialist hospitals in Al Khobar and Al Hofuf, which are still under construction as of the date of this Prospectus (for more information about the Company's future projects, please refer to Section 4.8 "**Overview of the Company's Future Plans and Initiatives**" of this Prospectus).

The Company's revenues amounted to SAR 701.5 million, SAR 816.0 million, SAR 979.0 million and SAR 277.2 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. The Company's net income amounted to SAR 62.4 million, SAR 51.0 million, SAR 98.1 million and SAR 13.7 million for the same periods, respectively. The Company's total assets amounted to SAR 1.54 billion, SAR 1,825 million SAR 2.3 billion and SAR 2,340 million for the same periods, respectively. The Company's total liabilities amounted to SAR 947.3 million, SAR 1,177.0 million, SAR 1,645.8 million and SAR 1,697.8 million for the same periods, respectively. Below is a summary of the Company's business segments and services.

- **Healthcare**: The Company provides its services primarily in the healthcare sector by operating Al Moosa Specialist Hospital and Al Moosa Rehabilitation Hospital (Al Ahsa) with a total capacity of 730 beds, providing various services to approximately one million clients, including individuals and the private and Governmental sectors in the Eastern Province of the Kingdom as of 31 March 2024G. The Company is also, as of the date of this Prospectus, designing, constructing and developing two specialist hospitals in Al Khobar and Al Hofuf, which are still under construction as of the date of this Prospectus. The healthcare sector represented 83.9%, 83.6%, 81.0% and 79.4% of the Company's revenues for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively (for further information regarding the healthcare sector, please refer to Section 4.4 "**Healthcare Sector**" of this Prospectus) The Company seeks to provide integrated healthcare services to its patients, with the healthcare services provided by the Company being divided into the following:
  - **Primary care services:** The Company provides primary care services through Al Moosa Specialist Hospital (Al Ahsa), including daily healthcare services, which usually serve as the first point of contact and main point of ongoing care for patients within the healthcare system. The revenues resulting from primary services amounted to SAR 22.4 million, SAR 25.6 million, SAR 55.7 million and SAR 16.5 million, representing 2.8%, 2.7%, 4.6% and 4.8% of the Company's revenues for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.
  - **Acute care services**: The Company provides acute care services through Al Moosa Specialist Hospital (Al Ahsa), and these services include intensive care services for complex, critical and unstable medical cases for patients of various categories and include intensive care for adults, intensive care for children, cardiac and cardiac surgery care. Revenues generated from acute care services amounted to SAR 655.2 million, SAR 762.7 million, SAR 924.1 million and SAR 222.9 million, representing 81.1%, 80.9%, 75.6% and 64.6% of the Company's revenues for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.
  - **Rehabilitative care services:** The Company provides rehabilitative care services through Al Moosa Rehabilitation Hospital (Al Ahsa). These services include health and social services intended to

improve the quality and functions of life for people who suffer from injuries, physical or mental disabilities, or who have chronic health disorders. Al Moosa Rehabilitation Hospital (Al Ahsa) was opened in the fourth quarter of 2023G and therefore did not generate any revenue in the financial years ended 31 December 2021G and 2022G. The revenues generated from rehabilitative care services amounted to SAR 10 million and SAR 25.7 million, representing 0.8% and 7.4% of the Company's revenues for the financial year ended 31 December 2023G and the three-month period ended 31 March 2024G, respectively.

- **Sub-Services:** As part of the Company's approach to providing integrated care to its patients, the Company provides sub-services that allow its patients to obtain services that support them throughout their recovery journey, which are as follows (for further information regarding the sub-services sector, please refer to Section 4.5 "**Sub-Services**" of this Prospectus):
  - **Pharmaceutical services:** The Company engages in the pharmaceutical business by operating and managing its inpatient and outpatient pharmacies in order to provide an integrated service for its patients and clients. As of the date of this Prospectus, the Company operates two outpatient pharmacies in Al Moosa Specialist Hospital (Al Ahsa), an outpatient pharmacy in Al Moosa Rehabilitation Hospital (Al Ahsa), two inpatient pharmacies in Al Moosa Specialist Hospital (Al Ahsa) and an inpatient pharmacy in Al Moosa Rehabilitation Hospital (Al Ahsa). Revenues generated from pharmaceutical services amounted to approximately SAR 129.9 million, SAR 154.6 million, SAR 230.4 million and SAR 70.7 million, representing 16.1%, 16.4%, 18.9% and 20.5% of the Company's revenues for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.
  - **Home healthcare:** In 2020G, Al Moosa Specialist Hospital (Al Ahsa) began providing home care services as part of the development of its support services. This service enables patients to receive medical treatment in their homes, as the Company believes that the best place to receive treatment is the home because of its positive effects on the speed of patients' responses to treatment and recovery. Accordingly, the Company has prepared for the provision of and developed its services in all health, nursing and technical specialties and is equipped with the latest medical equipment necessary to meet these needs. As of 31 March 2024G, the Company employs 9 healthcare practitioners dedicated to providing home care services. The revenues generated from home care services amounted to approximately SAR 17 thousand, SAR 482 thousand, SAR 1.6 million and SAR 457 thousand, representing 0.002%, 0.051%, 0.130% and 0.132% of the Company's revenues for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.
  - **Telemedicine:** As part of the Company's initiative to provide its patients with all their medical requirements on one integrated platform, it began providing telemedicine services in 2020G, based on the digital transformation in the health sector. Telemedicine services include remote consultation and follow-up of patients remotely through the use of a group of modern electronic technologies, such as websites, multimedia and smart device applications, to enable safe and direct communication between the patient and the healthcare practitioner for the purpose of assessing the patient's health condition and treating them. As of 31 March 2024G, the Company offered 42 clinics, including the Rehabilitation Clinic, Psychiatry Clinic, ENT Clinic, Dermatology Clinic, Pediatric Clinic and Allergy Clinic. Revenue generated from telemedicine services amounted to SAR 132 thousand, SAR 108 thousand, SAR 333 thousand and SAR 276.8 thousand for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 0.02%, 0.01%, 0.03% and 0.08% of the Company's total revenues for the same periods, respectively. It is worth noting that telemedicine services witnessed remarkable growth, doubling by 100% between 2021G and 2022G, with the number of beneficiary patients increasing from 1,669 patients in 2021G to 3,224 patients in 2022G. This growth continued, rising significantly during the following year, with services increasing by 200% between 2022G and 2023G, and the number of beneficiary patients increased to 9,543 patients in 2023G, compared to 3,224 patients in the previous year. As of the date of this Prospectus, the Company provides telemedicine services as part of the acute care services it provides to its patients. The Company intends to expand and develop telemedicine services to be provided within all healthcare services offered by the Company.

4.4 Healthcare Sector

The Company has undertaken its business in the field of healthcare since 1996G, with a robust ecosystem and sincere dedication, from primary care to specialized care. The Company began providing healthcare services at Al Moosa Specialist Hospital (Al Ahsa), which was established in 1996G under the name "Al Moosa General Hospital" as the first private hospital in the Al Ahsa region. The Company changed the name of "Al Moosa General Hospital" to "Al Moosa Specialist Hospital" in 2014G and rebranded accordingly. In 2023G, the Company also opened Al Moosa Rehabilitation Hospital (Al Ahsa), through which the Company seeks to provide rehabilitative care services. Through the provision of its services, the Company seeks to achieve its mission to serve with passion and lead the transformation in healthcare, ensuring that the needs of its patients and their families are met and empowering patients and the Company's healthcare team.

In its endeavor to provide integrated healthcare services to its patients, the Company provides numerous specialized healthcare services in many fields within primary care services, acute care services and rehabilitative care services, including group therapy services, occupational therapy, physiotherapy and speech rehabilitation services. It also provides cosmetic, dental, eye, orthopedic, cardiovascular and prosthetic services. The Company's business also includes tertiary care through a number of specialist centers, including the Musculoskeletal Rehabilitation Center, the Children's Rehabilitation Center, the Spinal Cord Injuries Center, the Sports Injuries Rehabilitation and Adaptation Center and the Neurological Injuries and Stroke Rehabilitation Center. Accordingly, the Company has the ability to serve a wide range of patients and provide the specialized healthcare necessary for a large segment of the community in which it operates.

As of the date of this Prospectus, the Company provides its healthcare services through Al Moosa Specialist Hospital and Al Moosa Rehabilitation Hospital (Al Ahsa). As of 31 March 2024G, the Company employed 2,900 employees, including 326 physicians. Furthermore, the Company has a total of 290 clinics, and 730 beds for inpatients. The following table summarizes the operational information for the Company's hospitals:

Table 4.14: Summary of Operational Information for the Company's Hospitals as of 31 March 2024G

Hospital	Plot Area	Built-up Areas	Property Ownership	Number of Clinics	Number of Employees	Number of Physicians	Number of Beds
Al Moosa Specialist Hospital (Al Ahsa)	14,114 square meters	110,000 square meters	The Company	245	2,696	300	430
Al Moosa Rehabilitation Hospital (Al Ahsa)	25,582 square meters	100,000 square meters	The Company	45	376	26	300
Total	**111,750 square meters**	**210,000 square meters**	**-**	**290**	**3,072**	**326**	**730**

Source: The Company

Below is a description of the works and services provided by each of the Company's hospitals.

4.4.1 Al Moosa Specialist Hospital (Al Ahsa)

Al Moosa Specialist Hospital (Al Ahsa) represents the starting point for the Company's work today, as it was established in 1996G as the first private hospital in the Al Ahsa region. Al Moosa Specialist Hospital (Al Ahsa) provides human-centered care with a total land area of 14,114 square meters and built-up areas of 110,000 square meters, with a bed capacity of 430 beds as of 31 March 2024G. Al Moosa Specialist Hospital (Al Ahsa) is located on a plot owned by the Company, consisting of the main hospital building and the North and South towers (for further details regarding the Company's real estate, please refer to Section 11.6 "**Real Estate**" of this Prospectus). Al Moosa Specialist Hospital (Al Ahsa) has a diverse team working together to achieve the Company's mission to serve with passion and lead societal transformation by providing effective healthcare services. The Company is proud to have Al Moosa Specialist Hospital (Al Ahsa) ranked by PressGaney as being among the top 10 hospitals in the GCC countries in terms of patient satisfaction and has maintained this ranking since 2015G to date. Al Moosa Specialist Hospital (Al Ahsa) is also an educational hospital accredited by the Saudi Commission for Health Specialties in 15 medical residency programs and 3 fellowship programs in a rich educational environment that stimulates education and creativity.

Al Moosa Specialist Hospital (Al Ahsa) recorded approximately 680 thousand, 790 thousand, 910 thousand and 250 thousand visits from outpatients, and approximately 21 thousand, 25 thousand, 31 thousand and 9 thousand inpatients for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.

The following is a description of the key centers of excellence, medical programs and specialized centers provided by Al Moosa Specialist Hospital (Al Ahsa):

A. Bones, Joints and Sport Injuries Center

The Bones, Joints and Sport Injuries Center at Al Moosa Specialist Hospital (Al Ahsa) is one of the largest specialized centers in the Eastern Province in terms of the number of physicians and surgical operations, and it is the number one center in the Eastern Province in terms of the number of knee replacement surgeries performed. Al Moosa Specialist Hospital (Al Ahsa) provides comprehensive diagnostic and therapeutic services for all cases of bone and joint diseases and fractures, starting with medical history screening and diagnosis using the latest magnetic resonance imaging (MRI) devices, through the correct medical intervention and procedure and the necessary medications, and ending with recovery and follow-up of the case. The Center is supervised by a group of consultants specializing in orthopedic medicine and surgery, who hold high academic degrees and have extensive experience in the sub-specialties of orthopedic medicine and surgery. The Center also receives all orthopedic injuries, including car accidents, work injuries, sports injuries and shoulder injuries, through outpatient clinics, or through the 24/7 emergency unit. The Sports Injuries Unit at Al Moosa Specialist Hospital (Al Ahsa) is considered one of the most prominent in the field of healthcare for athletes in the Al Ahsa region. Through the healthcare it provides to Al-Fateh 'The Paragons' Sports Club, under which the Company has been the medical sponsor for more than 12 years, the Unit has gained a great reputation in sports fields in general and football in particular. The Center also provides many services in the field of orthopedic medicine and surgery, which are characterized by high-quality, accurate and timely medical or surgical intervention, due to the great experience of the medical staff within the Orthopedic Center, which is equipped with the latest medical equipment in the world.

The Bones, Joints and Sport Injuries Center includes a joint unit, which provides a series of services and operations that require a high level of quality, such as:

1. partial and total replacement of the hip joint;
2. partial and total knee replacement surgery;
3. partial and total replacement of the shoulder joint;
4. internal fixation of femoral and pelvic fractures;
5. internal fixation of limb fractures;
6. bone grafting for the treatment of nonunion of scaphoid fractures; and
7. orthopedic osteotomy to repair crooked bones of the tibia, thigh and neck of the femur.

The Center also includes the Sports Injuries Unit, which has a good reputation among sports circles due to its success in its experience with Al-Fateh 'The Paragons' Sports Club, as it provided the club with medical care. The services provided by the Unit include:

1. treating all cases of sports injuries, such as tears of the anterior and posterior cruciate ligaments and collateral ligaments;
2. treatment of meniscal cartilage through arthroscopic surgery; and
3. treating shoulder muscle tear through arthroscopic surgery;

The Center also has a Physiotherapy Unit that provides physiotherapy and follow-up care after orthopedic injuries and subsequent surgical or non-surgical interventions to help patients reach their optimal condition and achieve the greatest possible degree of basic functions of the affected organ. The Unit strives for the best possible quality and helps speed up patient recovery and return the affected organs to their normal function through a number of distinguished services, such as:

1. assessing physical ability to engage in physical activity or exercise;
2. a comprehensive health examination before sports activities or exercises;
3. rehabilitation of sports injuries;
4. providing medical consultations on exercise and weight loss; and
5. providing medical consultations on physical activity or exercise to prevent and treat certain conditions, such as diabetes and hypertension.

B. Oncology Center

The Oncology Center is the only center in the Al Ahsa region that provides integrated medical services and comprehensive healthcare for cancer patients from diagnosis to treatment, including palliative care. The Center's treatment team includes multidisciplinary oncology specialists, including consultants in medical oncology, surgical oncology, diagnostic radiology, nuclear medicine and radiation oncology, as well as a laboratory and histology consultant. This team works in an integrated manner to examine cases, determine the optimal treatment plan, and follow up on improved responses to treatment. The Center offers several types of oncology treatments, including tumor surgery, chemotherapy, radiotherapy, radioisotope therapy and other treatments. Al Moosa Specialist Hospital (Al Ahsa) is deemed the first private hospital to provide, in one place, integrated oncology services, including diagnostic and therapeutic services.

The Center provides the latest TrueBeam linear accelerator provided by Varian International, in addition to the presence of highly specialized and qualified medical, technical and nursing staff. In addition, the Center has an advanced PET-CT simulator that integrates well with nuclear medicine and involves close collaboration with the oncology team. The Center also offers the latest medical technologies in the field of radiotherapy, such as three-dimensional radiotherapy (DCRT3), intensity-modulated radiotherapy (IMRT) and volumetric modulated arc radiotherapy (VMAT), in addition to stereotactic radiosurgery (SRS), stereotactic body radiation therapy (SBRT) and image-guided radiation therapy (IGRT). The Center's specialized team seeks to provide the best radiotherapy and healthcare services to patients, focusing on using the latest technologies to ensure the best treatment results.

C. Nuclear Medicine Center

Nuclear medicine is considered one of the cutting-edge branches of medicine with respect to imaging and treatment, as it uses radioactive pharmaceutical preparations to detect tumors and determine the extent of their spread and response to treatment. The role of nuclear medicine is not limited to detecting tumors only; it is also used in treating certain tumors, such as thyroid cancer. In addition, nuclear medicine plays an important role in imaging cardiac, endocrine and neurological disorders. It provides the latest imaging devices, such as SPECT/CT and PET/CT, and radioactive iodine treatment services are available in isolation rooms that follow the highest safety standards.

Nuclear medicine provides services for examining myocardial blood flow using modern technologies and is distinguished by the presence of specialized medical, technical and nursing staff. Integrated services related to therapeutic radiation and chemotherapy are also available. Nuclear medicine is a modern and important field, as it contributes to the effective and accurate diagnosis and treatment of diseases. The development of technologies and devices in this field provides comprehensive and safe services for patients, making nuclear medicine an essential link in the modern healthcare chain.

D. Neuroscience Center

The Neuroscience Center at Al Moosa Specialist Hospital (Al Ahsa) distinctively embodies a contemporary and advanced medical center. The Center includes a group of neuroscience and subspecialty physicians, in addition to taking advantage of modern medical technologies to provide an integrated treatment service. The Center comprises multiple departments, including neurosurgery, spine surgery and psychology, among others. The Center offers distinguished services that combine compassion and expertise and provide evidence-based care to meet patients' needs and provide them with comfort.

The Center's comprehensive services include several areas such as neurology, neurosurgery, treatment of brain diseases and treatment of spinal cord diseases, in addition to care for peripheral nerves and mental health. The Center is committed to providing exceptional care and supporting patients through all neurological conditions they face. The Center is integrated and provides comprehensive diagnostic and treatment services, including surgical and non-surgical options. Medical support is also available 24/7 to ensure continuous care based on high-quality standards.

E. Heart Center

The Heart Center pays special attention to patients, and the Company invests in medical competencies specialized in the treatment of heart and chest diseases in adults and children. The Company has paid attention to equipping the Center with the latest high-quality equipment and advanced technology. The Center relies on proven and internationally approved scientific methods for diagnosing and treating heart conditions. The Center's services include outpatient clinics, cardiac MRI services, an interventional cardiology unit, a cardiac critical care and cardiomyopathy unit, an electrophysiology unit, pediatric medicine and surgery, cardiac catheterization and vascular surgery. The Company seeks to provide high-quality medical services to its patients. The Center includes dedicated automated rooms, 3 advanced catheterization laboratories, 17 critical care units (CCUs) and comprehensive cardiac physiology services.

F. Ophthalmology Center

The Ophthalmology Center is one of the leading centers in the field of intraLASIK operations, treatment of retinopathy and vitreous surgeries, in addition to performing cataract operations successfully and efficiently. The Center provides many distinguished services, including an intraLASIK vision correction unit, laser and retinal surgery services, corneal treatments and surgeries, cataract treatments and surgeries and IOL implants.

The Center also includes pediatric eye surgery and strabismus treatment, as well as endoscopic blood flow operations through the nose without the need for external surgery, which reflects the use of modern and advanced ophthalmology technologies. A specialized, highly qualified medical team works at the Ophthalmology Center, concerned with providing comprehensive healthcare to patients and striving to provide high-quality services. The Center features modern medical devices and technologies that help provide comprehensive and effective treatment services.

G. Women's Health Center

The Women's Health Center is concerned with all details of women's health, starting from puberty and growth issues to pregnancy and childbirth follow-up by physicians with internationally accredited experience and certificates from prestigious universities. The Center is equipped with the latest international medical equipment in the field of women's health, such as imaging devices for monitoring the fetal heart, in order to provide integrated medical care with kindness and compassion.

The Center provides various services such as gynecology, maternal and fetal medicine, pregnancy follow-up, maternity programs, surgical operations, natural childbirth and cesarean sections. The Center has private suites to ensure comfort and privacy. The Center also allows husbands to attend the birth and accompany their wives in the labor room. The Center has an integrated female staff that ensures greater privacy and comfort, trained staff to deal quickly and effectively with emergency cases and private suites to ensure comfort and privacy and provide a distinctive health experience. The Center is supported by 3 obstetrics and gynecology operating rooms, 18 maternity rooms and 36 modern single rooms. These resources are specifically designed to meet women's unique and evolving needs, ensuring their comfort and well-being throughout their healthcare experience.

The Center is also keen to develop and provide modern and advanced medical technologies and equipment in order to improve the quality of the services it provides, ensuring a comfortable and effective treatment experience for every woman who visits the Center. The Center strives to ensure it provides a safe and supportive environment for every patient. With a focus on personalized care and a detail-oriented approach, the Company seeks to ensure the delivery of distinctive medical experiences that meet patients' expectations and ensure their comfort and safety.

H. Fertility Center

The Fertility Center offers a number of services that renew the hope of motherhood for many who endure delayed childbearing. The Fertility Center offers a comprehensive evaluation and treatment plan tailored to each couple's needs. The program includes many services including a full-time fertility clinic and detailed couple evaluations and examinations such as hormonal screening and analysis, ultrasound, hysterosalpingography, semen analysis and sonography.

I. Pediatric Center

The Pediatric Center treats many conditions that involve various organs and systems in the child's body. The Center seeks to provide comprehensive and specialized healthcare for children from one day old to fourteen years of age. The Center is considered one of the most comprehensive and multidisciplinary centers for children in the region, treating the following cases efficiently and carefully:

1. digestive system, related issues and treatment thereof;
2. respiratory system, related issues and treatment thereof;
3. infectious diseases of all kinds, whether viral, bacterial or fungal;
4. endocrine disorders and morbid obesity;
5. neurological disorders such as epilepsy and depression;
6. blood diseases such as anemia and iron deficiency diseases;
7. cardiovascular diseases;
8. hypersensitivity and natural or acquired immunodeficiency;
9. various kidney and urinary tract diseases; and
10. vaccines and serums against bacterial and viral diseases.

J. Hemodialysis Center

The Hemodialysis Center is one of the largest centers in the Kingdom, with a capacity of 160 beds, allowing each patient to have an individual private space to ensure privacy and reduce the possibility of infection. The Center is staffed by a team of skilled consultants and specialists in kidney disease and hemodialysis, in addition to professional technical staff and nurses trained in the field of dialysis. To provide comprehensive care, the Company has provided the Center with a clinical nutritionist and social workers who work together as one team. The Center's team makes rounds to provide patients with the necessary information about their diet and provide social and psychological support. The Hemodialysis Center is distinguished by the sophistication and accuracy of its equipment and complete safety for patients.

K. Diabetes and Endocrinology Center

The Diabetes and Endocrinology Center is considered a trusted provider of diabetes care, as the Center's team provides advanced modern techniques and treatments in the field of managing this disease. The Center is committed to following up on the latest scientific research and developments in diabetes treatment, and the Company seeks to improve the quality of life of diabetic patients through accurate diagnosis and effective treatment.

Diabetes Center services include many advanced and educational services, which include, for example:

1. diabetes control for diabetes types 1 and 2 using modern methods and treatments;
2. teaching how to use a glucometer;
3. providing modern insulin pumping devices that improve the quality of life of diabetic patients;
4. teaching how to pump insulin correctly;
5. launching social awareness campaigns about diabetes;
6. working on a diabetes prevention program; and
7. providing healthcare and diabetes control for diabetic patients before and during pregnancy.

4.4.2 Al Moosa Rehabilitation Hospital (Al Ahsa)

Al Moosa Rehabilitation Hospital in the city of Al Ahsa was designed as a small village inspired by the environment of the Al Ahsa oasis with its different elements of water, palm trees and desert. As of 31 March 2024G, the capacity of Al Moosa Rehabilitation Hospital is 300 beds. Al Moosa Rehabilitation Hospital (Al Ahsa) is located on a plot owned by the Company (for further details regarding the Company's real estate, please refer to Section 11.6 "**Real Estate**" of this Prospectus). As of 31 March 2024G, Al Moosa Rehabilitation Hospital (Al Ahsa) comprises approximately 22 physicians and 353 caregivers. Al Moosa Rehabilitation Hospital (Al Ahsa) was inaugurated in November 2023G. As of 31 March 2024G, Al Moosa Rehabilitation Hospital (Al Ahsa) comprises 45 clinics.

The design of Al Moosa Rehabilitation Hospital (Al Ahsa) relies on the use of recyclable materials that promote sustainability, in addition to the use of green building materials in accordance with the LEED Gold Certification standards for Green Buildings. The Al Moosa Rehabilitation Hospital building (Al Ahsa) was designed by a specialized international healthcare facility design firm, HDR. Al Moosa Rehabilitation Hospital (Al Ahsa) is located on a plot area of 25,582 square meters and built-up areas of 100,000 square meters and it includes 5 specialized centers. The following is a summary of the specialized centers included in Al Moosa Rehabilitation Hospital (Al Ahsa).

A. Peak Performance Center

The Peak Performance Center offers a customized program for people with sports injuries, aiming at maximizing recovery and restoring full function as quickly as possible. The rehabilitation program is based on the type of injury and offers exercises to strengthen muscles and techniques to relieve pain and enhance functional skills. Musculoskeletal physiotherapists at Al Moosa Rehabilitation Hospital (Al Ahsa) design a comprehensive rehabilitation program aimed at meeting patients' individual needs and achieving their goals. The patient's progress is monitored over time through continuous cooperation with the patient to ensure the best results are achieved. Comprehensive rehabilitation program services include the following:

1. restoring full function as quickly as possible;
2. achieving rapid recovery and return to exercise;
3. strengthening weak muscle groups; and
4. reducing pain and inflammation.

B. Children's Rehabilitation Center

The Children's Rehabilitation Center is equipped with modern medical rehabilitation devices, smart muscle equipment and simulation technology. In addition, the Center uses virtual reality settings to enhance the treatment experience for the Center's young patients, ensuring great results. Moreover, the Center includes high-tech complementary communication devices to help patients restore various brain functions. The Center is committed to providing modern technologies and comprehensive care for the rehabilitation of children.

C. Neurological Rehabilitation Center

The Neurological Rehabilitation Center specializes in helping and rehabilitating patients with severe brain injuries. These cases include strokes and other problems with the unconscious mind, cognition, information processing, thinking, perception, mobility and learning skills. The Center's specialist team uses modern technologies and evidence-based practices to provide a high level of care.

D. Free Movement Center

The Free Movement Center provides services to help patients build their stamina. The Center's treatments focus on improving complex motor skills and higher-level activities and tasks within daily life, such as cooking, sports and daily activities. At the Center, patients cooperate with physicians and physiotherapists in an integrated way to improve the patients' nerve and muscle functions. The Company aims at supporting patients in achieving their potential in mobility and function.

E. Rafa Mental Health Center

Rafa Mental Health Center is one of the leading providers of comprehensive mental care in the region. The Center aims to improve the quality of life for individuals with mental health issues by providing a variety of therapeutic and preventive services. The Center features outpatient clinics and inpatient units to meet different patient needs.

1. **Mental Health Rehabilitation Services:** These programs are specifically designed to assist patients with medical conditions in achieving psychological balance and independence. The services address acute depression, anxiety disorders (including generalized anxiety disorder, panic disorder, phobias, and others), addiction, autism, schizophrenia, schizoaffective disorder, bipolar disorder, borderline personality disorder, dissociative identity disorder, PTSD, obsessive-compulsive disorder, acute eating disorder, suicidal behavior, bullying, IQ testing, sexual disorders, emotional dysregulation, geriatric disorders (including depression in the elderly and dementia), ADHD, women's mental health and somatic symptom disorder.
2. **Outpatient Services:** Outpatient clinics at Rafa Center provide comprehensive psychological assessments and tailored psychotherapy to meet the unique needs of each patient. Our dedicated team of psychiatrists, psychologists, rehabilitation counselors and art therapists collaborates to develop individualized treatment plans, ensuring optimal care. Services include individual therapy, family therapy, medication management and holistic therapy such as cognitive-behavioral therapy, art therapy and recreational therapy.
3. **Inpatient Units:** Rafa Center's inpatient units offer a safe and comfortable therapeutic environment, providing comprehensive care for patients requiring ongoing monitoring or intensive treatment interventions. The Center includes 24 private single rooms to ensure patients have a restful and serene space. This therapeutic environment is designed to enhance recovery and well-being, offering the privacy and comfort necessary for effective mental health treatment.
4. **Programs:** Various integrated treatment programs are tailored to meet the unique needs of each individual, promoting their recovery and overall well-being. In addition to traditional therapy sessions, such programs include behavioral therapy, recreational therapy, art therapy, and detoxification (detox).

At Rafa Mental Health Center, the Company is dedicated to providing the highest quality of care to support recovery, full integration into the community, and an improved quality of life for individuals diagnosed with any mental health condition.

F. Amputee Rehabilitation Center

The Prosthetic Limbs Center at Al Moosa Rehabilitation Hospital (Al Ahsa) provides medical care and support to individuals who need innovative solutions to improve their quality of life. Through a team of specialized experts and the latest technologies, the Center provides a wide range of assistive medical devices and advanced solutions to meet the diverse needs of patients. The Center also aims to enhance patients' movement abilities and provide the necessary support to restore normal movement and improve general health through a number of services:

1. Various fixed and mobile chairs for all categories and needs.
2. Standing and walking aids.

3. Manufactured devices to correct spinal curvature.
4. Medical devices and supplies for people with upper and lower limb amputations.
5. Medical shoes and special shoes for foot, ankle and diabetic foot problems.
6. Manufacture of medical helmets to treat flat head problems.
7. Splints for spinal curvature.
8. Ready-made orthopedic and ligament correction splints.
9. Custom-made orthopedic splints for children and adults of all types and functions.
10. Special orthopedic splints for strokes, neurological and muscular diseases

G. Cardiovascular Rehabilitation Center

To help heart patients improve their cardiovascular health, the Cardiovascular Rehabilitation Program offers a combination of exercise, education and support. Led by a team of specialists, treatment plans are designed to suit each patient's condition and goals, ensuring a safe and effective rehabilitation experience. Cardiologists, physiotherapists and nutritionists collaborate to create personalized programs that improve recovery and develop heart-healthy habits over the long term. Customized exercises enhance cardiovascular function, increase strength and improve overall fitness.

In addition to the above, Al Moosa Rehabilitation Hospital (Al Ahsa) provides a number of rehabilitative services and treatments, such as:

1. computerized movement testing;
2. electrodiagnostic testing;
3. rehabilitation of cognitive functions;
4. recuperative hydrotherapy;
5. therapeutic exercises for balance disorders;
6. therapeutic exercises for daily living functions;
7. art therapy;
8. occupational rehabilitation;
9. rehabilitation of weak pelvic floor muscles;
10. rehabilitation of myositis injuries; and
11. sensory integration therapy.

Al Moosa Rehabilitation Hospital (Al Ahsa) features 3 rehabilitation programs. The following is a description of the programs provided by Al Moosa Rehabilitation Hospital (Al Ahsa):

H. Inpatient Healthcare Program

The team at Al Moosa Rehabilitation Hospital (Al Ahsa) strives to meet the needs of each patient and always provides patient-centered care through a comprehensive and integrated approach to recovery that includes the integration of innovative treatments and medical support. The team's comprehensive approach means that its interest is not limited to the current medical condition but includes long-term improvement and a full return to the previous quality of life through the most advanced occupational rehabilitation procedures. The Al Moosa Rehabilitation Hospital (Al Ahsa) team carefully designs personalized care plans that focus on the patient's goals and needs at each stage of their rehabilitation. The team relies on a dynamic, multidisciplinary approach and evidence-based practices in order to meet patients' needs, help them regain their health and achieve maximum independence. As of 31 March 2024G, Al Moosa Rehabilitation Hospital (Al Ahsa) recorded 46 inpatient visits, noting that it was opened in November 2023G.

I. Long-Term Care Patient Program

The Long-Term Care Unit is designed to provide integrated services and continuous support in medical, nursing and healthcare while ensuring high levels of comfort and safety using advanced technologies and compassionate clinical practices. The team at Al Moosa Rehabilitation Hospital (Al Ahsa) provides long-term and personalized care in a home-like environment, from indoor and outdoor therapeutic activities in green spaces to advanced medical support and hospitalization. As of 31 March 2024G, Al Moosa Rehabilitation Hospital (Al Ahsa) recorded 17 long-term care patient visits, noting that it was opened in November 2023G.

J. Inpatient Mental Health Program

The program provides care and support to patients suffering from mental disorders in a therapeutic setting around the clock through an integrated team of mental health professionals. The program includes various treatment modalities, including individual therapy, group therapy, family therapy and medication management services. Individual therapy sessions allow patients to explore their fears, identify their goals and develop adaptation strategies tailored to each patient's condition. Family therapy is also available to involve the family in treatment, which helps develop effective communication and foster a supportive environment for patients during their recovery journey.

Al Moosa Rehabilitation Hospital (Al Ahsa) also offers outpatient clinics that follow a comprehensive, multidisciplinary approach to rehabilitation. Physicians, specialists and speech and speech delay experts work together to develop a comprehensive rehabilitation roadmap and provide support and resources to improve the experience for all patients. Outpatient services include occupational therapy, respiratory therapy, dietitian services and speech and speech delay therapies. The scope of outpatient care also includes 5 gyms, namely a gym for musculoskeletal patients, a smart gym, a children's gym and a gym for neurology patients.

4.5 Sub-Services

4.5.1 Pharmaceutical Services

The Company undertakes pharmaceutical business by operating and managing its inpatient and outpatient pharmacies in order to provide an integrated service for its patients and clients. As of the date of this Prospectus, the Company operates two outpatient pharmacies in Al Moosa Specialist Hospital (Al Ahsa), an outpatient pharmacy in Al Moosa Rehabilitation Hospital (Al Ahsa), two inpatient pharmacies in Al Moosa Specialist Hospital (Al Ahsa) and an inpatient pharmacy in Al Moosa Rehabilitation Hospital (Al Ahsa). The revenues generated from pharmacy services represented 16.1%, 16.4%, 18.9% and 20.5% of the Company's revenues for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively.

A. Outpatient Pharmacies

Outpatient pharmacies operate around the clock to serve outpatients, emergency patients and others. Outpatient pharmacies are located in strategic locations in Al Moosa Specialist Hospital (Al Ahsa) and Al Moosa Rehabilitation Hospital (Al Ahsa) to dispense prescriptions quickly and easily. As of the date of this Prospectus, the Company operates two outpatient pharmacies at Al Moosa Specialist Hospital (Al Ahsa) and an outpatient pharmacy at Al Moosa Rehabilitation Hospital (Al Ahsa).

A distinguished team of pharmacists work in outpatient pharmacies to provide and dispense the necessary medications to all outpatient and emergency patients, in addition to providing the necessary information about medications to patients by educating them on how to use medications correctly.

According to the Company's information and the supplier of the automation technology used in the Company's pharmacies, Al Moosa Specialist Hospital (Al Ahsa) is the first in the Kingdom to adopt an integrated automation system for psychotropic drugs specifically, and it is the second in the Eastern Province among private sector hospitals to apply full automation technology to its pharmacies. It is worth noting that the Company's outpatient pharmacies are equipped with an advanced robot that dispenses medications to patients automatically. This system reduces the rate of error and waiting time for patients to obtain medication and thus improves the patient experience. Overall, outpatient pharmacies provide a high level of patient care as automation ensures an accuracy rate of 98% to ensure maximum patient safety, which increases the efficiency of operations, reduces errors and grants pharmacists and the care team more time for patient consultations.

B. Inpatient Pharmacies

Inpatient pharmacies are located on inpatient floors and have an automated medication dispensing system (Omnicell). Inpatient pharmacies comprise medicine cabinets linked to the health information system, whereby these cabinets identify each patient through their file number and dispense the medicine to them at the dose specified by the physician at the appropriate time, automatically and without any human intervention. This system helps reduce the possibility of medication errors, increases safety, improves the quality of healthcare, and frees up time for healthcare providers to focus on clinical services and patient needs. The system also helps in tracking the stock of medicines to secure the need for each class of medicines in advance and avoid the risk of medicine shortages. As of the date of this Prospectus, the Company operates two inpatient pharmacies at Al Moosa Specialist Hospital (Al Ahsa) and one inpatient pharmacy at Al Moosa Rehabilitation Hospital (Al Ahsa).

4.5.2 Home Healthcare Services

In 2020G, Al Moosa Specialist Hospital (Al Ahsa) began providing home care services as part of the development of its support services. This service enables patients to receive medical treatment in their homes, as the Company believes that the best place to receive treatment is the home because of its positive effects on the speed of patients' responses to treatment and recovery. Accordingly, the Company has prepared for the provision of and developed its services in all health, nursing and technical specialties and is equipped with the latest medical equipment necessary to meet these needs. The Company provides integrated home healthcare services to all patients from all members of society (children, adults, women and the elderly). The Company provides its patients with specialized home healthcare, with a staff of experts and home care specialists ready to serve them and meet all their health needs throughout the day. The Company employs the latest technologies and healthcare models to provide the best care that befits its clients and improves their quality of life. The Company provides a wide range of home medical services, including care for the elderly, seasonal vaccinations, physiotherapy services, specialized medical care, certified therapeutic exercises, maternal and child care services, care for chronic patients and psychological care services. The Company also provides its clients with the ability to book appointments for home care through its website, which facilitates the customer experience and access to the required healthcare.

As of 31 March 2024G, the Company employs 9 licensed healthcare practitioners and employees who provide home care services who are organized as follows: 4 general practitioners, 2 registered nurses, and 2 paramedics.

The home healthcare services provided by the Company witnessed remarkable growth, increasing from 5 services in 2020G to 12 specialized services in 2023G, in addition to specialized medical consultation services provided by 20 consultant physicians from different specialties. Home care visits have also witnessed significant growth since the commencement of operations, increasing by 700%, from 722 visits in the first 12 months to 5,000 visits in the financial year ended 31 December 2023G, with an approximate growth rate of 200% per year. The number of home care visits was 1,478 as of 31 March 2024G.

4.5.3 Telemedicine

In order to provide integrated healthcare services to its patients, in 2020G, the Company launched telemedicine and put it into practice. Telemedicine services include remote consultation and follow-up of patients remotely through the use of a group of modern electronic technologies, such as websites, multimedia and smart device applications, to enable safe and direct communication between patients and healthcare practitioners for the purpose of assessing patients' health conditions and treating patients. Revenue generated from telemedicine services amounted to SAR 132 thousand, SAR 108 thousand and SAR 333 thousand for the financial years ended 31 December 2021G, 2022G and 2023G, respectively, representing 0.02%, 0.01% and 0.03% of the Company's total revenues for the same periods, respectively. As of 31 March 2024G, 42 clinics were provided, including the Rehabilitation Clinic, Psychiatry Clinic, ENT Clinic, Dermatology Clinic, Pediatric Clinic and Allergy Clinic. It is worth noting that telemedicine services witnessed remarkable growth, doubling by 100% between 2021G and 2022G, with the number of beneficiary patients increasing from 1,669 patients in 2021G to 3,224 patients in 2022G. The growth continued, rising significantly during the following year, with services increasing by 200% between 2022G and 2023G, and the number of beneficiary patients increasing to 9,543 patients in 2023G, compared to 3,224 patients in the previous year. As of the date of this Prospectus, the Company provides telemedicine services as part of the acute care services it provides to its patients. The Company intends to expand and develop telemedicine services to be provided within all healthcare services offered by the Company.

The Company contracted with a third party to develop its digital application, through which it provides telemedicine services. Under the agreement concluded with the application developer, the intellectual property of the application belongs to the Company. Accordingly, the Company owns the intellectual property rights to the application it is developing and through which it provides telemedicine services (for further details regarding the Company's property, please refer to Section 11.4 "**Material Agreements**" of this Prospectus).

4.6 Overview of the Company's Clients

The Company has 4 categories of clients: (1) insurance patients; (2) corporate patients; (3) Ministry of Health patients; and (4) cash patients. Below are details of the revenues generated from each category of the Company's clients.

Table 4.15: Revenues Generated from the Company's Clients

No.	Client Category	Revenues Generated (SAR'000)				Percentage of Company's Revenues			
		31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G	31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G
1.	Insurance patients	304,974	406,439	556,693	166,480	37.8%	43.1%	45.6%	48.2%
2.	Corporate patients*	264,120	307,800	451,218	119,986	32.7%	32.6%	36.9%	34.8%
3.	Ministry of Health patients	127,208	117,036	97,752	30,115	15.8%	12.4%	8.0%	8.7%
4.	Cash patients	111,261	112,069	116,327	28,767	13.8%	11.9%	9.5%	8.3%
Total		**807,563**	**943,344**	**1,221,990**	**345,348**	**62.30%**	**56.90%**	**54.40%**	**51.80%**

Source: The Company

* Total revenue from the Company's largest corporate client amounted to SAR 261.0 million, SAR 306.2 million, SAR 445.7 million and SAR 118.2 million for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively, representing 99.9%, 99.5%, 98.8% and 98.6% of the Company's total revenue from patients affiliated with corporate clients.

Based on the above, revenues generated by cash patients increased by 9%, 1%, 4% and 3% in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Revenues generated from insurance patients also increased by 21%, 33%, 37% and 30.2% in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Moreover, revenues generated from corporate patients increased by 15%, 17%, 47% and 11% in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Revenues generated from Ministry of Health patients decreased by 16%, 8% and 16% in the financial years ended 31 December 2021G, 2022G and 2023G, respectively, before increasing by 22% in the three-month period ended 31 March 2024G.

Although the Company's business is concentrated in the Eastern Province and in the city of Al Ahsa specifically, according to a report prepared by the Company's Information Technology Department based on patient data, the Company's clients are not concentrated among residents of the Al Ahsa region, but rather patients come from all parts of the Kingdom and other GCC countries to benefit from the Company's services.

The following table sets out details of the Company's top 5 clients and the revenues generated from them.

Table 4.16: Revenues Generated from the Company's Clients

No.	Client Name	Client Relationship	Revenue Generated (SAR'000)				Percentage of the Company's Revenue			
			31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G	31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G
1.	Corporate client	Contractual relationship	260,980	306,211	445,733	118,297	32.3%	32.5%	36.5%	34.3%
2.	Insurance Company 1	Contractual relationship	156,701	199,997	308,884	93,421	19.4%	21.2%	25.3%	27.1%
3.	Insurance Company 2	Contractual relationship	77,281	114,546	121,338	32,421	9.6%	12.1%	9.9%	9.4%
4.	Ministry of Health	Government entity (services are provided based on the price list issued by the Ministry of Health)	127,208	117,036	97,752	30,115	15.8%	12.4%	8.0%	8.7%
5.	Insurance Company 3	Contractual relationship	26,348	33,059	35,243	9,555	3.3%	3.5%	2.9%	2.8%
Total			**648,518**	**770,848**	**1,008,951**	**283,809**	**80.3%**	**81.7%**	**82.6%**	**82.3%**

Source: The Company

4.7 Overview of the Company's Suppliers

The Company's operations in both Al Moosa Specialist Hospital (Al Ahsa) and Al Moosa Rehabilitation Hospital (Al Ahsa) rely on products provided by its supplier partners. The following table details the Company's main suppliers with whom it deals and strengthens and develops its relationship.

Table 4.17: Main Suppliers of the Company with which it Deals for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

No.	Supplier Name	Product/ Service Type	Supplier Status (Independent/ Non-Independent)	Contractual or Non-Contractual Relationship	Amount of Purchases (SAR)				As a Percentage of Total Costs				As a Percentage of Total Purchases			
					31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G	31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G	31 December 2021G	31 December 2022G	31 December 2023G	31 March 2024G
1.	Supplier 1	Medicines	Independent	Non-contractual	8,889,788	9,137,453	17,735,925	5,494,923	4.9%	4.6%	7.4%	7.54%	4.89%	4.56%	7.41%	4.54%
2.	Supplier 2	Medical consumables and tools	Independent	Contractual	11,478,329	10,375,768	10,603,955	3,234,500	6.3%	5.2%	4.4%	4.4%	6.31%	5.17%	4.43%	4.44%
3.	Supplier 3	Medicines	Independent	Non-contractual	7,979,949	7,237,854	12,648,822	5,237,251	4.4%	3.6%	5.3%	7.18%	4.39%	3.61%	5.29%	7.18%
4.	Supplier 4	Medical consumables and tools	Independent	Contractual	9,800,901	10,622,274	7,720,609	2,088,402	5.4%	5.3%	3.2%	2.86%	5.39%	5.30%	3.23%	2.86%
5.	Supplier 5	Medicines	Independent	Non-contractual	5,594,368	6,154,026	9,922,750	4,195,619	3.1%	3.1%	4.1%	5.76%	3.07%	3.07%	4.15%	5.76%
Total					**43,743,335**	**43,527,375**	**58,632,061**	**20,250,695**	**24.10%**	**21.80%**	**24.40%**	**27.74%**	**24.05%**	**21.71%**	**24.51%**	**24.78%**

Source: The Company

4.8 Overview of the Company’s Future Plans and Initiatives

As of the date of this Prospectus, the Company plans to expand the scope of its business in the Eastern Province, which is a leading energy center, a main center of commerce and an emerging mining center in the Kingdom. To this end, the Company is designing, constructing and developing two specialist hospitals in Al Khobar and Al Hofuf, in addition to 5 primary care centers in Al Ahsa, Al Khobar and Dammam, which are still under construction as of the date of this Prospectus. Below is an overview of the Company’s plans for each of the two aforementioned hospitals and primary care centers.

4.8.1 Al Moosa Specialist Hospital (Al Khobar)

The Company is establishing a specialist hospital in the city of Al Khobar under the name “Al Moosa Specialist Hospital,” which is scheduled to open during the first quarter of 2028G. It is planned to be a global facility that focuses on the needs of patients and their families, taking into account new healthcare trends and transformations in the future of healthcare. The Company aims to ensure that Al Khobar Hospital meets international standards for sustainability design while complying with LEED Gold certification standards, in compliance with the Kingdom’s Vision 2030 for a good quality of life, a healthy lifestyle and a sustainable and attractive environment. The project’s plot area is 45,000 square meters and is located on New Corniche Khobar in the Al Bahar district. The total construction area of the project is 300,000 square meters, with a capacity of up to 400 beds and numerous centers of excellence, including 300 clinics and one pharmacy (for further details regarding the Company’s real estate, please refer to Section 11.6 “**Real Estate**” of this Prospectus). It is worth noting that Al Moosa Specialist Hospital (Al Khobar) was designed in cooperation with an international engineering design expert, Perkins & Will.

4.8.2 Al Moosa Specialist Hospital (Al Hofuf)

The Company is establishing a specialized hospital in the city of Al Hofuf under the name “Al Moosa Specialist Hospital” which is scheduled to open during the second quarter of 2027G. It is designed with a capacity of 300 beds, 200 clinics and one pharmacy to serve the people of Al Hofuf. Al Moosa Specialist Hospital (Al Hofuf) is located on an area of 150,000 square meters in a strategic location in the city of Al Hofuf, the capital of Al Ahsa Governorate. An international expert in the engineering design of healthcare facilities, HKS, was engaged for this project. The Company complied with the LEED Gold certification standards in the design of Al Moosa Specialist Hospital (Al Hofuf), based on its commitment to sustainability.

4.8.3 Primary Care Centers

Driven by its commitment to providing comprehensive healthcare services, the Company is establishing several primary care centers in the Eastern Province to deliver reliable medical services more conveniently to a broader segment of the community. The primary care centers are planned to include family medicine, gynecology, pediatrics, dentistry, otolaryngology, dermatology and ophthalmology services, enabling community members to review and address their daily medical needs faster and more efficiently. The Company plans to open 5 primary care centers, each of which includes one pharmacy, as follows:

- 3 primary care centers in Al Ahsa, which are scheduled to open in the second quarter of 2025G, the fourth quarter of 2025G and the second quarter of 2027G, respectively;
- a primary care center in Al Khobar, which includes one pharmacy, is scheduled to open in the first quarter of 2026G; and
- a primary care center in Dammam, which includes one pharmacy, is scheduled to open in the fourth quarter of 2027G.

4.9 Awards, Achievements and Accreditation Certificates

4.9.1 Accreditation Certificates

The Company has obtained the following accreditation certificates from various entities to enable it to provide its services:

Table 4.18: Company Accreditation Certificates

No.	Awarder	Awardee	Type	Certificate Description	Issuance Date	Expiration Date
1.	Joint Commission International (JCI)	Al Moosa Specialist Hospital (Al Ahsa)	JCI accreditation	The Joint Commission International (JCI) is one of the most prestigious bodies in the world in the field of assessing quality levels in health facilities, and its accreditation is considered one of the most important international accreditations concerned with the quality of healthcare facilities. The Company has obtained the accreditation of the Joint Commission International 5 consecutive times during the years 2009G, 2012G, 2015G, 2018G and 2021G. The Joint Commission International certifies that Al Moosa Specialist Hospital (Al Ahsa) adheres to the highest international standards in quality control and patient safety. The accreditation focuses on the quality of care provided to patients, and on the management of the institution and the medical systems in place. The standards of the Joint Commission International identify and evaluate the main functions of hospitals and healthcare institutions. These functions include achieving global goals related to patient safety, infection control, education, information management, human resources, various facility management systems, as well as leadership and administrative systems.	2021G	2024G
2.	Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI)	Al Moosa Specialist Hospital (Al Ahsa)	CBAHI accreditation	The Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI) is the official body responsible for accrediting all healthcare facilities in the Kingdom. Its main role is to establish and evaluate basic quality standards for healthcare and patient safety across all Saudi healthcare institutions. Al Moosa Specialist Hospital (Al Ahsa) received CBAHI accreditation 3 consecutive times in 2013G, 2017G and 2021G, with a score of 99.11%.	2021G	2024G
3.	Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI)	Al Moosa Rehabilitation Hospital (Al Ahsa)	CBAHI accreditation	The Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI) is the official body responsible for accrediting all healthcare facilities in the Kingdom. Its main role is to establish and evaluate basic quality standards for healthcare and patient safety across all Saudi healthcare institutions. Al Moosa Rehabilitation Hospital (Al Ahsa) has obtained CBAHI accreditation with a score of 98.72%.	2024G	2027G
4.	Hazard Analysis Critical Control Points (HACCP)	Food Service Department at Al Moosa Specialist Hospital (Al Ahsa)	Food service safety certificate	In 2015G, the Food Services Department at Al Moosa Specialist Hospital (Al Ahsa) obtained the HACCP accreditation, an international certification for the safety of food services at all stages, from supply to storage and cooking to serving the meal to the final consumer. The standards were reviewed by an independent team of international inspectors from the United Kingdom.	2014G	N/A

No.	Awarder	Awardee	Type	Certificate Description	Issuance Date	Expiration Date
5.	College of American Pathology (CAP)	Laboratory Department at Al Moosa Specialist Hospital (Al Ahsa)	CAP accreditation	The College of American Pathologists (CAP) is the highest scientific body that sets quality standards for laboratories around the world. In 2017G, Al Moosa Specialist Hospital (Al Ahsa) laboratory obtained accreditation from the College of American Pathologists. This represented a major shift in the level of quality of services and commitment to the laboratory's patient safety best practices. Al Moosa Specialist Hospital (Al Ahsa) was also granted accreditation again in 2021G.	2023G	2025G
6.	Healthcare Information and Management Systems Society (HIMSS)	Al Moosa Specialist Hospital (Al Ahsa)	HIMSS 7 accreditation	Al Moosa Specialist Hospital (Al Ahsa) obtained HIMSS 7 accreditation in 2021G. This achievement is an important milestone in the journey of Al Moosa Specialist Hospital (Al Ahsa) towards innovation in information technology. It also demonstrates the extent of Al Moosa Specialist Hospital's interest in patient safety, its commitment to the development of quality services, and its utmost efficacy in utilizing digital files. Al Moosa Specialist Hospital (Al Ahsa) had previously obtained HIMSS 6 2019G. HIMSS is an American non-profit organization that provides leading consultations in health information technology by employing all its expertise and capabilities to develop quality, safety and efficiency in healthcare and enabling leaders to use the correct information when making decisions. The classification includes 8 stages, starting from zero to seven, to evaluate the effectiveness of hospitals in implementing health information and technology systems.	2022G	2024G
7.	American Association of Blood Banks (AABB)	Al Moosa Specialist Hospital (Al Ahsa)	AABB accreditation	The American Association of Blood Banks (AABB) is the highest scientific and most stringent body responsible for granting accreditations to blood banks in the United States of America and around the world. Accreditation is granted to blood banks that comply with the AABB standards, which are verified once every two years, with the aim of improving the quality of performance in screening donor blood, ensuring safe blood transfusions for patients, and following procedures and policies for the safety of patients and donors alike. In 2019G, Al Moosa Specialist Hospital (Al Ahsa) was accredited by the AABB and was the first hospital in the Al Ahsa region to obtain this international accreditation. Al Moosa Specialist Hospital (Al Ahsa) was also granted accreditation again in 2021G as confirmation of the excellence of its blood bank services.	2023G	2025G

No.	Awarder	Awardee	Type	Certificate Description	Issuance Date	Expiration Date
8.	American Society of Health-System Pharmacists (ASHP)	Al Moosa Specialist Hospital (Al Ahsa)	ASHP accreditation	Al Moosa Specialist Hospital (Al Ahsa) obtained ASHP accreditation in September 2021G, making it the second international hospital to obtain this accreditation outside the United States of America. ASHP is a professional organization representing pharmacists in hospitals, healthcare institutions, long-term care facilities, home care and other healthcare components. Accreditation standards include quality and medicine safety, leadership and management, education and training, information and supplier management and medicine policy and information.	2021G	2024G
9.	International Organization for Standardization (ISO)	Food Service Department at Al Moosa Specialist Hospital (Al Ahsa)	ISO 45001	Al Moosa Specialist Hospital (Al Ahsa) always strives to implement international standards, which makes the Company committed to applying ISO standards for the Nutrition and Food Services Department. In 2018G, the Nutrition and Food Services Department at Al Moosa Specialist Hospital (Al Ahsa) succeeded in obtaining ISO 45001 accreditation.	2018G	N/A
10.	American Heart Association (AHA)	Al Moosa Specialist Hospital (Al Ahsa)	AHA accreditation	Al Moosa Specialist Hospital (Al Ahsa) was accredited as the first Saudi hospital with a comprehensive AHA-certified center for the three-day treatment of strokes. The AHA evaluated the services provided at Al Moosa Specialist Hospital (Al Ahsa) and the technology available to receive and treat the most complex stroke cases, in addition to evaluating clinical services, the efficiency of nursing staff and the stroke patient's journey, among other aspects. The Company is proud of the fact that Al Moosa Specialist Hospital (Al Ahsa) is the first Saudi hospital to provide global services for treating stroke patients using the latest technologies, smart solutions and advanced methods, including clot busters and removing brain clots with cerebral catheters.	2023G	2025G
11.	American Nurses Credentialing Center (ANCC)	Al Moosa Specialist Hospital (Al Ahsa)	Magnet status	Al Moosa Specialist Hospital (Al Ahsa) received Magnet status for excellence in nursing practices as the first private hospital in the Kingdom and the Middle East to obtain such status. Magnet status is awarded by the American Nurses Credentialing Center (ANCC) and is considered the gold standard for nursing excellence. To achieve this status, the nursing team at Al Moosa Specialist Hospital (Al Ahsa) worked over a period of 5 years to provide documents that demonstrated qualitative and quantitative excellence and humane care for patients. The accreditation process also included a three-day field visit by ANCC's Magnet evaluators.	2023G	2027G

No.	Awarder	Awardee	Type	Certificate Description	Issuance Date	Expiration Date
12.	Surgical Review Corporation (SRC)	Obesity Center at Al Moosa Specialist Hospital (Al Ahsa)	Center of excellence	The Surgical Review Corporation (SRC) is a non-profit organization that awards global accreditation to hospitals and surgeons with the goal of improving patient safety and reducing infection and mortality rates in operations. In 2018G, the Obesity Center at Al Moosa Specialist Hospital (Al Ahsa) became a center of excellence in bariatric surgery and was awarded well-deserved SRC accreditation, which is the global standard for quality in obesity surgery. Al Moosa Specialist Hospital (Al Ahsa) was also granted accreditation again in 2021G as confirmation of the Obesity Center's continued excellence.	2018G	N/A
13.	American Nurses Credentialing Center (ANCC)	Al Moosa Specialist Hospital (Al Ahsa)	Practice Transition Accreditation Program (PTAP)	The nursing fellowship program at Almoosa Specialist Hospital obtained Practice Transition Accreditation Program (PTAP) certification from the American Nurses Credentialing Center (ANCC). This accreditation aims to recognize the hospital's excellence in supporting new nurses as they transition into practice. This certification empowers registered nurses at Almoosa Specialist Hospital with the knowledge, skills and attitudes required to meet practice standards and facilitate their transition into specialized roles such as medical oncology, general surgery and specialized surgical areas including bariatric, orthopedic and critical care.	2023G	2027G

Source: The Company

4.9.2 Awards and Achievements

The Company has received awards for its achievements from numerous entities, including the following:

Table 4.19: Company's Awards and Achievements

No.	Awarder	Awardee	Type	Description of Award	Issuance Date
1.	Al Ahsa Chamber of Commerce	The Company	Best Facility at the Major Economic Entities Level	The award is one of the initiatives of the Al Ahsa Chamber of Commerce that aims at supporting the business sector in Al Ahsa, improving its performance and recognizing companies and institutions that have contributed distinctly to the Kingdom's prosperity and development. In 2014G, Al Moosa Specialist Hospital (Al Ahsa) received the Chamber of Commerce's award for Best Facility at the Major Economic Entities Level, which is the top award for development sectors in the Al Ahsa region for contributing to developing and advancing local performance.	2014G
2.	Planetree	Al Moosa Specialist Hospital (Al Ahsa)	Gold Certification	Planetree is the world's leading organization for improving the patient experience and spreading a culture of compassion and humanity in healthcare. In 2015G, Al Moosa Specialist Hospital (Al Ahsa) was the first hospital in the Middle East to receive the Silver Certification. In 2017G, Planetree awarded the Golden Merit Certification to Al Moosa Specialist Hospital (Al Ahsa) for its role in providing human-centered healthcare and for its excellence in the field of patient experience. In 2020G, Al Moosa Specialist Hospital once again received the Golden Merit Certification for its commitment and continued provision of healthcare characterized by compassion and kindness, along with putting the patient at the center of its attention.	2017G

No.	Awarder	Awardee	Type	Description of Award	Issuance Date
3.	King Abdulaziz Quality Award (KAQA)	Al Moosa Specialist Hospital (Al Ahsa)	King Abdulaziz Quality Award (KAQA) (Silver Award)	KAQA is an annual award granted to establishments in the Kingdom that have achieved outstanding performance by adhering to the highest levels of quality. The award is granted to Government establishments, the private sector and non-profit establishments.	2018G
4.	The Health Project	Al Moosa Specialist Hospital (Al Ahsa)	C. Everett Koop (Health National Award)	C. Everett Koop Health National Award is granted to outstanding programs aiming to promote and improve workplace health. The award is an initiative of The Health Project, a non-profit organization founded in 1994G that annually grants awards to organizations with proven health improvement and cost-saving programs through C. Everett Koop (Health National Award). The award focuses on establishing, evaluating, enhancing and disseminating health enhancement and disease prevention programs, demonstrating their effectiveness in influencing personal health habits and optimal use of healthcare resources. In 2019G, Al Moosa Hospital received the C. Everett Koop award.	2019G
5.	CHI	The Company	C-Suite Award	This award is presented by the CHI to executives of healthcare providers who have made an outstanding contribution over the past 12 months through the advancement and growth of the private health insurance industry more broadly.	2022G
6.	CHI	The Company	Best Customer Service of the Year Award	This award recognizes healthcare service providers who have had an impact on the healthcare sector through major investments, partnerships and business deals in the past year that have introduced innovative initiatives that have had a positive impact on client satisfaction and the healthcare industry.	2022G
7.	CHI	The Company	Health Insurance Services Award (NPHIES)	This award is granted by the CHI to healthcare providers based on the excellence of these companies in using the NPHIES platform exclusively for insurance transactions.	2022G

Source: The Company

4.10 The Company's Assets Outside the Kingdom

The Directors declare that, as of the date of this Prospectus, the Company does not have any business activities outside the Kingdom and there are no assets of the Company outside the Kingdom.

4.11 Research and Development

The Company is keen on following technology updates related to the provision of healthcare. Accordingly, the Company has automated medicine dispensing processes in its pharmacies, in addition to adopting and implementing many technological updates in the operation of medical facilities and patient care.

The Company has also established a research center to supervise its research activities, which was created to identify the main areas of research based on the healthcare needs of society, in addition to helping develop Saudi research activities that are consistent with Vision 2030 with respect to research and development.

The Research Center also maintains ethical standards of practice in medical research through an Institutional Research Ethics Board to protect participants and researchers and ensure that interdisciplinary research is conducted in an appropriate and consistent manner. The Company's Institutional Review Board (IRB) was established under King Abdulaziz City for Science and Technology (KACST). The main goal of the IRB is to review studies ethically and make decisions approving or rejecting them. The Research Center also offers continuing professional development programs in research methodology, biostatistics and scientific writing for publication as part of its duty to society, professionals and student development.

4.12 Cybersecurity and Data Protection

The Company relies on personal data protection systems to manage its health facilities, as it collects personal data and other information from patients and processes it within its health facilities. The Company uses this information to provide services to patients, such as maintaining medical records, scheduling and confirming appointments, providing client support and advertising services through its marketing and advertising channels. As such, the Company is committed to complying with local laws and regulations in the Kingdom, including data protection and cybersecurity requirements. For example, the Personal Data Protection Law issued by Royal Decree No. M/19, dated 09/02/1443H (corresponding to 16/09/2021G), along with its amendments that entered into force on 29/02/1445H (corresponding to 14/09/2023G), stipulates that entities must amend their status in accordance with the provisions of the Law by 10/03/1446H (corresponding to 13/092024G). The processing of citizens' and residents' personal data is subject to the requirements of the Personal Data Protection Law and entails protecting the rights specified for personal data owners under the Law. Accordingly, the Company has evaluated the potential impact of implementing the Personal Data Protection Law and its Implementing Regulations on its operations and costs. Moreover, the Company must follow appropriate procedures to comply with regulatory requirements and implement changes to comply with regulatory requirements.

Therefore, the Company's compliance with personal data protection and cybersecurity laws is an essential element to ensure the protection of patient data, preserve the hospital's reputation, and avoid potential regulatory penalties. Although the Company's internal policies do not stipulate the Personal Data Protection Law, the Company confirms its commitment and that of caregivers and relevant data controllers, such as human resources staff, to the obligations imposed under the Law. The Company's current policy and privacy policy reflect the principles of collecting personal data for specific, explicit and legitimate purposes, and the Company guarantees that personal data is not used in a manner inconsistent with the purpose of its collection. Furthermore, in the event that personal data is processed, the Company will take adequate measures to inform personal data owners about the purpose of processing their data, and that their data will not be processed in a manner inconsistent with the purpose of its collection. Addressing the protection of personal information, including cybersecurity, business continuity planning and disaster recovery, is essential to protecting sensitive data. Below is a summary of some of the precautionary measures being taken into consideration for both cybersecurity, business continuity planning and disaster recovery:

4.12.1 Cybersecurity

The precautionary measures taken by the Company with respect to cybersecurity, protection of data and personal information include the following:

1. **Developing and Implementing a Comprehensive Cybersecurity Framework:** This includes policies, procedures and technologies to protect personal information, such as security software, breach detection systems, antivirus software, encryption and online access tools, among others.
2. **Conducting Periodic Risk Assessments:** Identifying and assessing cybersecurity risks and potential vulnerabilities helps prioritize security measures and allocate resources effectively.
3. **Data Encryption:** Encrypting personal information both during transmission and at the receiving entity, as well as using encryption algorithms to protect sensitive data from unauthorized access.
4. **Application of Two-Factor Authentication for Login:** Requiring employees and users to provide multiple forms of identification, such as passwords and biometrics, to access personal information systems.
5. **Regularly Updating and Correcting Systems:** Keeping all software, applications and systems updated with the latest patches and security updates to mitigate known vulnerabilities.
6. **Conducting Periodic Security Audits:** Conducting periodic internal and external security audits to identify any weaknesses or gaps in cybersecurity measures and addressing any weaknesses or gaps immediately.

4.12.2 Business Continuity Planning

1. The precautionary measures taken by the Company in the field of business continuity planning include the following:
2. **Identifying Important Processes and Resources:** Identifying key processes and resources within the Company that are necessary to maintain operations and protect personal information.
3. **Developing a Business Continuity Plan:** Creating a comprehensive business continuity plan that outlines steps to be taken in the event of disruptions or emergencies and ensuring that it includes data backup procedures, alternative communication channels and access to critical systems and information.

4. **Evaluating and Updating the Business Continuity Plan:** Evaluating the effectiveness of the business continuity plan periodically through examples and simulation exercises, as well as updating the plan and making improvements based on results and feedback.
5. **Staff Training and Awareness:** Educating employees on the business continuity plan and their roles and responsibilities during crises and conducting training sessions and drills to ensure everyone is aware of the plan and knows how to respond effectively.

4.12.3 Disaster Recovery

The precautionary disaster recovery measures taken by the Company include the following:

1. **Data Backup and Restore:** The Company regularly backs up personal information and important data to secure off-premises and cloud storage sites, ensures that backups are encrypted, and regularly evaluates them for their reliability and integrity.
2. **Developing a Disaster Recovery Plan:** The Company's creates a detailed disaster recovery plan that outlines the steps to be taken to restore operations and recover personal information in the event of a disaster, defines roles and responsibilities, establishes communication channels and prioritizes recovery activities.
3. **Evaluating and Updating the Disaster Recovery Plan:** The Company regularly evaluates its disaster recovery plan to ensure its effectiveness in recovering data and systems in various disaster scenarios and updates the plan based on lessons learned and changes in technology or infrastructure.
4. **Regular Review and Evaluation:** The Company continuously reviews and evaluates the effectiveness of the disaster recovery plan, identifies areas for improvement and makes the necessary adjustments to enhance the Company's ability to recover from disasters.

4.12.4 Rights of Individuals

The Company's policy includes provisions that respect the rights of individuals with regard to their personal data. In particular, this includes the following rights:

1. **Right to Access**: The Company enables individuals to request information with respect to the personal data processed regarding them.
2. **Right to Correct:** Individuals have the right to have inaccurate or incomplete personal data corrected.
3. **Right to Delete:** Under certain circumstances, individuals may request that their personal data be deleted.
4. **Right to Object**: Individuals can object to the processing of their personal data on specific grounds, such as direct marketing.

Accordingly, the Company gives priority to the security and privacy of its patients' data. In its operations, the Company uses modern cybersecurity protocols to protect sensitive patient data from advanced cyber threats and breaches. Through continuous monitoring, encryption and intrusion detection systems, the IT infrastructure in the Company's health facilities remains resilient against unauthorized access and cyber-attacks. By implementing robust access controls and multi-factor authentication mechanisms, the Company ensures that only authorized personnel have access to patient records, further enhancing data security.

In line with global standards and regulations governing patient data protection, the Company strictly adheres to cyber compliance requirements, including the Health Insurance Portability and Accountability Act (HIPAA) and the General Data Protection Regulation (GDPR). This unwavering commitment to regulatory compliance underscores the Company's pledge to maintain the highest ethical standards and uphold patient trust.

Furthermore, recognizing the critical importance of continuous operations and data continuity, the Company has created a robust disaster recovery site hosted by Oracle Cloud. This strategic initiative not only enhances operational resilience but also ensures the seamless availability and integrity of patient data, even when encountering unexpected outages or disaster events. Using Oracle Cloud for disaster recovery ensures that the Company can quickly recover its systems and resume normal operations in the shortest time possible. Through automated backups, fail-safe mechanisms and a redundant infrastructure, the Company mitigates the risk of data loss and ensures business continuity, thus maintaining patient care delivery and organizational stability. The Company's commitment to protecting patient data, reinforced by advanced cybersecurity measures and Oracle Cloud disaster recovery capabilities, exemplifies the Company's dedication to excellence in healthcare delivery. By prioritizing privacy, security and operational continuity, the Company remains a trusted custodian of patient information, enabling individuals to obtain required healthcare with confidence and peace of mind.

4.13 Social Responsibility

The Company pledges its full commitment to its customers and the local communities in which it operates to provide access to essential services in the long term. It attempts to find customized and contemporary solutions that suit the projects the Company works on. The Company's employees adhere to the ethics adopted by the Company in all its dealings and under all circumstances, regardless of their job and level of responsibility. Employees have an obligation not to act in any way that might harm, even in the slightest degree, the moral integrity of the Company. To this end, employees must comply with the following core principles:

1. upholding the Company's values of people-centered healthcare, ethics, innovation, empowerment and excellence;
2. providing patient care; researching, educating and providing business support through professional competence, intellectual honesty and adherence to high ethical standards;
3. advancing communication of rights, responsibilities and information to promote informed decision-making and high-quality care and safety;
4. treating all members of society, including patients and Company employees, with respect and dignity and without discrimination;
5. respecting and protecting the privacy and confidentiality of all individuals and relevant information;
6. acting honestly and responsibly to avoid actual or perceived conflicts of interest;
7. creating a safe, secure and healthy work environment for all parties; and
8. protecting the Company's physical, electronic and intellectual property.

As part of its endeavor to support its patients, the Company provides educational programs for inpatients and outpatients, as well as internal and external health education programs, in cooperation with the Company's employees and specialized societies. These educational programs are provided at the Company's facilities, schools, colleges, other community institutions and public places such as commercial malls and entertainment parks, with the aim of reaching the largest possible demographic. These educational programs focus on educating patients, families and community members about early disease detection, treatment of diseases, and a healthy lifestyle to prevent disease complications, improve quality of life and help community members be self-aware of their health.

In addition, the Company has executed several charitable projects and initiatives to support numerous entities in various fields. Below is a summary of the key initiatives adopted by the Company.

- **Sponsorship of Al-Fateh Sports Club**: Underlining the vital connection between sports and health, the Company concluded a 12 year sponsorship contract with the Al-Fateh Sports Club, during which the Company acted as the Club's medical sponsor and partnered with the Club in a number of social initiatives.
- **Sponsoring local festivals and events in Al Ahsa Governorate**: Based on its belief in its role within the local community, the Company attended as a continuous sponsor at many Al Ahsa Governorate festivals and events organized by the Governorate Municipality or other parties in the Governorate, for example:
  a. sponsorship of the Al Ahsa Dates Festival in partnership with the Al Ahsa Governorate Municipality;
  b. sponsorship of the Al Ahsa Investment Forum in partnership with the Al Ahsa Chamber of Commerce; and
  c. sponsorship of the Governorate seasonal festivals in cooperation with the Al Ahsa Municipality over a period of 14 years.
- **Medical seminars and conferences**: The Company, in partnership with educational and Governmental institutions, continuously provides qualitative medical seminars and conferences, including:
  a. The Breast Cancer Conference: "Everything a Healthcare Provider Should Know," which was held in 2022G, in cooperation with the Charitable Society Against Cancer (Tafaul);
  b. The Neuroanesthesia Conference, which was held in 2023G in partnership with the Saudi Commission for Health Specialties.
  c. Almoosa International Nursing Conference, which was held in 2023G in cooperation with Almoosa College of Health Sciences and the Saudi Nurses Association.
  d. Al Ahsa Medical Students Forum, which was held in 2023G in cooperation with Almoosa College of Health Sciences and King Faisal University.

- **Cooperation with Productive Families Initiative:** an initiative presented by the Company to local families in the region that aims at encouraging productive families by purchasing their various food products and some hand-made products and presenting them to patients.
- **Cost Reduction Agreements:** The Company has concluded several agreements with Governmental and private institutions and associations in order to provide access to free examinations and discounted treatment for certain societal segments, as follows:

  a. Saudi Parkinson Society: The Company provides treatment services for Parkinson patients through coordination with the Society.
  b. Charitable Association for Rheumatic Diseases: The Company provides treatment services for rheumatism patients through coordination with the Association.
  c. Saudi Society of Hematology: The Company provides treatment services for people with blood diseases through coordination with the Society.
  d. Saudi Cancer Society: The Company provides treatment services for cancer patients through coordination with the Society.
  e. Zahra Breast Cancer Association: The Company provides free screening and treatment services for breast cancer patients through coordination with the Association.
  f. Al Ahsa Cancer Foundation (Tafaul): The Company provides surgical breast reconstruction operations for women recovering from breast cancer free of charge, in coordination with the Association.

- **"Let's Learn" initiative:** This initiative was held during the COVID-19 pandemic, which forced the shift of the educational process to homes and the community's sudden and urgent need for electronic media to enable distance education. Building on its role in supporting society, the Company, in coordination with the Ministry of Education and MHRSD, provided laptops to more than 100 students at a total cost of SAR 150,000.
- **Fitness Talent Program:** Based on its pioneering role in community health awareness, the Company, in coordination with the Al-Fateh Sports Club, launched the Fitness Talent Program to advance and promote a healthy lifestyle for children and combat obesity. The Company provided free medical examination and consultation services, awareness and training materials to the families of more than 40 children, and the initiative achieved tangible positive results for 75% of the participating children.
- **Health Endowment initiative:** The Company, in coordination with the Health Endowment Fund, participated in the Health Endowment Initiative by providing more than 92 free medical services to the target groups. These services included mammogram examinations, dialysis and LASIK operations.
- **Bike to Work Initiative:** The Company, in coordination with Al Ahsa Cyclists, organized the "Bike to Work" initiative. The initiative was held to encourage a healthy lifestyle and as part of the Company's responsibility to preserve the environment by replacing cars with bikes to get to work, whereby the Company provides concessions for employees who wish to acquire modern, high-tech bicycles.
- **"A Paramedic in Every School" initiative:** As part of its social responsibilities, especially with respect to healthcare, and under the auspices of the Life Support Center of Al Moosa Specialist Hospital (Al Ahsa) and the Education Department in Al Ahsa region, the Company launched the "A Paramedic in Every School" initiative, which aims at qualifying teachers and training them in cardiopulmonary resuscitation and first aid to save students in the event of any emergency. Hundreds of teachers in Al Ahsa enrolled and received specialized training on how to perform first aid and pulmonary resuscitation. They obtained a certificate proving that they had obtained the training and were fully capable of performing first aid and cardiopulmonary resuscitation in the event of emergencies and serious accidents, which require quick wits and spot-on decision-making. The Company also cooperated with a regional content creator to promote the initiative by filming an episode entitled "I am a Nurse" to highlight the importance of the nursing profession and the importance of enrolling in the first aid course to save lives and properly deal with serious incidents. The episode recorded more than four million views, and more than three thousand people were trained for free on first aid skills and proper medical intervention.
- **Al Ahsa Run initiative:** At a cost of approximately SAR 1.5 million annually, the Company organizes the Al Ahsa Run initiative, an annual race organized by Al Moosa Specialist Hospital (Al Ahsa) in cooperation with the Ministry of Sport, represented by the Saudi Sports for All Federation, as a key sports initiative to preserve the safety of community members, encourage them to exercise, adhere to a healthy lifestyle, and strengthen their immunity to various infections. This race enlists more

than twelve thousand participants from different social segments and ages with varying physical strengths, including adults, children, women, the elderly and people with special needs.

- **Play Together Park initiative:** Cooperation between Al Moosa Specialist Hospital (Al Ahsa) and Al Muhaidib Social Foundation resulted in the creation of the first park to integrate children with special needs with their healthy peers. This was the result of a distinguished community partnership between Al Muhaidib Social Foundation and Al Moosa Specialist Hospital (Al Ahsa) at a cost of SAR 1,000,000. These community initiatives set a living example that helps integrate people with special needs with others. They aim at providing people with special needs with the opportunity to integrate into life and interact with others, representing a good space for self-entertainment and practicing hobbies. Moreover, parks are centers for learning and provide the opportunity for children to get to know their peers with special needs closely, which helps society get rid of misconceptions about the abilities of children with special needs. The Play Together Park is located in Al Faisal district in Al Mubarraz, covering an area of more than 2,200 square meters with more than 12 specialized games for children with special sensory and motor needs.
- **Smile of Hope initiative:** Under the initiative, the Company aims to undertake free cleft lip repair operations, which are surgeries not covered by insurance that may have prolonged waiting periods in Government hospitals. As of the date of this Prospectus, the Company has allocated a budget to treat 30 children in cooperation with the Al Bir Society, with Al Bir Society nominating the cases and evaluating them from a financial standpoint and the Company evaluating the cases from a medical standpoint.
- **Al Faisal Park Construction initiative:** This project was completed as a result of the Company's belief in its role in contributing to the environment and the mental health of society and families by constructing and developing a public park behind Al Moosa Specialist Hospital (Al Ahsa)-North Tower in order to promote being in touch with nature and the quality of life for the families and homes surrounding Al Moosa Specialist Hospital (Al Ahsa), sensing the importance of the local neighborhood and its responsibility, at a cost of approximately SAR 3.3 million.
- **Mental health initiatives:** The Company periodically organizes a number of conferences and lectures specifically concerned with mental health. These conferences provide the Company's employees with modern solutions to adapt to and cope with the demanding work environment and modern lifestyle.
- **Social and artistic initiatives**: Based on the Company's belief in the role of the arts in the health process and in order to encourage artistic talent in society, the Company presented several initiatives and projects that focus on supporting and promoting the arts in partnership with local and international bodies:

  a. **Health, Taste of Art initiative:** The Company, in cooperation with the Saudi Arabian Society for Culture and Arts, organized a competition to present artistic works from the public in different categories, namely painting, sculpting, calligraphy and photography. The initiative witnessed wide participation, with the number of participating works exceeding two thousand, of which 200 were selected. The value of the prizes offered amounted to more than SAR 400 thousand.

  b. **Power of Art Initiative:** This initiative was held in accordance with the directive of HRH Prince Mohammed bin Salman bin Abdulaziz, the Crown Prince and Prime Minister of the judicious Government, which limited the acquisition of works of art and craft products at its offices to Saudis, out of the Company's belief in the importance of art and its role in influencing the psychological state of patients. The Company launched the Power of Art initiative to embrace diverse and distinctive Saudi artwork, encourage national artwork and support growing Saudi art, transforming the corridors and rooms of Al Moosa Hospitals into a rich art gallery full of beauty and art, as well as presenting a healing artistic scene that enhances the state of amazement and mental alertness for patients, visitors and employees alike.

  c. **Turquoise Mountain initiative:** The Company entered into an agreement with the Turquoise Mountain Foundation, a non-profit organization that aims to support local craftsmen in producing artwork for Al Moosa Rehabilitation Hospital (Al Ahsa). In addition, the Company will cooperate with craftsmen to provide art workshops for inpatients in order to relieve anxiety and stress by integrating art into the treatment and rehabilitation journey. A large portion of the contract value will go directly to the craftsmen, which will ensure the sustainability and development of the crafts and will provide the craftsmen with a stable source of income and a decent living. It is also worth noting that the Turquoise Mountain Foundation was established in 2006G based on the initiative of Charles III, King of the United Kingdom. The Foundation aims at reviving traditional crafts and renovating and rebuilding historical areas. The cost of this initiative amounted to approximately SAR 1.5 million.

d. **Mural of Hope**: The Mural of Hope, overlooked by Al Moosa Rehabilitation Hospital (Al Ahsa), is one of the largest murals in the region, covering an area of 1,100 square meters. The idea and design of the mural were to boost determination and willpower, as well as to reflect the message that the Company and the employees of Al Moosa Rehabilitation Hospital (Al Ahsa) wish to convey clearly to patients by inspiring determination and willpower and reviving hope.

The Company also held a series of art workshops and cultural lectures for children and other age groups, in which local artists and Company employees participated.

The Company also established a residency and fellowship program in 2017G to support the community in which it operates. Residency is a specialist form of medical training following the student's graduation from medical school. Residency may be followed by a fellowship or sub-specialty training. As of the date of this Prospectus, the Company has 15 different residency training programs, 5 fellowship programs and 2 diploma programs at Al Moosa Specialist Hospital (Al Ahsa), all of which are accredited by the Saudi Commission for Medical Specialties.

4.14 Business Continuity

The Directors declare that there has been no suspension or interruption in the Company's business that could affect or has had a significant impact on the financial position of the Company during the previous 12 months.

4.15 Employees

The following table sets out the number of the Company's employees according to its main activities and Saudization rates as of 31 December 2021G, 2022G and 2023G:

Table 4.20: The Company's Employees as of 31 December 2021G, 2022G and 2023G

No.	Department	As of 31 December									As of 31 March		
		2021G			2022G			2023G			2024G		
		Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
1.	Executive Management	5	5	10	5	6	11	5	8	13	5	9	14
2.	Administrative staff	333	150	483	320	157	477	396	188	594	517	257	774
3.	Nursing	112	577	689	103	799	902	113	750	863	137	774	911
4.	Medical staff	127	236	363	172	286	458	402	313	715	49	274	323
5.	Medical assistant technicians	133	104	237	264	78	342	305	99	404	447	156	603
6.	Support and Assistance Departments	82	232	341	70	228	298	47	248	295	120	177	297
Total		**792**	**1,304**	**2,123**	**934**	**1,554**	**2,488**	**1,268**	**1,606**	**2,884**	**1,275**	**1,647**	**2,922**

Source: The Company

4.15.1 Saudization and Nitaqat

The Saudization program was approved by virtue of the Minister of Labor's Resolution No. 4040, issued on 12/10/1432H (corresponding to 10/09/2011G), as amended by Resolution No. 182495, dated 11/10/1442H (corresponding to 23/05/2021G), pursuant to Council of Ministers' Resolution No. 50, dated 21/05/1415H (corresponding to 27/10/1994G). The "Nitaqat" program was further approved and implemented on 12/10/1432H (corresponding to 10/09/2011G) by the MHRSD with the aim of encouraging institutions to employ Saudi citizens. The "Nitaqat" program evaluates companies' compliance with the Saudization requirements based on specific color-coded categories (Nitaqat), namely Platinum, Green (which is subdivided into Low, Medium and High Green) and Red. Companies falling within the Platinum or any of the Green categories are deemed to have met Saudization requirements and are therefore be entitled to several benefits, including the ability to obtain and renew work visas or otherwise change the occupations of their foreign employees (except for professions exclusively reserved for Saudi nationals). Companies in the red category are deemed to be non-compliant with the Saudization requirements and may consequently be subject to penalties, including restrictions on their ability to renew work visas for foreign employees or foreign employees being completely prohibited from obtaining or renewing work visas.

The Company is compliant with the Saudization requirements, with a Saudization rate of 45% according to the "Nitaqat" program (which takes a number of factors into consideration when determining categories). The Company was classified as falling within the "Platinum" category within the "Nitaqat" program and has obtained Saudization certificates from the MHRSD for its compliance with Saudization requirements as of 15/01/1445H (corresponding to 02/08/2023G).

4.15.2 Talent Acquisition and Retention

The Company has a high rate of employee retention, and its geographical location is an important factor for those seeking medical and non-medical jobs. The Company is one of the largest companies employing health personnel in Al Ahsa Governorate, and only 2 employees out of more than 30 Senior Management employees have left the Company over the past three years.

4.16 Training and Development

The Company's Academic Affairs and Training Department provides various research and scientific programs and other necessary services to develop employee skills as per their specialties. It also provides a continuing medical education program, in addition to training postgraduate students and providing basic life support programs that ensure the expansion of learning opportunities in a way that promotes the Company's vision, mission and values and ensures continuous professional development for its employees. In addition, the Department is considered a leading training institution for the continuing medical learning needs of the Kingdom's university educational institutions. The following is a summary of the tasks assigned to all Academic Affairs and Training Departments:

4.16.1 Research Center

The Research Center was established to supervise the Company's research activities. It was created to identify key areas of research based on the healthcare needs of the community while helping to develop research activities at the local and international level that can be aligned with Vision 2030 with respect to research and development.

The Center also maintains ethical standards of practice in medical research through the Institutional Review Board (IRB) for Bioethics in Research to protect both participants and researchers and ensure that interdisciplinary research is conducted in an appropriate and consistent manner. The Company's IRB was founded under the umbrella of King Abdulaziz City for Science and Technology (KACST). The main goal of the IRB is to review studies ethically and make decisions approving or rejecting them. The Research Center also offers continuing professional development programs in research methodology, biostatistics and scientific writing for publication as part of its duty to society and professionals, as well as multidisciplinary development in scientific research, biostatistics and scientific writing for academics, healthcare practitioners and students.

4.16.2 Postgraduate Studies

The Company's Postgraduate Studies Department provides medical education programs and offers high-quality training opportunities for postgraduate students of medical and health colleges for the purpose of qualifying them in various health disciplines and supervising those programs to develop the skills of healthcare practitioners. This is a strategic goal of the Department of Academic Affairs. The Company's Postgraduate Studies Department is also one of the largest training centers accredited by the Saudi Commission for Health Specialties (SCFHS) in the region. SCFHS accredited training programs for general and sub-specialties, as well as diploma and fellowship programs, are implemented under the supervision of the Saudi Commission for Health Specialties. As of 31 December 2024G, the Company has 21 approved training programs, including 12 SCFHS certificate programs, 7 fellowship programs, and 2 diploma programs, in which more than 3,000 male and female trainees are enrolled annually. The Department also intends to improve and develop training outcomes, as well as expand training programs to meet the need and localize the profession by applying the methodological foundations for evaluating and developing health training.

The Department also monitors program and institutional accreditation standards, and ensures that all criteria of training requirements are met, thus contributing to achieving national excellence in health training. Furthermore, the Department develops strategic plans to expand the accreditation of new programs in a way that ensures quality of implementation. This is in line with the Company obtaining full institutional SCFHS accreditation for a period of 4 years.

4.16.3 University Student Training and Talent Acquisition

The University Student Training and Talent Acquisition Department provides various training opportunities for graduate and intern students in all specialties. Moreover, it offers opportunities for occupational training and practical field application, preparing applicants for jobs commensurate with the needs of the labor market. The Company's programs advance the theoretical and practical know-how of healthcare practitioners, technicians and administrators and help them acquire the necessary practical experience within programs designed to meet the needs of the labor market. The Student Training Department also provides support and advice to students to help them select training opportunities and develop the appropriate practical plans in accordance with the required training objectives. Training includes the following opportunities: (1) bachelor's and internship training in all health, technical and administrative specialties; (2) training to gain experience and fulfill the SCFHS professional classification requirements; (3) optional training; and (4) summer training programs for students.

4.16.4 Scholarships

The Company's Scholarship Program aims at training and developing the capabilities and skills of the Company's employees scientifically, academically, technically and administratively, along with enriching them cognitively and professionally by providing scholarships for them to obtain an academic degree or gain practical training experience in graduate programs, specialist programs and workshops, whether within the Kingdom or abroad, with the aim of creating a proud and qualified workforce to raise the level of healthcare services and advance their quality in accordance with the Company's strategic plans and Vision 2030.

The Department also contributes to building strategic partnerships with universities, colleges, academic bodies and leading training and development centers in various fields at the national and global levels, which will support the development of the Company's employees to be more efficient, sophisticated and knowledgeable in their chosen fields. The program also aims to attract a distinguished workforce in rare specialties.

4.16.5 Training and Career Development

The Training and Career Development Department helps the Company's employees discover and bolster their strengths and areas for improvement and development, with the aim of supporting individuals as they advance in their careers and supporting the Company to achieve its goals. The Company invests in the career development of its employees as a means of retaining employees, increasing motivation and accelerating leaders at various career levels. The Training Department ensures the quality of outputs as training programs are designed based on an analysis of the needs of employees and the Department in light of the Company's strategies, national and international standards, and Vision 2030.

The Training Department conducts comprehensive orientation sessions and lectures on various administrative and technical disciplines, including, but not limited to, patient soft skills, teamwork, time management, security and safety, effective leadership, and other training courses based on interactive education and accompanied by practical training from qualified trainers within the Company and through contracting and cooperation with reputable national and international training bodies.

4.16.6 Life Support Training Program

Al Moosa Specialist Hospital (Al Ahsa) is a center accredited by the American Heart Association (AHA) and the American Surgical Association. The Center offers a series of training programs dedicated to training medical personnel, including doctors, nurses and technicians, on how to provide cardiopulmonary resuscitation, life-saving and emergency preparedness to the Company's employees and surrounding hospitals in the Eastern Province. These programs include, but are not limited to, Basic Life Support (BLS), Advanced Cardiac Life Support (ACLS), Pediatric Advanced Life Support (PALS) and the Neonatal Resuscitation Program (NRP). In addition, the Company offers Advanced Trauma Life Support courses for Physicians (ATLS) and Nurses (ATCN) in association with the American College of Surgeons (ACS). In order to strengthen community partnership, Al Moosa Cardiopulmonary Resuscitation Center provides many educational programs for school and university students, including first aid and ventricular defibrillator programs, by sending specialized trainers to school or university sites.

4.16.7 Continuing Medical Education

The Continuing Medical Education Department organizes scientific seminars, conferences and medical society meetings. It is also responsible for providing training courses and workshops in cooperation with various clinical departments and simulation laboratories within the Company, as well as at colleges, scientific associations and other local and international educational and scientific institutions. The Company is a SCFHS-accredited training center.

The Department ensures quality through elaborate strategies based on need analysis and developing plans to meet the Company's needs in line with Vision 2030 in order to advance the health sector and implement plans by attracting experts in all fields, using evidence-based training methods and adult learning, and then evaluating the training and its impact to find opportunities for improvement.

4.16.8 Health Academy

The Department responsible for the Company's Health Academy programs works to provide health education programs, offers high-quality training opportunities for candidates to qualify in various healthcare fields, and supervises these programs in an attempt to develop the skills of healthcare practitioners as a strategic goal of the Department of Academic Affairs. The Health Academy Department programs operate and are implemented at Al Moosa Specialist Hospital (Al Ahsa) under the supervision and with the financial support of the Commission for Health Specialties. The Department also monitors program accreditation standards, ensures that all standards of training requirements are met, thus contributing to the achievement of national excellence in health training. Furthermore, the Department develops strategic plans to expand the accreditation of new programs in a way that ensures quality implementation.

4.16.9 Medical Library

The medical library aims at expanding the knowledge of the Company's employees and helping them access information through a unified, reliable source from anywhere, whether from the clinic or at home, by providing paper and electronic books and access to medical articles through international and local digital sources. The Company's library contains physical and digital resources and is equipped with computers to ensure a comfortable and suitable environment for study and research. The Library Department is constantly developing library services in line with modern developments in the field of libraries and information, providing services to beneficiaries, and responding to inquiries as quickly as possible.

5. Organizational Structure of the Company

5.1 Ownership Structure of the Company

The following table sets out the Company's ownership structure pre- and post-Offering:

Table 5.1: The Company's Ownership Structure Pre- and Post-Offering

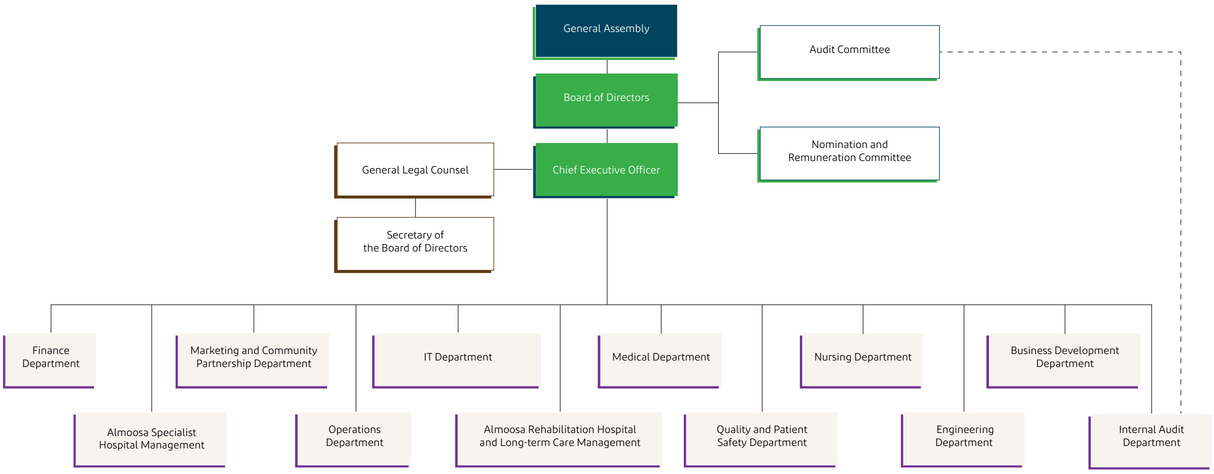
No.	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Ownership (%)	Number of Shares	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz bin Abdullah Almoosa Investment Company	33,250,000	332,500,000	95%	29,131,256	291,312,560	65.75%
2.	Abdulaziz bin Abdullah Almoosa Charity Company	1,750,000	17,500,000	5%	1,750,000	17,500,000	3.95%
3.	Shares allocated to the Employee Investment Fund	-	-	-	131,250	1,312,500	0.30%
4.	Public	-	-	-	13,291,074	132,910,740	30%
Total		**35,000,000**	**350,000,000**	**100%**	**44,303,580**	**443,035,800**	**100%**

Source: The Company

5.2 Organizational Structure

The Company's Shareholders entrust the Board of Directors with responsibility for the general direction, supervision and control of the Company. Furthermore, the Board of Directors entrusts the Company's Executive Management, particularly the Managing Director, to undertake the responsibility of managing the Company's general day-to-day business. The following figure sets out the organizational structure of the Company, including the Board of Directors and the Supervisory Committees, as well as the duties undertaken by members of the Executive Management:

Figure 3: Organizational Structure of the Company



Source: The Company

5.3 Board of Directors

5.3.1 Formation of the Board of Directors

The Company shall be managed by a Board of Directors consisting of 9 members elected by the Shareholders Ordinary General Assembly, 3 of whom shall be Independent Directors. The Company's Bylaws and Internal Governance Manual shall define the tasks and responsibilities of the Board of Directors. The term of the Board of Directors, including the Chairman, shall be a maximum of 4 years for each term, and they may be re-elected unless the Company's Bylaws stipulate otherwise. As an exception to this, the Founders appointed the first Board of Directors for a term of 5 years, as set forth in the table below. The current Board term, which lasts for 5 years, began on 14/02/1442H (corresponding to 01/10/2020G).

The following table sets out the Directors as of the date of this Prospectus:

Table 5.2: The Company's Directors

No.	Name	Position	Nationality	Age	Status[1]	Direct Ownership (%)		Indirect Ownership (%)[2]		Date of Appointment[3]
						Pre-Offering	Post- Offering	Pre-Offering	Post- Offering	
1	Abdulaziz Abdullah Abdulwahab Almoosa	Chairman	Saudi	74 years	Non-Executive	N/A	N/A	77.20%	53.92%	14/02/1442H (corresponding to 01/10/2020G)
2	Zainab Abdulaziz Abdullah Almoosa	Vice Chairman	Saudi	42 years	Executive	N/A	N/A	1.43%	0.99%	14/02/1442H (corresponding to 01/10/2020G)
3	Mark Clyde Gebhardt	Director	American	75 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)
4	Patrick Anthony Charmel	Director	American	65 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)
5	Mosaed Abdulrahman Abdulwahab Almoosa	Director	Saudi	48 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)
6	Sara Abdulaziz Abdullah Almoosa	Director	Saudi	44 years	Executive	N/A	N/A	1.43%	0.99%	14/02/1442H (corresponding to 01/10/2020G)
7	Malek Abdulaziz Abdullah Almoosa	Managing Director and CEO	Saudi	41 years	Executive	N/A	N/A	2.85%	1.97%	14/02/1442H (corresponding to 01/10/2020G)
8	Moaath Naeem Ibrahim Al Naeem	Director	Saudi	38 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)
9	Hassan Abdulrahman Abdullah Al Afaliq	Director	Saudi	37 years	Independent	N/A	N/A	N/A	N/A	12/01/1444H (corresponding to 10/08/2022G)

[1] Under the Corporate Governance Regulations, the following are inconsistent with the independence required of an independent board member, for example, but not limited to:

- (1) Owning 5% or more of the Company's shares or the shares of another company in its Group, or being related to a person who owns this percentage.
- (2) Being related to any of the Board Members of the Company or another company in its Group.
- (3) Being related to any of the Senior Executives of the Company or another company in its Group.
- (4) Being a member of the Board of Directors of another company in the Company's Group nominated for membership on its Board of Directors.
- (5) Working or having worked as an employee during the past two years for the Company or another company in its Group, or owning controlling shares in the Company or any party dealing with the Company or another company in its Group, such as auditors and major suppliers, during the past two years.
- (6) Having a direct or indirect interest in the business and contracts concluded on behalf of the Company.
- (7) Receiving financial amounts from the Company in addition to remuneration for membership on the Board of Directors or any of its committees in excess of SAR 200,000 or more than 50% of their remuneration in the previous year that they received for membership on the Board of Directors or any of its committees, whichever is less.
- (8) Participating in a business that would compete with the Company, or trading in one of the branches of activity carried out by the Company.
- (9) Having spent more than nine consecutive or separate years as a member of the Company's Board of Directors.

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[2] The indirect ownership of the Directors resulted from the following: (1) Abdulaziz Abdullah Abdulwahab Almoosa owns 76% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital. Abdulaziz Abdullah Abdulwahab Almoosa also owns 100% of the share capital of Abdulaziz bin Abdullah Almoosa Charity Company, which owns 5% of the Company's share capital. (2) Malek Abdulaziz Abdullah Almoosa owns 3% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital. (3) Zainab Abdulaziz Abdullah Almoosa owns 1.5% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital. (4) Sara Abdulaziz Abdullah Almoosa owns 1.5% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital.

[3] The dates listed in this table are the dates of appointment of Directors for the current Board term. The biographies of the Directors indicate the date of their appointment to the Board or to any other position (for further information, please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus).

Source: The Company

The Secretary of the Board is Mr. Abdullah Muhanna Al Hubail, who was appointed to this position on 29/08/1445H (corresponding to 10/03/2024G) (for a summary biography of the Board Secretary, please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus). The Secretary of the Board of Directors, Mr. Abdullah Muhanna Al Hubail, does not own any Shares in the Company as of the date of this Prospectus.

5.3.2 Responsibilities of the Board of Directors

The Board shall represent all Shareholders and it must exercise duties of loyalty and care in managing the Company. Furthermore, the Board shall undertake all acts that protect and promote the Company's interests and maximize its value. The Board of Directors is responsible for the Company's actions, even if it delegates committees, entities or individuals to undertake some of its powers. In all cases, the Board of Directors may not issue a general or indefinite authorization.

Taking into account the competencies established for the General Assembly in the Companies Law and its Implementing Regulations, as well as the Company's Bylaws, the Board of Directors shall have the widest powers in managing the Company and directing its business to achieve its objectives. The Board's tasks and duties include the following:

- Developing the key plans, policies, strategies and objectives of the Company, supervising the implementation thereof, reviewing them periodically and ensuring the availability of the necessary human and financial resources to achieve them, including:
  - setting, reviewing and directing the Company's overall strategy, main business plans and risk management policies and procedures;
  - establishing the optimal capital structure for the Company, its strategies and financial objectives, and approving all kinds of estimated budgets;
  - overseeing the Company's main capital expenditures and ownership and disposal of its assets;
  - setting performance objectives and monitoring the implementation thereof, as well as the overall performance within the Company;
  - conducting periodic reviews and approving the organizational and functional structures of the Company; and
  - verifying the availability of the necessary human and financial resources to achieve the Company's key goals and plans.
- establishing systems and controls for internal control and general supervision thereof, including:
  - setting a written policy to address actual and potential conflict of interest cases for Directors, Executive Management and Shareholders, including misuse of the Company's assets and facilities and misconduct resulting from transactions with Related Parties;
  - ensuring the integrity of the financial and accounting systems, including those related to the preparation of financial reports;
  - ensuring that appropriate control systems are applied to assess and manage risks by creating a general perception of the risks that the Company may face, creating an environment based on the culture of risk management at the Company level, and presenting the same transparently to the Stakeholders and Related Parties of the Company; and
  - conducting annual reviews of the effectiveness of the Company's internal control procedures.
- preparing clear and specific policies, standards and procedures for the membership of the Board in a manner that does not conflict with the mandatory provisions of the Corporate Governance Regulations and implementing them after the approval of the General Assembly;

- setting a written policy regulating the relationship with stakeholders as per the provisions of the Corporate Governance Regulations;
- setting policies and procedures that ensure the Company's compliance with the laws and regulations and its commitment to disclosing material information to Shareholders and stakeholders and verifying Executive Management's compliance with the same;
- overseeing the management of the Company's finances, cash flows and financial and credit relationships with third parties;
- presenting proposals to the Extraordinary General Assembly on what it deems appropriate with respect to the following:
  - increasing or decreasing the Company's Capital; and
  - dissolving the Company before the period specified in the Company's Bylaws or deciding on its continuation.
- presenting proposals to the Ordinary General Assembly on what it deems appropriate with respect to the following:
  - using the Company's reserves if they are not allocated for a specific purpose as per the Company's Bylaws;
  - creating additional reserves or financial allocations for the Company; and
  - determining the method of distributing the net profits of the Company.
- preparing and approving the Company's interim and annual financial statements before publication thereof;
- preparing and approving the Board's report before its publication;
- ensuring the accuracy and integrity of the data and information to be disclosed, in accordance with the applicable disclosure and transparency policies and laws;
- establishing effective communication channels that allow Shareholders to continuously and periodically review the various aspects of the Company's activities and any material developments;
- forming specialized committees emanating from it by virtue of resolutions defining the committee's term, powers and responsibilities and how the Board will monitor it, provided that the resolution of formation defines the members, their tasks, rights and duties, along with an evaluation of the performance and works of these committees and their members;
- defining the types of remuneration granted to the Company employees, such as fixed remuneration, performance-related bonuses and remuneration in the form of Shares, in a manner that does not conflict with the Implementing Regulations of the Companies Law for Listed Joint-Stock Companies;
- Informing the Ordinary General Assembly, when it is held, of the business and contracts in which a Director has a direct or indirect interest, provided that this notification includes the information provided by the Director in accordance with Paragraph 14 of Article 28 of the Corporate Governance Regulations and such notification is accompanied by a special report from the Company's external Auditor; and
- setting the values and standards that govern work at the Company.

5.3.3 Chairman

Without prejudice to the competencies of the Board, the Chairman shall be responsible for leading the Board and supervising its operations and the effective performance of its duties. The competencies and duties of the Chairman shall, in particular, include the following:

- ensuring that Directors receive timely, complete, clear, correct and non-misleading information;
- ensuring that the Board effectively discusses all fundamental issues in due course;
- representing the Company before third parties in accordance with what is stipulated in the Companies Law, its Implementing Regulations and the Company's Bylaws;
- encouraging the Directors to effectively perform their duties in order to achieve the interests of the Company;
- ensuring the existence of channels for effective communication with Shareholders and communicating their opinions to the Board of Directors;

- encouraging constructive relationships and effective participation between the Board of Directors and Executive Management and between executive, non-executive and independent Directors, as well as creating a culture that encourages constructive criticism;
- preparing the agenda for Board meetings, taking into account any issue raised by a Director or the Auditor, and consulting with Directors and the Managing Director when preparing the Board agenda; and
- holding periodic meetings with non-executive Directors without the presence of any Company Executive.

5.3.4 Board Secretary

The responsibilities and competencies of the Board Secretary include the following:

- documenting the meetings of the Board of Directors and preparing minutes that include the discussions and deliberations took place, indicating the location, date and start and end times of the meeting; documenting the Board's resolutions and voting results and maintaining them in a special and organized register, recording the names of the Directors present and the reservations they expressed, if any, and having these minutes signed by the chairman of the meeting, all Directors present and the Secretary;
- retaining the reports submitted to and prepared by the Board of Directors;
- providing the Directors with the Board's agenda, worksheets, documents and information related thereto, as well as any additional documents or information requested by any Director regarding the topics included in the meeting agenda;
- verifying that the Directors adhere to the procedures approved by the Board;
- providing the Directors with sufficient notice of the dates of the Board meetings;
- presenting draft minutes to the Directors to express their views thereupon before signing them;
- ensuring that the Directors receive, fully and promptly, a copy of the minutes of Board meetings as well as the information and documents related to the Company;
- coordinating between the Directors;
- organizing the disclosure register of the Board and Executive Management in accordance with the provisions of Article 89 of the Corporate Governance Regulations; and
- providing assistance and advice to the Directors.

5.3.5 Employment and Service Contracts Concluded with Directors

With the exception of the contract concluded with Director Malek Abdulaziz Abdullah Almoosa in his capacity as Managing Director of the Company, the contract concluded with Director Zainab Abdulaziz Abdullah Almoosa in her capacity as CEO of Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, and the contract concluded with Sara Abdulaziz Abdullah Almoosa in her capacity as Director of the Marketing and Community Partnership Department at the Company, there are no employment or service contracts concluded between the Company and the Directors (for further information regarding such contracts, please refer to Section 5.5.3 "**Employment Contracts with Executive Directors and the CFO**" of this Prospectus).

5.3.6 Summary Biographies of the Directors and Secretary of the Board

Below are summary biographies of the Directors and the Secretary of the Board:

Table 5.3: Summary Biography of Abdulaziz Abdullah Abdulwahab Almoosa

Name	Abdulaziz Abdullah Abdulwahab Almoosa
Age	74 years
Nationality	Saudi
Position	Chairman
Date of Appointment (Current Term)	14/02/1442H (corresponding to 01/10/2020G)
Academic Qualifications	High school certificate.
Current Positions	– Chairman of the Company, from 2020G to date. – Founding Partner of Almoosa Doors, a Saudi limited liability company operating in the field of automatic doors, from 1989G to date. – Founding Partner in Quality Education Company, a Saudi limited liability company operating in the field of higher education, from 2017G to date.
Previous Key Positions	– Director of the Association of Persons with Disabilities in Al Ahsa, a non-profit Governmental association operating in the field of providing aid to people with disabilities, from 2010G to 2018G. – Member of the Council of the Eastern Province Municipality affiliated with the Ministry of Interior, a Saudi Government council operating in the field of Province management, from 2002G to 2010G. – Chairman of the Health Committee of Al Ahsa Chamber of Commerce and Industry, a Saudi Government chamber operating in the field of commercial and industrial services, from 2000G to 2006G. – Member of the National Health Committee of the Council of Chambers of Commerce, a Saudi Government council operating in the field of commercial and industrial services, from 2000G to 2006G. – Founding Partner and General Manager of Almoosa Trading Company, a Saudi limited liability company operating in the field of trade, from 1982G to 1990G. – Managing Director of King Faisal University, a Saudi university operating in the field of higher education, from 1979G to 1982G. – Managing Director of the General Irrigation Corporation, a Saudi Government entity operating in the field of irrigation and agriculture, from 1977G to 1979G. – Managing Director of the King Faisal University Civil Project, a Saudi Government entity operating in the field of urbanizing the desert, from 1973G to 1977G. – Managing Director of King Fahd University of Petroleum and Minerals, a Saudi Government university operating in the field of higher education, from 1971G to 1973G.

Source: The Company

Table 5.4: Summary Biography of Zainab Abdulaziz Abdullah Almoosa

Name	Zainab Abdulaziz Abdullah Almoosa
Age	42 years
Nationality	Saudi
Position	Vice Chairman
Date of Appointment (Current Term)	14/02/1442H (corresponding to 01/10/2020G).
Academic Qualifications	– Physician Executive MBA, University of Tennessee, USA, 2020G. – CBIC, Certification Board of Infection Control and Epidemiology, USA, 2018G. – Saudi Pediatric Infectious Diseases Fellowship, Saudi Commission for Health Specialties, Kingdom of Saudi Arabia, 2015G. – Saudi Board of Pediatrics, King Abdulaziz Hospital, Kingdom of Saudi Arabia, 2011G. – Arab Board of Pediatrics, King Abdulaziz Hospital, Kingdom of Saudi Arabia, 2011G. – Bachelor of Medicine and Surgery, King Faisal University, Kingdom of Saudi Arabia, 2006G.
Current Positions	– Vice Chairman of the Company, from 2021G to date. – CEO of Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2023G to date. – Member of the Sector Training Consultation Committee at the Saudi Commission for Health Specialties, a Saudi Government entity operating in the field of organizing healthcare workers, from 2024G to date. – Member of the Health Committee at Al Ahsa Municipality, a Saudi Government entity operating in the field of providing consultation for the health situation in Al Ahsa, from 2024G to date. – Member of the Executive Board at the Applied College of King Faisal University, a Saudi university operating in the field of higher education, from 2023G to date. – CEO of the Saudi Pediatric Infectious Disease Society, a Saudi society operating in the field of combating infectious diseases in children, from 2021G to date. – Member of the IRB at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2020G to date. – Chairman of the Institutional Training Committee at the Saudi Commission for Health Specialties, a Saudi Government entity operating in the field of healthcare, from 2020G to date. – Chairman of the Institutional Accreditation Committee at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2020G to date. – Chairman of the Injuries and Mortality Committee at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2020G to date. – Member of the Physician Recruitment Committee at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2019G to date. – Chairman of the Product Value Analysis Committee at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2019G to date. – Member of the Pharmacy and Therapeutics Committee at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2019G to date. – Member of the Risk Assessment Committee at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2019G to date. – Consultant of Pediatrics and Pediatric Infectious Diseases at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2018G to date. – Co-chair of the Antimicrobial Stewardship Program at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2017G to date. – Vice Chairman of the Board of Trustees at AlMoosa College of Health Sciences, a private, non-profit Saudi college operating in the field of higher education, from 2010G to date.

Previous Key Positions	– Vice Chairman of the Saudi Pediatric Infectious Disease Society, a Saudi society operating in the field of combating infectious diseases in children, from 2021G to 2024G. – Member of the Scientific Committee at the National Center for Disease Prevention and Control (Weqaya), a Saudi center operating in the field of disease control and prevention, from 2019G to 2024G. – Chief Academic Officer, Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2020G to 2023G. – Manager of Academic Medical Residency Programs and Postgraduate Nursing Diplomas at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2018G to 2020G. – Head of the Infection Control Department at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2018G to 2020G. – Manager of the Pediatrics Residency Program at the National Guard Hospital, a Saudi Government hospital operating in the field of healthcare, from 2017G to 2018G. – Consultant of Pediatrics and Pediatric Infectious Diseases at the National Guard Hospital, a Saudi Government hospital operating in the field of healthcare, from 2016G to 2018G. – Chairman of the Hospital Infection Prevention and Control Committee at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2018G to 2020G. – Chairman of the Diseases and Mortality Committee in the Children Department at King Abdulaziz National Guard Hospital, a Saudi Government hospital operating in the field of healthcare, from 2016G to 2018G.

Source: The Company

Table 5.5: Summary Biography of Mark Clyde Gebhardt

Name	Mark Clyde Gebhardt
Age	75 years
Nationality	American
Position	Director
Date of Appointment (current term)	28/06/1445H (corresponding to 10/01/2024G)
Academic Qualifications	– Graduate of the College of Medicine, University of Cincinnati, USA, 1976G. – Training Program, University of Pittsburgh Medical Center, USA, 1977G. – Orthopedic Surgery Residency Program, Harvard University, USA, 1982G. – Orthopedic Surgery Fellowship Program, Boston Children's Hospital, USA, 1983G. – Orthopedic Oncology Fellowship Program, Massachusetts General Hospital, USA, 1983G.
Current Positions	– Director of the Company, 2022G to date. – Professor of Orthopedic Surgery at Harvard Medical School, an American university operating in the field of higher education, 2002G to date. – Orthopedic surgeon at Harvard Medical Faculty Physicians, Inc, an American group of multidisciplinary practicing physicians in the healthcare industry, 2003G to date.
Previous Key Positions	– Chairman of the Department of Orthopedic Surgery at Beth Israel Deaconess Medical Center, an American academic medical center operating in the health industry, 2003G to 2020G. – Director of Harvard Medical Faculty Physicians, Inc, an American group of multidisciplinary practicing physicians operating in the health industry, 2003G to 2023G. – Chairman of the Board of Directors of Harvard Medical Faculty Physicians, Inc, an American group of multidisciplinary practicing physicians operating in the health industry, 2003G to 2023G.

Source: The Company

Table 5.6: Summary Biography of Patrick Anthony Charmel

Name	Patrick Anthony Charmel
Age	65 years
Nationality	American
Position	Director
Date of Appointment (current term)	12/01/1444H (corresponding to 10/08/2022G)
Academic Qualifications	– Master of Public Health majoring in Healthcare Services Management, Yale School of Medicine-Yale University, USA, 2003G. – Bachelor of Science majoring in Healthcare Service Management, Quinnipiac University, USA, 1981G.
Current Positions	– Director of the Company, 2022G to date. – Chairman of the Company's Audit Committee, 2024G to date. – Director of Connie, a U.S. nonprofit company operating in the field of health information exchange, 2019G to date. – Director of the Connecticut Health Foundation, a U.S. nonprofit healthcare organization, 2019G to date. – Director of Quinnipiac University, an American non-profit university operating in the field of education, 2019G to date. – Director of Ion Bank, a U.S. licensed financial institution operating in the financial services industry, 2017G to date. – Member of the Financial Oversight Committee of the Connecticut Hospital Association (CHA), an American non-profit organization operating in the field of Connecticut Hospital management, 2008G to date. – Member of the Executive Committee of the Connecticut Hospital Association (CHA), an American non-profit organization operating in the field of Connecticut Hospital management, 2005G to date. – Director of the Connecticut Hospital Association (CHA), an American healthcare association, 1999G to date. – Chairman of the Board of Directors of Diversified Network Services, a U.S. limited liability company operating in the information technology industry, 2008G to date. – Director of Qualidigm, an American non-profit organization in the field of health sector quality improvement, 2016G to date. – Chairman of the Board of Directors of Value Care Alliance, a U.S. limited liability company operating in the healthcare industry, 2014G to date. – President and CEO of Griffin Health Services Corporation, an American non-profit healthcare company, 1998G to date. – Chairman and CEO of Planetree Inc., an American non-profit healthcare company, 1998G to date.
Previous Key Positions	– Chairman of the Board of Directors of the Greater Valley Chamber of Commerce, an American non-profit trade promotion organization, 2009G to 2012G. – Chairman of the Board of Trustees of the Connecticut Hospital Association (CHA), an American non-profit organization operating in the field of Connecticut Hospital management, 2006G to 2008G. – Chairman of the Hospital Finance Committee of the Connecticut Hospital Association (CHA), a U.S. non-profit organization operating in the field of Connecticut Hospital management, 2005G to 2006G. – Chairman of the Alumni Board of Quinnipiac College, an American university operating in the field of higher education, 1991G to 2001G. – Chief Operating Officer of Griffin Hospital, an American healthcare company, 1987G to 1998G. – Administrative Assistant for Clinical Services at Griffin Hospital, an American healthcare company, 1985G to 1987G. – Deputy Administrative Assistant for Griffin Hospital, an American healthcare company, 1983G to 1985G. – Intern at the Personnel and Community Affairs Department at Griffin Hospital, an American healthcare company, 1979G to 1981G.

Source: The Company

Table 5.7: Summary Biography of Mosaed Abdulrahman Abdulwahab Almoosa

Name	Mosaed Abdulrahman Abdulwahab Almoosa
Age	48 years
Nationality	Saudi
Position	Director
Date of Appointment (current term)	12/01/1444H (corresponding to 10/08/2022G)
Academic Qualifications	– Master of Business Administration, Missouri State University, USA, 2011G. – Bachelor's degree in Business Administration, Missouri State University, USA, 2010G. – Diploma in Accounting, King Faisal University, the Kingdom, 2005G.
Current Positions	– Director of the Company, 2018G to date. – Vice President of the Constituent Council of the Eastern Health Cluster, a Saudi Government entity operating in the field of healthcare services, 2023G to date. – Member of the Constituent Council of the Central Health Cluster, a Saudi Government entity operating in the field of healthcare services, 2023G to date. – Member of the Constituent Council of the Southern Health Cluster, a Saudi Government entity operating in the field of healthcare services, 2023G to date. – Chairman of the Audit Committee of the Constituent Council of the Eastern Health Cluster, a Saudi Government entity operating in the field of healthcare services, 2023G to date. – Chairman of the Audit Committee of the Constituent Council of the Central Health Cluster, a Saudi Government entity operating in the field of healthcare services, 2023G to date. – Chairman of the Audit Committee of the Constituent Council of the Southern Health Cluster, a Saudi Government entity operating in the field of healthcare services, 2023G to date. – Member of the Company's Nomination and Remuneration Committee, 2022G to date. – Member of the Audit Committee of the Health Holding Company, a Saudi one-person closed joint-stock company operating in the field of healthcare, 2022G to date. – Head of Mosaed Almoosa for Consulting - Management Consulting, a Saudi sole proprietorship operating in the field of management consulting, 2011G to date.
Previous Key Positions	– Member of the Constituent Committee of the Southern Health Cluster, a Saudi Government entity operating in the field of healthcare, 2022G to 2023G. – Member of the Constituent Committee of the Northern Health Cluster, a Saudi Government entity operating in the field of healthcare, 2022G to 2023G. – Director of the Makkah Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Director of Al Jouf Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Director of Hafr Al-Batin Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Director of the Jeddah First Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Director of the Jeddah Second Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Director of the Riyadh Third Health Cluster, a Saudi Government entity operating in the field of healthcare, 2020G to 2023G. – Director of the Riyadh Second Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Chairman of the Nomination and Remuneration Committee of Hafr Al-Batin Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Member of the Audit Committee of Hafr Al-Batin Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Chairman of the Audit Committee of the Jeddah First Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Chairman of the Audit Committee of the Jeddah Second Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Chairman of the Audit Committee of the Riyadh Third Health Cluster, a Saudi Government entity operating in the field of healthcare, 2020G to 2023G. – Chairman of the Audit Committee of the Riyadh Second Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G. – Member of the Executive Committee of the Riyadh Second Health Cluster, a Saudi Government entity operating in the field of healthcare, 2021G to 2023G.

Previous Key Positions	– A full-time consultant at the Health Holding Company, a Saudi one-person closed joint-stock company operating in the field of healthcare, 2021G to 2023G. – Member of the Strategy and Investment Committee at Almoosa Specialist Hospital, a Subsidiary of the Company, 2018G to 2023G. – CEO of Almoosa Doors, a Saudi limited liability company operating in the field of manufacturing automatic doors, 2011G to 2021G. – Managing Director at Almoosa Specialist Hospital, a subsidiary of the Company, 1993G to 2008G.

Source: The Company

Table 5.8: Summary Biography of Sara Abdulaziz Abdullah Almoosa

Name	Sara Abdulaziz Abdullah Almoosa
Age	44 years
Nationality	Saudi
Position	Director
Date of Appointment (current term)	14/02/1442H (corresponding to 01/10/2020G)
Academic Qualifications	– Master of Business Administration, Hult International Business School, USA, 2020G. – Bachelor's degree in Mathematics, King Faisal University, the Kingdom, 2023G.
Current Positions	– Director of the Company, 2020G to date. – Director of Cleft Lip & Palate Society (Ratq), a Saudi non-profit society operating in the field of health charity, 2021G to date. – Head of Marketing and Community Partnership at the Company, 2014G to date.
Previous Key Positions	– Member of the Board of Trustees of Almoosa College of Health Sciences, a private, non-profit Saudi college operating in the field of higher education, 2019G to 2022G. – Member of the Social Responsibility Council of Al Ahsa Chamber of Commerce and Industry, a Saudi Government chamber operating in the field of commercial and industrial services, 2019G to 2020G. – Head of Community Partnership at Almoosa Specialist Hospital, a Subsidiary of the Company, 2008G to 2014G. – Customer Service Representative at Bank Albilad, a Saudi public joint-stock company operating in the field of banking services, 2007G to 2008G.

Source: The Company

Table 5.9: Summary Biography of Malek Abdulaziz Abdullah Almoosa

Name	Malek Abdulaziz Abdullah Almoosa
Age	41 years
Nationality	Saudi
Position	Managing Director and CEO
Date of Appointment (Current Term)	14/02/1442H (corresponding to 01/10/2020G)
Academic Qualifications	– Currently a PhD in Business Administration candidate, Warwick Business School, UK. – Executive Leadership Program, Wharton School of Business, University of Pennsylvania, USA, 2022G. – Executive Leadership Program, Stanford University, USA, 2019G. – Executive Program for Leadership in Healthcare, Harvard University, USA, 2017G. – Samson Academy Healthcare Fellowship, Cleveland Clinic, USA, 2013G. – Master's degree in Healthcare Management, Royal College of Surgeons, Ireland, 2011G. – Bachelor's degree in Healthcare Management, Applied Private Science University, Hashemite Kingdom of Jordan, 2006G.
Current Positions	– Director of the Company, from 2020G to date. – Managing Director and CEO of the Company, from 2021G to date. – General Manager of Almoosa College of Health Sciences, a private non-profit Saudi college operating in the field of higher education, from 2020G to 2023G. – Director of Oryx Isotopes Industrial Company, a Saudi closed joint-stock company operating in the field of nuclear medicine, from 2023G to date. – Member of the Board of Trustees of the Saudi Commission for Health Specialties, a Saudi Government entity operating in the field of healthcare, from 2022G to date. – Chairman of the Audit Committee of the Saudi Commission for Health Specialties, a Saudi Government entity operating in the field of healthcare, from 2022G to date. – Member of the Advisory Council for Higher Private Institutions at the Ministry of Education, a Saudi Government ministry operating in the field of education, from 2023G to date. – Director of the Health Holding Company, a Saudi single-shareholder closed joint-stock company operating in the field of healthcare, from 2022G to date. – Member of the Governance Committee of the Health Holding Company, a Saudi single-shareholder closed joint-stock company operating in the field of healthcare, from 2022G to date. – Director of the Saudi Federation of Sports Medicine, a Saudi Government entity operating in the field of medicine and healthcare, from 2022G to date. – Vice Chairman of the Private Hospitals Committee of the Council of Chambers of Commerce, a Saudi Government council operating in the field of commercial and industrial services, from 2021G to date. – Director of Planetree International, a global non-profit organization headquartered in the USA operating in the field of setting standards for hospitals and healthcare providers, from 2020G to date. – Member of the Strategy Committee of the CHI, a Saudi Government entity operating in the field of health insurance, from 2020G to date. – Chairman of the Health Committee in Al Ahsa Chamber of Commerce and Industry, a Saudi Government chamber operating in the field of commercial and industrial services, from 2018G to date. – Endowment Secretary at Abdulaziz bin Abdullah Almoosa and Sons Charity, a Saudi charity and endowment institution operating in the field of philanthropy, from 2016G to date. – Director of Al Bir Society, a Saudi non-profit charity society operating in the field of philanthropy, from 2023G to date. – Member of the National Health Committee of the Council of Saudi Chambers, a Saudi Government council operating in the field of commercial and industrial services, from 2015G to date. – Chairman of the Organizing Committee for the annual Al Ahsa Run, a Saudi committee operating in the field of organizing the Al Ahsa Run, from 2014G to date.
Previous Key Positions	– CEO of Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2012G to 2023G. – Member of the Board of Trustees of AlMoosa College of Health Sciences, a private non-profit Saudi college operating in the field of higher education, from 2020G to 2022G. – Director of Riyadh Second Health Cluster, a Saudi Government entity operating in the field of healthcare, from 2019G to 2022G. – Director of the Association Charity for Genetic Blood Diseases, a private non-profit Saudi society operating in the field of healthcare charity, from 2016G to 2022G. – Member of the Al Ahsa Municipality, a Saudi Government entity operating in the field of advancing services in Al Ahsa, from 2016G to 2021G. – Director of Al-Fateh Sports Club, a Saudi sports club operating in the field of sports, from 2011G to 2018G. – Vice President of Al-Fateh Sports Club, a Saudi sports club operating in the field of sports, from 2011G to 2018G. – Director of the Smoking Control Charitable Society, a private Saudi non-profit society operating in the field of smoking control, from 2012G to 2016G. – Head of Administrative Affairs at Al Moosa Specialist Hospital, a Company-owned entity, from 2007G to 2012G.

Source: The Company

Table 5.10: Summary Biography of Moaath Naeem Ibrahim Al Naeem

Name	Moaath Naeem Ibrahim Al Naeem
Age	38 years
Nationality	Saudi
Position	Director
Date of Appointment (current term)	12/01/1444H (corresponding to 10/08/2022G)
Academic Qualifications	– Private Equity Program Certificate, London Business School, UK, 2021G. – MBA, Imperial College London Business School, United Kingdom, 2015G. – Certificate of Executive Program in Real Estate, Harvard Business School, USA, 2012G. – Bachelor of Business Administration with a major in Finance and Operations Management, University of North Carolina at Charlotte, USA, 2009G.
Current Positions	– Director of the Company, 2021G to date. – Chairman of the Company's Nomination and Remuneration Committee, 2024G to date. – Co-founder and Chief Investment Officer of Alpha Finance Company, a Saudi closed joint-stock company operating in the field of financial services, 2018G to date. – Member of the Forum of Young Global Leaders of the World Economic Forum, a global economic forum located in Geneva, Switzerland, operating in the field of global economics, 2023G to date. – Director of Al Ahsa Municipality Investment Company, a Saudi one-person limited liability company operating in the field of investment in the municipal sector in Al Ahsa, 2023G to date. – Member of the Nomination and Remuneration Committee of Al Ahsa Municipality Investment Company, a Saudi one-person limited liability company operating in the field of investment in the municipal sector in Al Ahsa, 2023G to date. – Director of Masar Alnumou Finance, a Saudi joint-stock company operating in the field of finance, 2021G to date. – Member of the Nomination and Remuneration Committee of Masar Alnumou Finance, a Saudi joint-stock company operating in the field of finance, 2021G till date. – Chairman of the Investment Committee of Alpha Finance Company, a Saudi closed joint-stock company operating in the field of financial services, 2020G to date. – Member of the Executive Committee of Alpha Finance Company, a Saudi closed joint-stock company operating in the field of financial services, 2020G to date. – Member of the Investment Committee of Naif Arab University for Security Sciences (NAUSS), a Saudi university operating in the field of postgraduate studies and training in the field of security, 2019G to date.
Previous Key Positions	– Chairman of the Board of Directors of Mathaq KSA, a Saudi closed joint-stock company operating in the field of cafés and coffee, from 2018G to 2024G. – Member of the Executive Committee of the Saudi Falcons Club, a Saudi club established by Royal Decree operating in the field of falconry and falconers, 2019G to 2023G. – Director of Wadi Al Ahsa Company, a Saudi one-person limited liability company operating in the field of investment for King Faisal University, 2018G to 2023G. – Member of the Executive Committee of Wadi Al Ahsa Company, a Saudi one-person limited liability company operating in the field of investment for King Faisal University, 2018G to 2023G. – MENA representative at the Global Peace and Prosperity Forum, an international organization based in London, 2015G to 2021G. – Director of Light Weight Building Company, a Saudi one-person limited liability company operating in the field of constructions, 2019G to 2021G. – Member of the Executive Committee of Light Weight Building Company, a Saudi one-person limited liability company operating in the field of constructions, 2019G to 2021G. – Director of Dammam Airports Company (DACO), a Saudi Government company operating in the field of airport management in the Eastern Province, 2017G to 2020G. – Member of the Audit and Risk Committee of Dammam Airports Company (DACO), a Saudi Government company operating in the field of airport management in the Eastern Province, 2017G to 2020G. – Member of the Investment and Securities Committee at the Riyadh Chamber of Commerce and Industry, a Saudi Government chamber operating in the field of commercial and industrial services, 2016G to 2020G. – Mentor for students and entrepreneurs at the Institute of Entrepreneurship, a Saudi institute owned by King Fahd University of Petroleum and Minerals operating in the field of entrepreneurship, 2016G to 2018G. – Director of the CFA Society Saudi Arabia, a Saudi association operating in the field of financial analysts, 2016G to 2018G. – Member of the Steering Committee of Salam Medical, a Saudi closed joint-stock company operating in the field of medical services, 2015G to 2017G. – Director of the CFA Society Saudi Arabia, a Saudi association operating in the field of financial analysts, 2013G to 2014G.

Previous Key Positions	– Chairman of the Education Committee of the CFA Society Saudi Arabia, a Saudi association for financial analysts, 2013G to 2014G. – Portfolio Manager in the Domestic Investments Division at Saudi Aramco, a Saudi public joint-stock company operating in the energy sector, 2015G to 2017G. – Portfolio Manager in the Real Estate Division of Saudi Aramco, a Saudi public joint-stock company operating in the energy sector, 2012G to 2014G. – Senior Financial Analyst for Special Projects at Saudi Aramco, a Saudi public joint-stock company operating in the energy sector, 2011G to 2012G. – Senior Financial Analyst for Public Equity at Saudi Aramco, a Saudi public joint-stock company operating in the energy sector, 2010G to 2011G. – Fixed Income Financial Analyst at Saudi Aramco, a publicly joint-stock Saudi company operating in the energy sector, 2009G to 2010G.

Source: The Company

Table 5.11: Summary Biography of Hassan Abdulrahman Abdullah Al Afaliq

Name	Hassan Abdulrahman Abdullah Al Afaliq
Age	37 years
Nationality	Saudi
Position	Director
Date of Appointment (Current Term)	12/01/1444H (corresponding to 10/08/2022G)
Academic Qualifications	– Master of Business Administration, University of Southampton, United Kingdom, 2017G. – Bachelor of Business Administration, King Faisal University, Kingdom of Saudi Arabia, 2009G.
Current Positions	– Director of the Company, from 2020G to date. – Director of Tawazun Association for the Prevention of Diabetes and Obesity, a private non-profit Saudi association operating in the field of health awareness and charitable work, from 2023G to date. – Director of Al Ahsa Amusement & Tourism Co., a Saudi closed joint-stock company operating in the field of tourism development, from 2022G to date. – Member of the Audit Committee at the Al Hofuf Chamber of Commerce and Industry, a Saudi Government chamber operating in the field of commercial and industrial services, from 2021G to date. – Member of the Audit Committee at Al-Houssain & Al-Afaliq Co., a Saudi closed joint-stock company operating in the fields of construction, food and hospitality, from 2016G to date. – Executive Vice President of Finance at AHDAF Development Holding Co., a Saudi closed joint-stock company operating in the field of holding company activities, from 2014G to date.
Previous Key Positions	– Member of the Audit Committee of the Company, from 2023G to 2024G. – Director of Al Fateh Sports Club Investment, a Saudi single-shareholder closed joint-stock company operating in the field of investment, from 2021G to 2024G. – Member of the Audit Committee at Al Fateh Sports Club, a Saudi sports club operating in the field of sports, from 2022G to 2023G. – Director of Al Fateh Sports Club, a Saudi sports club operating in the field of sports, from 2019G to 2023G. – Director of AHDAF Development Holding Co., a Saudi closed joint-stock company operating in the field of holding company activities, from 2016G to 2018G. – Regional Manager for SME Banking in the Eastern Province at Saudi Hollandi Bank (currently known as Saudi Awwal Bank, following its merger with the Saudi British Bank), a Saudi listed joint-stock company operating in banking and financial services, from 2012G to 2014G. – Credit Analyst at the Saudi Industrial Development Fund (SIDF), a Saudi Government entity operating in the field of industrial development, from 2009G to 2012G.

Source: The Company

Table 5.12: Summary Biography of Abdullah Muhanna Al Hubail

Name	Abdullah Muhanna Al Hubail
Age	35 years
Nationality	Saudi
Position	Board Secretary
Date of Appointment	29/08/1445H (corresponding to 10/03/2024G)
Academic Qualifications	– Master of Laws in Commercial Law and Capital Markets, Indiana University Bloomington, USA, 2022G. – Bachelor of Laws, King Saud University, Kingdom of Saudi Arabia, 2013G.
Current Positions	– Board Secretary of the Company, from 2024G to date. – Head of the Company's Legal and Compliance Department, from 2024G to date.
Previous Key Positions	– Legal Assistant at Kumari & Al-Khasawneh Legal Consultants, a U.S. limited liability partnership, engaged in providing legal advice, from 2023G to 2024G. – Member of the Protective Order Project, a U.S. nonprofit organization that provides legal services, from 2021G to 2022G. – Administrative Investigator at the Ministry of National Guard - Health Affairs (MNGHA), a Saudi Government organization operating in the field of healthcare service delivery, from 2014G to 2017G. – Administrative Coordinator at Al Ahsa Hospital, a Saudi closed joint-stock company operating in the field of healthcare delivery, from 2012G to 2013G.

Source: The Company

5.4 Board Committees

The Company Board has a number of committees that were formed according to the Company's needs, circumstances and conditions to enable it to perform its tasks effectively in addition to fulfilling the relevant regulatory requirements, namely the Audit Committee and the Nomination and Remuneration Committee.

The structure, responsibilities and members of each committee are summarized below:

5.4.1 Audit Committee

A. Composition of the Audit Committee

The Audit Committee consists of 3 members who were appointed pursuant to the Extraordinary General Assembly resolution dated 03/09/1445H (corresponding to 13/03/2024G) until the end of the current Board term on 08/04/1447H (corresponding to 30/09/2025G). The following table sets out the names of the members of the Audit Committee:

Table 5.13: Audit Committee Members

No.	Name	Position	Status
1.	Patrick Anthony Charmel	Chairman of the Audit Committee	Independent
2.	Maher Saad Ibrahim Al Aiyadhi	Member of the Audit Committee	Non-Board Member
3.	Wadhaah Ibrahim Al Sheikh Mubarak	Member of the Audit Committee	Non-Board Member

Source: The Company

B. Audit Committee Responsibilities

The Audit Committee's duties and responsibilities include the following:

- **Financial Reports:**
  - reviewing the Company's interim and annual financial statements prior to their submission to the Board of Directors, as well as providing an opinion and recommendations thereon to ensure their integrity, fairness and transparency;

- providing a professional opinion-at the request of the Board of Directors-on whether the Board's report and the Company's financial statements are fair, balanced and understandable, and whether they include the information necessary for Shareholders and investors to assess the Company's financial position, performance, business model and strategy;
- examining any significant or unusual matters contained in the financial reports;
- thoroughly investigating any issues raised by the Company's CFO or their designee, the Company's compliance officer or the Auditor;
- verifying accounting estimates with respect to material matters contained in the financial reports; and
- examining the Company's accounting policies and expressing opinions and recommendations thereon to the Board of Directors.

- **Internal Audit:**
  - evaluating and reviewing the Company's internal and financial control and risk management systems;
  - examining internal audit reports and monitoring the implementation of corrective actions for the observations identified therein;
  - overseeing and supervising the performance and activities of the Internal Auditor and the Internal Audit Department within the Company to verify the availability of the necessary resources and their effectiveness in carrying out the tasks and responsibilities assigned thereto; and
  - recommending to the Board of Directors the appointment of the director of the Internal Audit Unit or Department or the Internal Auditor and proposing their remuneration.

- **Auditor:**
  - recommending to the Board of Directors the nomination and dismissal of auditors and determining their fees, as well as evaluating their performance after verifying their independence, reviewing their scope of work and the terms of their engagement;
  - verifying the independence, objectivity and fairness of the auditors, as well as the effectiveness of their audit work in accordance with relevant rules and standards;
  - reviewing the plan and works of the Company's Auditor, verifying that they do not perform any technical, administrative or consulting services that fall outside the scope of the auditing works and expressing their views in connection therewith;
  - answering the inquiries of the Company's Auditor; and
  - reviewing the Auditor's report and their observations on the financial statements and following up on the actions taken in response to those observations.

- **Ensuring Compliance:**
  - reviewing the findings of reports issued by supervisory authorities and verifying that the Company has taken the necessary actions in response thereto;
  - verifying the Company's compliance with relevant laws, regulations, policies and directives;
  - reviewing the contracts and transactions proposed to be entered into by the Company with Related Parties and providing feedback to the Board of Directors; and
  - raising matters it deems necessary to be acted upon to the Board of Directors and making recommendations on the actions to be taken in relation thereto.

- **Risk Management:**
  - developing a comprehensive risk management strategy and policies that are consistent with the nature and size of the Company's activities, monitoring their implementation and reviewing and updating them based on internal and external change drivers;
  - defining and maintaining an acceptable level of risk for the Company and ensuring that the Company does not exceed it;
  - verifying the viability and continuity of the Company and identifying the risks that threaten its continuity over the following 12 months;

- overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for identifying and monitoring the risks that threaten the Company to identify deficiencies therein;
- periodically re-evaluating the Company's risk tolerance and exposure (e.g., through stress tests);
- preparing detailed reports on risk exposure and the proposed steps to manage these risks and submitting the same to the Board of Directors;
- making recommendations to the Board of Directors on matters related to risk management;
- ensuring that adequate resources and systems are in place to manage risk;
- reviewing and making recommendations on the risk management organizational structure before it is approved by the Board of Directors;
- ensuring that risk management personnel are independent of activities that may result in the Company's exposure to risk;
- ensuring that risk management staff understand the risks surrounding the Company and work to raise
- fostering awareness of risk culture; and
- reviewing matters raised by the Audit Committee that may affect the Company's risk management.

C. Summary Biographies of the Members of the Audit Committee

Below are the summary biographies of the members of the Audit Committee:

Table 5.14: Summary Biography of Patrick Anthony Charmel

Name	Patrick Anthony Charmel
Position	Chairman of the Audit Committee
Date of Appointment (current term)	03/09/1445H (corresponding to 13/03/2024G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus.

Source: The Company

Table 5.15: Summary Biography of Maher Saad Ibrahim Al Aiyadhi

Name	Maher Saad Ibrahim Al Aiyadhi
Age	52 years
Nationality	Saudi
Position	Audit Committee Member
Date of Appointment (Current Term)	03/09/1445H (corresponding to 13/03/2024G)
Academic Qualifications	Bachelor of Science in Accounting, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1995G.
Current Positions	– Member of the Company's Audit Committee, from 2024G to date. – Member of the Audit Committee of Riyadh Second Health Cluster, a Saudi Government entity operating in the field of healthcare, from 2022G to date. – Member of the Audit Committee of the Riyadh Third Health Cluster, a Saudi Government entity operating in the field of healthcare, from 2021G to date. – Director of the Saudi Institute of Internal Auditors, a Saudi professional association operating in the field of developing professional competencies specialized in internal auditing, from 2022G to date. – Member of the Investment Committee of the Saudi Institute of Internal Auditors, a Saudi professional association operating in the field of developing professional competencies specialized in internal auditing, from 2022G to date. – Member of the Audit Committee of GDC Middle East, a Saudi joint-stock company operating in the field of aircraft repair and maintenance, from 2022G to date. – Member of the Audit Committee of National Industrialization Company (TASNEE), a Saudi public joint-stock company operating in establishing and managing industrial, chemical and petrochemical projects, from 2022G to date.

Current Positions	– Member of the Audit Committee of Alinma Bank, a Saudi listed joint-stock company operating in the provision of financial and banking services, from 2022G to date. – Director of Internal Audit at the Royal Commission for Al-Ula (RCU), a Saudi Government body operating in the field of developing development plans for Al-Ula, from 2021G to date. – Head of Internal Audit at Saudi Aramco, a Saudi public joint-stock company operating in the energy sector, from 2021G to date.
Previous Key Positions	– Chief Auditor of Sadara Chemical Company, a Saudi limited liability company operating in the chemical industry, from 2018G to 2021G. – Executive Vice President of Support Services at the Saudi Center for International Strategic Partnerships (SCISP), a Saudi Government entity operating in the field of harmonizing and unifying all the Kingdom's efforts regarding its international strategic partnerships with the countries of the world, from 2017G to 2018G. – Director of Internal Audit at Saudi Aramco, a Saudi public joint-stock company operating in the energy sector, in 2016G. – Chief Auditor of Aramco Services Beijing (ABS), a Chinese energy company, from 2012G to 2014G. – Vice President of Internal Control at Fujian Refining & Petrochemical Company Limited (FREP), a Chinese company operating in the oil refining and petrochemical products sector, from 2007G to 2012G. – Senior Auditor at Saudi Aramco, a Saudi public joint-stock company operating in the energy sector, from 2002G to 2007G. – Financial Representative at Saudi Petrochemical Company (SADAF), a Saudi limited liability company operating in the field of petrochemicals, from 1997G to 2002G. – Senior Auditor at Deloitte & Touche (M.E.) LLP, a Saudi limited liability company operating in internal auditing and accounting, from 1995G to 1997G.

Source: The Company

Table 5.16: Summary Biography of Wadhaah Ibrahim Al Sheikh Mubarak

Name	Wadhaah Ibrahim Al Sheikh Mubarak
Age	45 years
Nationality	Saudi
Position	Audit Committee Member
Date of Appointment (Current Term)	03/09/1445H (corresponding to 13/03/2024G)
Academic Qualifications	– PhD in Finance, Middlesex University, UK, 2020G. – Master's degree in Finance, University of Portsmouth, UK, 2010G. – Bachelor's degree in Marketing, King Faisal University, Kingdom of Saudi Arabia, 2005G.
Current Positions	– Member of the Company's Audit Committee, from 2024G to date. – Chief Investment Officer at Al Ahsa Municipality, a Saudi Government entity that organizes Al Ahsa Governorate, from 2024G to date. – Member of the Executive Committee of Majd Investment, a Saudi single-shareholder limited liability company operating in the field of investment, from 2023G to date. – Member of the Audit Committee of Riyad Bank, a Saudi public joint-stock company operating in the provision of banking and financial services, from 2022G to date.
Previous Key Positions	– Member of the Audit and Risk Management Committee of Majd Investment, a Saudi single-shareholder limited liability company operating in the field of investment, from 2022G to 2023G. – Member of the Investment Committee of the Endowments of King Faisal University, a Saudi university operating in the field of higher education, from 2021G to 2024G. – Vice Dean of the College of Applied Sciences at King Faisal University, a Saudi university operating in the field of higher education, from 2021G to 2023G. – Director of the College of Business Administration, King Faisal University, a Saudi university operating in the field of higher education, from 2021G to 2023G.

Source: The Company

5.4.2 Nomination and Remuneration Committee

A. Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 members who were appointed pursuant to the Extraordinary General Assembly resolution dated 03/09/1445H (corresponding to 13/03/2024G) until the end of the current Board term on 08/04/1447H (corresponding to 30/09/2025G). The following table sets out the names of the members of the Nomination and Remuneration Committee:

Table 5.17: Nomination and Remuneration Committee Members

No.	Name	Position	Status
1.	Moaath Naeem Ibrahim Al Naeem	Chairman of the Nomination and Remuneration Committee	Independent
2.	Mosaed Abdulrahman Abdulwahab Almoosa	Member of the Nomination and Remuneration Committee	Independent
3.	Issa Al-Dossary	Member of the Nomination and Remuneration Committee	Non-Board Member

Source: The Company

B. Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee's duties and responsibilities include the following:

- **Remunerations**
  - preparing a clear policy for the remuneration of Directors, Board Committees and Executive Management and submitting the same to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that the policy takes into account criteria related to performance and disclosure, as well as verifying the implementation thereof;
  - clarifying the relationship between the remuneration awarded and the remuneration policy in place and indicating any material deviation therefrom;
  - periodically reviewing the remuneration policy and assessing its effectiveness in achieving the intended objectives; and
  - recommending to the Board of Directors the remuneration of the Directors, Board Committees and Senior Executives in accordance with the approved policy.

- **Nominations**
  - proposing clear policies and criteria for membership of the Board and Executive Management;
  - proposing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty;
  - preparing a description of the capabilities and qualifications required for membership of the Board and Senior Management positions;
  - determining the amount of time that Directors must allocate to the activities of the Board;
  - annually reviewing the skills and expertise required of the Directors and the Senior Management;
  - reviewing the structure of the Board and the Senior Management and providing recommendations regarding changes that may be made to such structures;
  - annually ensuring the independence of independent Directors and the absence of any conflicts of interest if a Director also acts as a member of the board of directors of another company;
  - developing job descriptions for executive, non-executive and independent Directors and Senior Executives;
  - setting procedures to be followed if the position of a Director or a Senior Executive becomes vacant; and
  - identifying the strengths and weaknesses of the Board and recommending solutions that serve the Company's interests.

C. Summary Biographies of the Members of the Nomination and Remuneration Committee

Below are the summary biographies of the members of the Nomination and Remuneration Committee:

Table 5.18: Summary Biography of Moaath Naeem Ibrahim Al Naeem

Name	Moaath Naeem Ibrahim Al Naeem
Position	Chairman of the Nomination and Remuneration Committee
Date of Appointment	03/09/1445H (corresponding to 13/03/2024G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus.

Source: The Company

Table 5.19: Summary Biography of Mosaed Abdulrahman Abdulwahab Almoosa

Name	Mosaed Abdulrahman Abdulwahab Almoosa
Position	Member of the Nomination and Remuneration Committee
Date of Appointment	03/09/1445H (corresponding to 13/03/2024G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus.

Source: The Company

Table 5.20: Summary Biography of Issa Al-Dossary

Name	Issa Al-Dossary
Age	47 years
Nationality	Saudi
Position	Member of the Nomination and Remuneration Committee
Date of Appointment (Current Term)	03/09/1445H (corresponding to 13/03/2024G)
Academic Qualifications	Bachelor of Business Information Systems, University of Bahrain, Kingdom of Bahrain, 2001G.
Current Positions	– Member of the Company's Nomination and Remuneration Committee, from 2022G to date. – Senior Director of Human Resources Operations at Savvy Games Group, a Saudi single-shareholder closed joint-stock company operating in the field of electronic games, from 2024G to date.
Previous Key Positions	– Director of Human Resources and Administrative Affairs at Roshn, a single-shareholder Saudi closed joint stock company operating in the field of real estate development, from 2021G to 2023G. – Director of Human Resources and Administration at Saudi Investment Recycling Company (SIRC), a Saudi single-shareholder closed joint-stock company operating in the field of recycling, from 2020G to 2021G. – Secretary of the Nomination and Remuneration Committee of the Saudi Investment Recycling Company (SIRC), a Saudi single-shareholder closed joint-stock company operating in the field of recycling, from 2020G to 2021G. – Human Resources and Administration Manager at United Company for Financial Services (Tas'heel Finance), a Saudi single-shareholder closed joint-stock company operating in the field of provision of financial services, from 2018G to 2020G. – Director of Human Capital Development at the Power and Water Utility Company for Jubail and Yanbu (Marafiq), a Saudi public joint-stock company operating in the field of water and energy, from 2017G to 2018G. – Director of Group Learning and Career Development at Rezayat Group, a Saudi limited liability company operating in the fields of oil, gas, water, power generation, engineering and transportation, from 2015G to 2017G. – Training Program Development Supervisor at Saudi Aramco Total Refining and Petrochemical Company (SATORP), a Saudi limited liability company operating in the field of oil refining and petrochemicals, from 2013G to 2015G. – Recruiter at Emirates Steel, a UAE limited liability company operating in the iron and steel industry, from 2008G to 2012G. – Senior Statistical Assistant at Saudi Aramco, a Saudi public joint-stock company operating in the energy sector, from 2001G to 2006G.

Source: The Company

5.5 Executive Management

The Company's Executive Management consists of a team with the necessary experience and skills to manage the Company under the supervision of the Board of Directors. The Managing Director conducts the day-to-day operations of the Company in accordance with the guidelines and policies set by the Board of Directors to ensure that the Company achieves its objectives as set by the Board of Directors.

5.5.1 Executive Management Departments

A. Finance Department

The Finance Department is responsible for ensuring effective financial management and the necessary financial controls to support all of the Company's business activities. Accuracy of information, reliability, transparency and integrity are at the core of the Department. The Department ensures strict internal controls to process information in a timely manner and provide information and reports to Management to enable stakeholders to make decisions. Data analytics also plays a key role in the Company's business activities, and the Finance Department is an important pillar supporting the Company's data analytics and data science functions. The Finance Department is a central support function for the Company.

The following divisions are found within the Finance Department:

1. Accounting and Financial Reporting Division

The primary objective of the Finance Department is to record and process all financial transactions of the Company to produce key financial statements including income statements, cash flow statements and statements of financial position. The Division is responsible for accounting for all cash transactions related to the Company's activities to produce a trial balance of the Company's business operations. The Division is also responsible for developing financial and accounting policies, procedures, flowcharts and internal controls, maintaining the fixed asset register, managing accounts receivable and payable, maintaining inventory, managing sales and collections and making payments to various parties, suppliers and authorities. It also handles the transfer of employee salaries within the specified timeframe, ensures the payment of value-added tax, Zakat, and other taxes in accordance with the applicable regulations, and ensures the submission of Zakat, value-added tax and any other applicable tax returns. The main scope of work of the Accounting and Financial Reporting Division is summarized below:

- **Month-end Closing Process:** As part of this scope, the Division collects financial accounting information, reviews and reconciles records each month and prepares monthly financial statements.
- **Accounts Payable:** This service is responsible for receiving, recording and reconciling liabilities, expenses or corresponding assets and processing payments in a timely manner. The Accounts Payable Division is also the main liaison with suppliers to perform periodic reconciliation of records, ensuring that all terms and conditions of the contractual relationship are met at all times.
- **Accounts Receivable:** The Accounts Receivable Division takes care of all invoices or amounts owed to the Company by insurance companies, Government agencies, corporations and cash patients. The Division's Accounts Receivable service follows up on accounts payable with payers and maintains the Company's financial position through timely reconciliation and collection against outstanding accounts to support the Company's cash flow management.
- **Inventory Management**: Inventory control and management falls under the purview of the Finance Department. The primary function is to manage inventory at all times to ensure a smooth flow of operations. It involves overseeing and controlling the availability, storage, tracking and utilization of medical supplies, equipment and consumables within hospitals. The Division is also responsible for conducting an inventory count periodically.
- **Asset Management:** Asset Management is part of the Finance Department. The Division maintains a comprehensive asset register that enables the Company to have detailed coverage of all asset-related information. The Division keeps a record of all Company assets such as medical and IT equipment, furniture, fixtures and fittings and buildings. The Division handles tracking asset location, asset tagging, asset allocation to various departments and employees, useful life of assets, asset addition and disposal, etc.
- **Management Information Systems (MIS):** The main role of this function is to generate various reports on a periodic basis related to business operations, which are used as a tool for the Finance Department and other departments to review and evaluate the performance of the ongoing business and to assist departments in their regular and direct work as well as the Company's strategic planning.

- **Banking, Treasury and Cash Management**: This function ensures the Company's liquidity and manages collections and payments, ensuring that there is sufficient cash balance in business operations. The finance and treasury function develops capital and cash management plans on a weekly, monthly and annual basis to forecast the cash requirements of business operations. This function also maintains relationships with banks and financial institutions to manage funding arrangements for operations and projects. The Division also takes care of hedging positions, tracks the cost of funding and looks for opportunities to optimize the cost of borrowing funds.
- **Budget Controls**: The budgeting function aims to systematically and efficiently plan and track revenues and expenditures annually by allocating budgetary resources and funds to better serve the Company's patients. The main function under this heading is to develop the Company's annual budget for its various departments and explain how these departments have performed in the past in order to take appropriate measures to plan future goals. The budget team provides long and short forecasts as guidance based on historical trends and data and shares different forecast scenarios along with alternative strategies to guide operations toward Department goals, enable the system to operate in a cost-effective and efficient manner and best plan for the Company's future.

2. Revenue Cycle Division

The Revenue Cycle Division is a central function of the Company that aims to manage the relationship with third-party payers to provide the best services to patients and ensure good management in accordance with the policies and conditions specified in contracts with third-party payers. This service is part of the Finance Department function and covers various activities such as invoicing, submitting claims, following up on pending claims and resolving rejected claims. All related activities with thirty payers are managed by this centralized function. The team negotiates, signs and executes all of the Company's service contracts with insurance companies, Government agencies and corporations. The Team executes the plans through the following steps:

- verifying medical coding by converting complex medical diagnoses, procedures and services into acceptable codes;
- competition-based pricing to evaluate and determine the best prices to ensure patients are able to access high-quality care;
- overseeing agreements with insurance providers, Government agencies and other organizations;
- managing the internal process of submitting claims according to the periodic cycles and follow-up in joint coordination with the Accounts Receivable Division; and
- negotiating medical insurance coverage for the Company's employees.

B. Al Moosa Specialist Hospital (Al Ahsa) Department

The Al Moosa Specialist Hospital (Al Ahsa) Department assumes the following duties and responsibilities:

- providing the Company's Managing Director and Executive Management with sufficient information to fulfill their responsibilities;
- providing Executive Management with reports on the job performance and professional conduct of hospital employees;
- conducting a strategic review of performance on a regular basis to determine if the Company is achieving its short- and long-term goals;
- ensuring that the hospital complies with all applicable laws and regulations in the Kingdom;
- establishing and maintaining an effective system of communication throughout the hospital to ensure that responsibilities, authorities and accountability for all Executives are clearly defined and understood;
- ensuring an effective recruitment process with the selection of competent and experienced employees;
- delegating certain responsibilities to the relevant Executives in order to ensure the proper functioning of the Company;
- conducting annual performance evaluations for all Executives and recommending salary adjustments, bonuses and promotions;
- developing high-quality strategies and business plans and ensuring they are aligned with the Company's goals;
- leading by example and motivating subordinates within the Company;
- making high-quality management and investment decisions that are in the best interest of the Company;

- actively participating in patient, staff and visitor safety support within the hospital by conducting walking tours and engaging in reported safety-related incidents;
- ensuring that hospital property is in good condition and operational;
- ensuring that the hospital adheres to the legal and business ethics applicable in the Kingdom;
- analyzing problematic situations, providing improvement tips and solution suggestions to all Executives and building trusting relationships with partners and key stakeholders;
- ensuring that reports or inquiries received from local and international organizations, including accreditation bodies, are responded to;
- keeping abreast of local and international markets and industry, professional and business trends; and
- studying periodic reports and other public information provided to facilitate proper decision-making.

C. Marketing and Community Partnership Department

The Marketing and Community Partnership Department assumes the following duties and responsibilities:

1. Marketing

- Delivering distinguished medical services to all segments of society through a digital marketing strategy that aims to raise the efficiency of digital applications and platforms in order to reach various segments in all regions of the Kingdom and neighboring countries, as well as to facilitate communication and provide telehealth services with the highest efficiency;
- developing counseling programs to guide all patients through their treatment journey by providing guidance and health advice at various stages of treatment and daily life aspects that positively affect their chances of success, in addition to measuring and developing support services to improve the quality of the patient experience within the Group's healthcare facilities;
- developing integrated community health awareness programs that are in line with the Kingdom's vision and contribute to changing and improving healthy community lifestyles through integrated programs in the areas of early preventive screening programs, educational nutrition programs, daily exercise programs and community service programs; and
- developing marketing programs to raise awareness among the target segments of the various programs and treatment methods and the latest technology in the Company's healthcare facilities. This includes e-marketing, digital platform development, marketing programs inside and outside the Group's healthcare facilities, awareness campaigns and community service programs.

2. Social Responsibility

- Deepening the Company's relationship with the community by creating social and health initiatives; and
- coordinating and establishing relationships with non-profit organizations related to the health field in order to support the Company's social responsibility.

D. Operations Department

The Operations Department is responsible for overseeing the operation of the Company's healthcare facilities and managing the divisions related to operational aspects. The Operations Department consists of the following divisions:

1. Human Resources

The Human Resources Division assumes the following duties and responsibilities:

- finding and providing medical and non-medical staff to the Company via the Recruitment Department;
- registering Saudi employees with the General Organization for Social Insurance (GOSI);
- fulfilling the Company's contractual obligations towards its employees by coordinating the provision of medical insurance for employees;
- providing the necessary licenses and legal registrations for the facility's staff and employees;
- managing the payroll register and submitting the same to the Finance Department;
- providing the necessary insurance coverage for healthcare practitioners; and

- procuring and renewing the necessary licenses and permits for the Company to carry out its various activities from the Ministry of Health, municipalities and Government agencies.

2. Supply Chain

The Supply Chain Division assumes the following tasks and responsibilities:

- managing the Company's contracts with suppliers and service providers;
- overseeing the Procurement Division and ensuring that the Company's contracting and purchasing procedures with suppliers of goods and services are in accordance with internal regulations;
- overseeing warehousing and storage spaces, ensuring proper care of the Company's inventory; and
- planning the Company's inventory and ensuring adequate inventory.

3. Patient and Customer Service

The Patient and Customer Service Division has the following duties and responsibilities:

- receiving patients;
- supervising outpatient clinics;
- supervising the emergency department; and
- supervising the Customer Service division and call center to coordinate appointments and schedule doctors' clinics.

4. Medical Approvals

The Medical Approvals Division is responsible for coordinating the filing of insurance claims for health insurance subscribers.

5. Support Services

The Support Services Division assumes the following duties and responsibilities:

- providing and overseeing employee accommodation;
- providing and overseeing employee transportation;
- managing environmental services, which include cleaning, pest control and disposal of medical and non-medical waste; and
- managing the security staff.

E. IT Department

The IT Department assumes the following tasks and responsibilities:

- collaborating with the Executive Management in order to identify ways in which information technology can assist the Company in achieving its business and financial goals;
- identifying new developments and technologies in information systems;
- ensuring the adequacy of the information technology and network infrastructure to support the Company's computing, data processing and communication needs;
- developing and implementing an IT budget;
- planning the execution of goals, projects and timelines for the Company and finding technical solutions to implement the same;
- identifying long-term needs and plans for information systems, setting system development strategies and procuring the necessary software and hardware to meet those needs;
- providing high-level contact support to end-users in identifying requirements and technical solutions; and
- ensuring compliance with Government regulations applicable to system operations and data retention.

F. Al Moosa Rehabilitation Hospital (Al Ahsa) Department

The Al Moosa Rehabilitation Hospital (Al Ahsa) Department has the following duties and responsibilities:

- providing the Company's Managing Director and the Executive Management with sufficient information to fulfill their responsibilities;
- providing Executive Management with reports on the job performance and professional conduct of hospital employees;
- conducting a strategic review of performance on a regular basis to determine if the Company is achieving its short- and long-term goals;
- ensuring that the hospital complies with all applicable laws and regulations in the Kingdom;
- establishing and maintaining an effective system of communication throughout the hospital to ensure that responsibilities, authorities and accountability for all Executives are clearly defined and understood;
- ensuring an effective recruitment process with the selection of competent and experienced employees;
- delegating certain responsibilities to the appropriate Executives in order to ensure the proper functioning of the Company;
- conducting annual performance evaluations for all Executives and recommending salary adjustments, bonuses and promotions;
- developing high-quality strategies and business plans and ensuring they are aligned with the Company's goals;
- leading by example and motivating subordinates within the Company;
- making high-quality management and investment decisions that are in the best interest of the Company;
- actively participating in patient, staff and visitor safety support within the hospital by conducting walking tours and engaging in reported safety-related incidents;
- ensuring that hospital property is in good condition and operational;
- ensuring that the hospital complies to the legal and business ethics applicable in the Kingdom;
- analyzing problematic situations, providing improvement tips and solution suggestions to all Executives and building trusting relationships with partners and key stakeholders;
- ensuring reports or inquiries received from local and international organizations, including accreditation bodies, are responded to;
- keeping abreast of local and international markets and industry, professional and business trends; and
- studying periodic reports and other public information provided to facilitate proper decision-making.

G. Medical Department

The Medical Department assumes direct and strategic supervision over the Company's medical staff across all branches to ensure the maximum utilization of medical staff and the effective employment of their skills and expertise in a manner that serves the Company's plans and performance. For example, the Medical Department team carries out the following tasks:

- monitoring the overall performance of services provided by physicians, including medical procedures, in Group healthcare facilities;
- overseeing the comprehensive and interactive delivery of medical services in a team-oriented manner by physicians and nurses;
- overseeing the development and implementation of medical education strategies and plans to develop leadership skills for physicians and nursing staff;
- introducing new medical services;
- collaborating with the Human Resources Department in recruiting and selecting physicians, evaluating their performance and promoting the retention thereof;
- monitoring continuing education and development programs for physicians, including medical licenses required by physicians;
- coordinating with regulatory bodies such as the Ministry of Health and the Saudi Commission for Medical Specialties; and
- coordinating with relevant divisions to ensure that the required level of care is provided.

H. Quality and Patient Safety Department

The Quality and Patient Safety Department assumes the following duties and responsibilities:

- preparing and implementing target plans and actual assessments for international and national accreditation;
- utilizing risk management and patient safety tools, particularly in relation to infection control, to help mitigate contact risks in hospital services;
- formulating, updating, approving, disseminating and controlling hospital-wide policies and procedures in collaboration with various departments;
- reading indicators in order to measure and monitor the Company, processes, outcomes and quality of care across departments;
- maintaining a database of key performance indicators (KPIs) on a large scale and across all of the Company's services;
- analyzing data trends and recommending performance improvement through quality models to coordinate with the Business Development Department;
- assessing learning needs and planning learning activities through lectures, presentations, work processes, updates, et cetera; and
- reviewing the procedures of the various clinical care providers and advising the various clinical departments on how to improve performance and enhance the quality of the patient experience.

I. Nursing Department

The Nursing Department assumes the following duties and responsibilities:

- participating in the Leadership Committee and other Executive Committees and task forces that represent nursing services;
- developing strategic plans for the Nursing Department to align patient services with the Company's strategic goals and priorities;
- developing a workforce requirements plan for nursing services and establishing policies and procedures for nursing staffing to ensure safety, quality of care and a world-class patient care experience, as well as developing metrics and measures to ensure effective utilization of employees;
- participating in the recruitment of qualified nurses;
- overseeing the nursing staff retention and turnover prevention plan in collaboration with the Recruitment and Human Resources Department;
- developing policies and procedures to ensure the effectiveness of orientation programs for new nurses and nursing students;
- implementing administrative directives for nursing services and establishing a strategic nursing plan, mission, strategic initiatives, objectives, goals, standards, policies and procedures;
- directing the provision and quality of nursing services provided to patients;
- participating in the development and periodic review of hospital and Nursing Department policies and procedures;
- contributing to the preparation of the annual budget for nursing departments and monitoring compliance with established financial targets, including tracking staffing ratios, overtime patterns and requests;
- creating robust nursing performance improvement programs, initiatives and projects to measure the effectiveness of nursing services and setting standards to measure critical indicators for nurses, as well as initiating action plans to address discrepancies and poor performance measures;
- creating a structure for evaluating and implementing nursing trends, evidence-based practices and new technologies;
- developing policies and procedures for the career development of nursing staff;
- evaluating direct reports and monitoring the performance of all senior Nursing Department staff;
- establishing structures and processes that promote employee engagement, shared governance and participation in decision-making;
- fostering a spirit of collaboration among nursing staff to serve patients and to continue to create new services and expand existing services;

- keeping boards and executive committees informed of the challenges facing the Nursing Department; and
- ensuring compliance with Government regulations, local and international accreditation standards and safety regulations.

J. Engineering Department

The Engineering Department assumes the following tasks and responsibilities:

- developing safety management policy plans for both internal and external Company operations;
- guiding Company departments in implementing safety management plans and responding to emergencies;
- appointing a number of employees with scientific and technical qualifications and experience related to the safety of healthcare facilities;
- providing professional advice to all departments within the Company;
- providing management plans, including the implementation of policies, procedures, processes and systems, to ensure compliance with all relevant assessment and accreditation requirements;
- implementing and continuously improving Engineering Department programs, including operational and technical standards and effective metrics;
- managing the workforce within the Company's Safety Division in accordance with the plans, strategies and policies established by the Company's Managing Director, ensuring alignment with the Company's objectives;
- reviewing the plans, strategies and policies set by the Managing Director on a quarterly basis to determine objectives, scope, performance and effectiveness and submitting the proposed revisions to Management for review and approval;
- maintaining a statistical data log to identify and document facility issues, failures and user errors that pose or may pose a threat to the successful operation of the care environment;
- promoting and maintaining effective communication systems within the Department that ensure team managers/supervisors work together to achieve the Department's goals;
- motivating and fostering teamwork within the Company to ensure the achievement of defined productivity goals;
- collaborating with the team to ensure that daily maintenance (including identifying risk issues), investigations, audits and corrective and preventive actions are taken to mitigate breakdowns and minimize equipment downtime, both during regular operations and during emergencies in crisis situations; and
- training staff on technical and operational issues, workshop procedures and practices as defined by the Managing Director.

K. Business Development Department

The Business Development Department assumes the following duties and responsibilities:

- directing and managing the Company's daily operations, including planning, organizing and guiding projects to ensure their adherence to the approved plans;
- developing project management methodologies and tools that can be used across multiple projects;
- identifying potential risks involved in projects and developing risk mitigation plans wherever possible;
- communicating with clients to gather inputs regarding their needs and providing status updates on projects;
- leading a team of project managers and other project-related personnel and providing them with support and guidance;
- directing, planning and coordinating new corporate initiatives and programs, including assessment, training and team building;
- leading and guiding plan modifications in partnership with key stakeholders, ensuring that strategic initiatives and projects continue to achieve business objectives and align with the Company's strategic plan;
- implementing, managing and evaluating all project management office activities in accordance with the Company's strategic plan, analyzing project trends, identifying issues, developing solutions and recommending them to Management;
- compiling, maintaining and reporting on monthly, quarterly and annual project statistics, measuring and analyzing project performance activities against progress made, monitoring project progress and preparing reports on the same;

- providing advice to decision-makers on project and program prioritization for effective enterprise project planning and control;
- collaborating with Senior Management to ensure successful strategy execution by identifying potential issues early in the project life-cycle;
- leading the oversight and evaluation of projects and recommending necessary actions to enhance business performance, as well as providing advice, support and supervision to the Company in areas related to budgets, policies, procedures and internal control procedures;
- evaluating new project opportunities and recommending decisions on whether or not to adopt projects in line with the organization's priorities and strategic plans; and
- maintaining excellent relationships between both stakeholders and business partners and the Company.

L. Internal Audit Department

The main objective of the Internal Audit Department is to provide an independent assessment of all the Company's activities. This assessment aims to improve operational efficiency, risk management and internal control systems. In addition, the objectives of the Internal Audit Department include providing advice and recommendations to the Internal Audit Committee on improvements to internal control systems and risk management in order to achieve its mission statement and objectives. The scope of the Department's work includes:

- examining and evaluating the adequacy and effectiveness of internal control systems in the Company's various operations and activities;
- reviewing the application and effectiveness of risk management procedures and risk assessment methodologies across the Company's operations and activities;
- auditing of management and financial information systems;
- evaluating compliance with legal and regulatory requirements and approved policies and procedures;
- evaluating the effectiveness of current policies and procedures and making recommendations for improvements;
- identifying cost saving opportunities and making recommendations to improve cost efficiency;
- examining economically acquired resources, utilizing them efficiently and adequately protecting them;
- conducting special investigations as assigned by the Audit Committee and Senior Management; and
- coordinating with the External Auditor to maximize the efficiency and effectiveness of the overall audit process.

5.5.2 Members of the Executive Management

The following table lists the members of the Company's Executive Management:

Table 5.21: The Company's Executive Management

No.	Name	Position	Nationality	Age	Date of Employment with the Company	Date of Appointment to Current Position	Pre-Offering Shareholding[1]	Post-Offering Shareholding[1]
1.	Malek Abdulaziz Abdullah Almoosa	Managing Director and CEO	Saudi	41 years	22/12/1428H (corresponding to 01/01/2008G)	06/02/1433H (corresponding to 01/01/2012G)	2.85%	1.97%
2.	Michael Alexander	General Legal Counsel	American	67 years	28/06/1445H (corresponding to 10/01/2024G)	28/06/1445H (corresponding to 10/01/2024G)	N/A	N/A
3.	Shailesh Chander	CFO	Indian	52 years	09/01/1444H (corresponding to 07/08/2022G)	09/01/1444H (corresponding to 07/08/2022G)	N/A	N/A
4.	Zainab Abdulaziz Abdullah Almoosa	CEO of Al Moosa Specialist Hospital (Al Ahsa)	Saudi	42 years	14/06/1437H (corresponding to 23/03/2016G)	10/09/1444H (corresponding to 01/04/2023G)	1.43%	0.99%
5.	Sara Abdulaziz Abdullah Almoosa	Marketing and Community Partnership Director	Saudi	44 years	23/01/1429H (corresponding to 01/02/2008G)	28/02/1435H (corresponding to 01/01/2014G)	1.43%	0.99%

No.	Name	Position	Nationality	Age	Date of Employment with the Company	Date of Appointment to Current Position	Pre-Offering Shareholding[(1)]	Post-Offering Shareholding[(1)]
6.	Akram Mesfer Ayed Al-Ajami	COO	Saudi	43 years	06/11/1443H (corresponding to 05/06/2022G)	06/11/1443H (corresponding to 05/06/2022G)	N/A	N/A
7.	Diaa Aldin Ahmed Kamal Alsayed	CIO	Egyptian	49 years	20/10/1442H (corresponding to 01/06/2021G)	20/10/1442H (corresponding to 01/06/2021G)	N/A	N/A
8.	Mona Ali Khamis	CEO of Al Moosa Rehabilitation Hospital (Al Ahsa)	Lebanese	43 years	26/01/1436H (corresponding to 19/11/2014G)	17/06/1444H (corresponding to 10/01/2023G)	N/A	N/A
9.	Samer Ibrahim Abdulrahman Qara	Medical Director	Saudi	56 years	24/04/1438H (corresponding to 22/01/2017G)	24/01/1443H (corresponding to 01/09/2021G)	N/A	N/A
10.	Mahmoud Mustafa Mohamed Abdulkarim	Chief of Quality and Patient Safety Department	Jordanian	64 years	28/05/1417H (corresponding to 12/10/1996G)	02/01/1441H (corresponding to 01/09/2019G)	N/A	N/A
11.	Hera Hacob Tashjian	Chief Nursing Officer	Lebanese	50 years	04/07/1442H (corresponding to 16/02/2021G)	29/06/1442H (corresponding to 11/02/2021G)	N/A	N/A
12.	Abdul Rahim Muhammed Basim Alnatour	Director of Engineering Department	Jordanian	38 years	10/05/1436H (corresponding to 01/03/2015G)	10/05/1436H (corresponding to 01/03/2015G)	N/A	N/A
13.	Alec Krikor Saryan	Director of Business Development	Lebanese	43 years	09/06/1441H (corresponding to 03/05/2020G)	21/07/1445H (corresponding to 02/02/2024G)	N/A	N/A
14.	Mohammad Afzal Abdul Gafoor	Director of Internal Audit	Pakistani	44 years	23/10/1435H (corresponding to 19/08/2014G)	23/10/1435H (corresponding to 19/08/2014G)	N/A	N/A

(1) The indirect ownership of the Executive Management members resulted from the following: (1) Malek Abdulaziz Abdullah Almoosa owns 3% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital; (2) Zainab Abdulaziz Abdullah Almoosa owns 1.5% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital; and (3) Sara Abdulaziz Abdullah Almoosa owns 1.5% of the share capital of Abdulaziz bin Abdullah Almoosa Investment Company, which owns 95% of the Company's share capital.

Source: The Company

5.5.3 Employment Contracts with Executive Directors and the CFO

The following table summarizes the employment and service contracts between the Company, the Directors (in their capacity as Executive Management members) and the CFO:

Table 5.22: Summary of Employment and Service Contracts with Directors and the CFO

Name	Position	Date of Contract	Contract Term
Malek Abdulaziz Abdullah Almoosa	Managing Director and CEO	08/06/1444H (corresponding to 01/01/2023G)	Two years
Zainab Abdulaziz Abdullah Almoosa	CEO of Al Moosa Specialist Hospital (Al Ahsa)	13/09/1445H (corresponding to 23/03/2024G)	Two years
Sara Abdulaziz Abdullah Almoosa	Company's Marketing and Community Partnership Director	20/07/1445H (corresponding to 01/02/2024G)	Two years
Shailesh Chander	CFO	09/01/1444H (corresponding to 07/08/2022G)	Two years

Source: The Company

5.5.4 Summary Biographies of the Executive Management Members

Below are the summary biographies of the Executive Management Members:

Table 5.23: Summary Biography of Malek Abdulaziz Abdullah Almoosa

Name	Malek Abdulaziz Abdullah Almoosa
Position	Managing Director and CEO
Date of Appointment	22/12/1428H (corresponding to 01/01/2008G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus.

Source: The Company

Table 5.24: Summary Biography of Michael Alexander

Name	Michael Alexander
Age	67 years
Nationality	American
Position	General Legal Counsel
Date of Appointment	28/06/1445H (corresponding to 10/01/2024G)
Academic Qualifications	– Professional Doctorate in Law, University of California Davis, USA, 1982G. – Bachelor of Arts and French Literature, University of California, USA, 1979G.
Current Positions	– General Legal Counsel of the Company, from 2024G to date. – President of Bell Real Estate Investment Company, a U.S. limited liability company operating in real estate investment, from 2007G to date. – Director of Bell Real Estate Investment Company, a U.S. limited liability company operating in real estate investment, from 2007G to date.
Previous Key Positions	– Director of the Company, from 2018G to 2020G. – Head of the Company's Quality and Development Department, from 2018G to 2020G. – General Legal Counsel of the Company, from 2018G to 2020G. – Director of Saad Group, a Saudi limited liability company operating in various fields, from 2000G to 2009G. – Legal Director of Saad Group, a Saudi limited liability company operating in various fields, from 2002G to 2006G. – General Legal Counsel at Saad Group, a Saudi limited liability company operating in various fields, from 2007G to 2009G. – Head of the Aviation Legal Unit at Saad Group, a Saudi limited liability company operating in various fields, from 2004G to 2006G.

Source: The Company

Table 5.25: Summary Biography of Shailesh Chander

Name	Shailesh Chander
Age	52 years
Nationality	Indian
Position	CFO
Date of Appointment	09/01/1444H (corresponding to 07/08/2022G)
Academic Qualifications	– Certified Management Accountant, Institute of Management Accountants, India, 1996G. – Master of Business Administration, Mohanlal Sukhadia University, India, 1995G. – Bachelor of Commerce, Delhi University, India, 1992G.
Current Positions	Chief Financial Officer of the Company, from 2022G to date.
Previous Key Positions	– Financial Advisor at the Royal Commission for Riyadh City, a Saudi Government body operating in the field of developing the city of Riyadh, from 2021G to 2022G. – Chief Financial Officer of Mohammad Omar Bin Haider Holding Group, an Emirati private equity company engaged in various activities and holding company activities, from 2020G to 2021G. – Chief Investment Officer of East Eight Limited, a UAE limited liability company operating in the field of education, from 2019G to 2020G. – Chief Financial Officer for East Asia at GEMS Education, a Singaporean limited liability company operating in the field of operation of schools, from 2012G to 2018G. – Director of the Regional Entities of GEMS Education, a Singaporean limited liability company operating in the field of operation of schools, from 2012G to 2018G. – Chief Financial Officer of Emaar Healthcare, a UAE limited liability company operating in the healthcare industry, from 2006G to 2012G. – Chief Financial Officer of Mediclinic Middle East, a UAE limited liability company operating in the healthcare industry, from 2003G to 2006G. – Executive Assistant to the Chairman of Fortis Healthcare, an Indian listed company operating in the healthcare industry, from 2001G to 2003G. – Chief Financial Officer at HFCL, an Indian listed telecommunications company, from 1995G to 2001G.

Source: The Company

Table 5.26: Summary Biography of Zainab Abdulaziz Abdullah Almoosa

Name	Zainab Abdulaziz Abdullah Almoosa
Position	CEO of Al Moosa Specialist Hospital (Al Ahsa)
Date of Appointment	14/06/1437H (corresponding to 23/03/2016G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus.

Source: The Company

Table 5.27: Summary Biography of Sara Abdulaziz Abdullah Almoosa

Name	Sara Abdulaziz Abdullah Almoosa
Position	Marketing and Community Partnership Director
Date of Appointment	23/01/1429H (corresponding to 01/02/2008G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Directors and Secretary of the Board**" of this Prospectus.

Source: The Company

Table 5.28: Summary Biography of Akram Mesfer Ayed Al-Ajami

Name	Akram Mesfer Ayed Al-Ajami
Age	43 years
Nationality	Saudi
Position	COO
Date of Appointment	06/11/1443H (corresponding to 05/06/2022G)
Academic Qualifications	– Master's degree in Healthcare Management, Royal College of Surgeons in Ireland (RCSI), Kingdom of Bahrain, 2013G. – Certificate of the Financial Leadership Program for Executives, Harvard Business School, USA, 2023G. – Mini-MBA, Healthcare Leadership Academy, Kingdom of Saudi Arabia, 2021G. – Fellowship of the Society of Cardiovascular Specialists (FSCAI), USA, 2011G. – Registered Cardiovascular Disease Specialist, USA, 2010G.
Current Positions	Chief Operating Officer of the Company, from 2022G to date.
Previous Key Positions	– CEO of Al Salam Hospital, a Saudi limited liability company operating in the healthcare industry, from 2021G to 2022G. – CEO of Al Ahsa Medical Group, a Saudi limited liability company operating in the healthcare industry, from 2021G to 2022G. – CEO of Sulaiman Al Habib Hospital - Al Khobar, a Saudi closed joint-stock company operating in the healthcare industry, from 2018G to 2021G. – Director of Cardiovascular Services for Dr. Sulaiman Al Habib Medical Group in Saudi Arabia and Dubai, a Saudi public joint-stock company operating in the healthcare industry, from 2013G to 2018G. – Director of Cardiovascular and Catheterization Laboratory Services at Saad Specialist Hospital, a Saudi limited liability company operating in the healthcare industry, from 2012G to 2013G. – Director of the Cardiac Catheterization Laboratory at King Fahad Military Medical Complex - Dhahran, a Saudi Governmental medical complex operating in the healthcare industry, from 2004G to 2012G. – Coordinator of the Eastern Province Interventional Cardiology Club (EPICC), a Saudi medical club operating in the field of cardiology, from 2006G to 2010G. – Cardiac Technologist at Prince Sultan Cardiac Center (PSCC), a Saudi Governmental center operating in the healthcare industry, from 2003G to 2004G.

Source: The Company

Table 5.29: Summary Biography of Diaa Aldin Ahmed Kamal Alsayed

Name	Diaa Aldin Ahmed Kamal Alsayed
Age	49 years
Nationality	Egyptian
Position	Director of IT
Date of Appointment	20/10/1442H (corresponding to 01/06/2021G)
Academic Qualifications	– Master's degree in Information Systems Management, University of Liverpool, UK, 2016G. – Bachelor of Accounting, Zagazig University, Arab Republic of Egypt, 1998G.
Current Positions	Director of Information Technology at the Company, from 2021G to date.
Previous Key Positions	– Director of Information Technology Project Management for the Music Committee at the Ministry of Culture, a Government ministry operating in the field of culture, from 2020G to 2021G. – IT Director at Dr. Samir Abbas Hospital, a Saudi closed joint-stock company operating in the healthcare industry, from 2019G to 2020G. – IT Director at Magrabi Hospitals & Centers, a Saudi limited liability company operating in the healthcare industry, from 2007G to 2019G. – Systems Support Manager at Dar Al Fouad Hospital, an Egyptian limited liability company operating in the healthcare industry, from 2000G to 2007G. – Technical Support Officer at GlobalNet, an Egyptian limited liability company operating in the field of information technology, from 1998G to 2000G.

Source: The Company

Table 5.30: Summary Biography of Mona Ali Khamis

Name	Mona Ali Khamis
Age	43 years
Nationality	Lebanese
Position	CEO of Al Moosa Rehabilitation Hospital (Al Ahsa)
Date of Appointment	26/01/1436H (corresponding to 19/11/2014G)
Academic Qualifications	– PhD in Financial Management of Healthcare Organizations, Saint Joseph University, Republic of Lebanon, 2017G. – Master of Business Administration with a specialization in Healthcare Management, Jack Welch Management Institute, Strayer University, USA, 2023G. – Bachelor of Science in Physical Therapy, Saint Joseph University, Republic of Lebanon, 2002G.
Current Positions	– CEO of Al Moosa Rehabilitation Hospital (Al Ahsa) at the Company, from 2023G to date. – Director, Global Healthcare Accreditation (GHA), a global body operating in the field of healthcare accreditation, from 2023G to date. – Member of the Company's Patient Family Counselor Department, from 2015G to date. – Chairman of the Company's Patient Experience Committee, from 2015G to date. – Member of the Lebanese Order of Physiotherapists, a Lebanese syndicate operating in the field of physiotherapy, from 2002G to date.
Previous Key Positions	– President of the Saudi Physical Therapy Association - Al Ahsa, a Saudi association operating in the field of physiotherapy, from 2015G until 2018G. – Head of the Patient Experience Department at Al Moosa Specialist Hospital, a Company-owned entity, from 2014G to 2023G. – Director of Physiotherapy Department at Al Moosa Specialist Hospital, a Company-owned entity, from 2014G to 2023G. – Executive Director of Physiotherapy Services at Dr. Sulaiman Al Habib Medical Group, a Saudi public joint-stock company operating in the healthcare industry, from 2004G to 2013G.

Source: The Company

Table 5.31: Summary Biography of Samer Ibrahim Abdulrahman Qara

Name	Samer Ibrahim Abdulrahman Qara
Age	56 years
Nationality	Saudi
Position	Medical Director
Date of Appointment	24/04/1438H (corresponding to 22/01/2017G)
Academic Qualifications	– American Board of Thoracic Surgery, Cornell University and New York Hospitals, USA, 2003G. – Fellowship in Critical Care Medicine, USA, 2003G. – American Board of Critical Care Medicine, Montefiore Medical Center, the University Hospital for Albert Einstein College of Medicine, USA, 2009G. – Internal Medicine Residency Certificate, USA, 2000G. – American Board of Internal Medicine (ABIM), Cornell University Hospital, USA, 2000G. – Bachelor of Medicine, Damascus University, Syrian Arab Republic, 1993G.
Current Positions	– Medical Director of the Company, from 2023G to date. – Head of the Critical Care Department and Critical Care Consultant at the Company, from 2023G to date.
Previous Key Positions	– Director of Physicians, Head of the Critical Care Department and Critical Care Consultant for Thoracic Diseases at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2021G to 2023G. – Head of the Critical Care Department and Deputy Director of Physicians at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2019G to 2021G. – Director of the Critical Care Residency Program at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2018G to 2019G. – Head of the Critical Care Department and Critical Care Consultant for Thoracic Diseases at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, in 2019G. – Senior Deputy CEO, Medical Director, Head of Critical Care Services and Consultant Critical Care Pulmonologist at Saad Specialist Hospital, a Saudi limited liability company operating in the healthcare industry, from 2007G to 2017G.

Previous Key Positions	– Senior Consultant of Critical Care Diagnostics and Medical Operations, Deputy Chief Physician and Head of Critical Care Services Department at Saad Specialist Hospital, a Saudi limited liability company operating in the healthcare industry, from 2006G to 2007G. – Pulmonary Diseases and Critical Care Consultant at Saad Specialist Hospital, a Saudi limited liability company operating in the healthcare industry, from 2005G to 2006G. – Head of the Critical Care Department at King Fahd Hospital, a Saudi Government hospital operating in the healthcare industry, from 2004G to 2005G. – Critical Care Consultant of Thoracic Diseases at King Fahd Hospital, a Saudi Government hospital operating in the healthcare industry, from 2003G to 2004G. – Critical Care Fellow at Montefiore Medical Center, an American private non-profit healthcare company, from 2002G to 2003G. – Pulmonary Fellow in the Department of Pulmonary Medicine at the Brooklyn Hospital Center, an American private non-profit healthcare company, from 2001G to 2002G. – Pulmonary Fellow in the Department of Pulmonary Medicine at the Brooklyn Hospital Center, an American private non-profit company operating in the healthcare industry, from 2000G to 2001G. – Senior Resident in the Department of Medicine at the Brooklyn Hospital Center, an American private non-profit company operating in the healthcare industry, from 1999G to 2000G. – Resident at the Brooklyn Hospital Center, an American non-profit private company operating in the healthcare industry, from 1998G to 1999G. – Intern in the Department of Medicine at the Brooklyn Hospital Center, an American non-profit private company operating in the healthcare industry, from 1997G to 1998G.

Source: The Company

Table 5.32: Summary Biography of Mahmoud Mustafa Mohamed Abdulkarim

Name	Mahmoud Mustafa Mohamed Abdulkarim
Age	64 years
Nationality	Jordanian
Position	Chief of Quality and Patient Safety Department
Date of Appointment	28/05/1417H (corresponding to 12/10/1996G)
Academic Qualifications	– Arab Board of Internal Medicine, Syrian Arab Republic, 1994G. – Higher Diploma in Internal Medicine, University of Baghdad, Republic of Iraq, 1992G. – Bachelor of Medicine and Surgery, Salahaddin University, Republic of Iraq, 1984G. – Member of the Jordanian Society of Internal Medicine, Hashemite Kingdom of Jordan, 1994G.
Current Positions	– Chief of the Quality and Patient Safety Department at the Company, from 2023G to date. – Head of the Quality and Patient Safety Department at Al Moosa Specialist Hospital, a Company-owned entity, from 2019G to date. – Chairman of the Company's Quality Committee, from 2018G to date.
Previous Key Positions	– Chief Medical Officer at Al Moosa Specialist Hospital, a Company-owned entity, from 2017G to 2023G. – Medical Director at Al Moosa Specialist Hospital, a Company-owned entity, from 2007G to 2017G. – Medical Director at Al Moosa General Hospital, a Company-owned entity, from 2007G to 2017G. – Consultant of General Internal Medicine and Diabetes and Head of the Internal Medicine Department at Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 1996G to 2007G. – Internal Medicine Specialist at the Specialty Hospital, a Jordanian limited liability company operating in the healthcare industry, from 1994G to 1996G. – Senior Intern at the Intensive Care and Respiratory Medicine Unit at Mosul Teaching Hospital, an Iraqi government hospital operating in the healthcare industry, from 1992G to 1994G. – General Medicine Intern at Mosul Teaching Hospital, an Iraqi government hospital operating in the healthcare industry, from 1987G to 1992G. – Senior Resident at the General Medicine Hospital, an Iraqi government hospital operating in the healthcare industry, from 1985G to 1987G. – Resident at Mosul Teaching Hospital, an Iraqi government hospital operating in the healthcare industry, from 1984G to 1985G. – Chairman of the Company's Morbidity and Mortality Committee, from 1998G until 2019G. – Chairman of the Company's Medical Staff Executive Committee, in 2007G. – Chairman of the Company's Credentialing and Privileging Committee, in 2007G. – Chairman of the Company's Pharmaceutical and Therapeutics Committee, from 2018G to 2022G. – Chairman of the Company's Utilization Review Committee, from 2018G to 2022G.

Source: The Company

Table 5.33: Summary Biography of Hera Hacob Tashjian

Name	Hera Hacob Tashjian
Age	50 years
Nationality	Lebanese
Position	Chief Nursing Officer
Date of Appointment	04/07/1442H (corresponding to 16/02/2021G)
Academic Qualifications	– PhD in Nursing Research, King's College, UK, 2024G. – Certified Clinical Nurse Specialist in Adult Critical Care, American Association of Critical Care Nurses, USA, 2004G. – Master of Science in Nursing with a Clinical Nursing Focus in Adult Critical Care, Duke University School of Nursing, USA, 2002G. – Bachelor of Science in Nursing, American University of Beirut, Republic of Lebanon, 1995G.
Current Positions	Chief Nursing Officer at the Company, from 2023G to date.
Previous Key Positions	– Chief Nursing Officer, Al Moosa Specialist Hospital (Al Ahsa), a Company-owned entity, from 2021G to 2023G. – Faculty Member at Rafic Hariri School of Nursing at the American University of Beirut, a private Lebanese university operating in the field of higher education, from 2017G to 2021G. – Consultant at CAPADEV, an Emirati company operating in the field of value-based care capability development and patient experience improvement, from 2017G to 2021G. – Director of Nursing at the Lebanese American University Hospital – Rizk Hospital, a Lebanese private hospital operating in the healthcare industry, from 2014G to 2016G. – Clinical Faculty Member at Rafic Hariri School of Nursing at the American University of Beirut, a private Lebanese university operating in the field of higher education, from 2012G to 2014G. – Critical Care Clinical Nurse Specialist and Advanced Practice Nurse at the American University of Beirut Medical Center, a private Lebanese university operating in the field of higher education, from 2002G to 2012G. – Charge Nurse and Clinical Nurse III in the Cardiac Intensive Care Unit at Duke University Medical Center, a private American university operating in the field of higher education, from 1999G to 2002G. – Registered Nurse in the Coronary Care Unit at the American University of Beirut Medical Center, a private Lebanese university operating in the field of higher education, from 1995G to 1998G.

Source: The Company

Table 5.34: Summary Biography of Abdul Rahim Muhammed Basim Alnatour

Name	Abdul Rahim Muhammed Basim Alnatour
Age	38 years
Nationality	Jordanian
Position	Director of Engineering Department
Date of Appointment	10/05/1436H (corresponding to 01/03/2015G)
Academic Qualifications	Bachelor of Science in Electromechanical Engineering, Al-Balqa' Applied University (BAU), Hashemite Kingdom of Jordan, 2008G.
Current Positions	Director of the Company's Engineering Department, from 2016G to date.
Previous Key Positions	– Maintenance Manager at Farah Medical Campus, a Jordanian company operating in the field of healthcare delivery, from 2010G to 2015G. – Project Engineer for Alfanar, a Saudi limited liability company operating in the field of construction, from 2009G to 2010G.

Source: The Company

Table 5.35: Summary Biography of Alec Krikor Saryan

Name	Alec Krikor Saryan
Age	43 years
Nationality	Lebanese
Position	Director of Business Development
Date of Appointment	09/06/1441H (corresponding to 03/02/2020G)
Academic Qualifications	– Master's degree in Healthcare Quality, Harvard University, USA, 2023G. – Master of Science in Nursing Administration, American University of Beirut, Republic of Lebanon, 2012G. – Bachelor of Science in Nursing, American University of Beirut, Republic of Lebanon, 2005G.
Current Positions	Director of the Business Development at the Company, from 2024G to date.
Previous Key Positions	– Director of the Company's Nursing Education Department, from 2023G to 2024G. – Director of Nursing Quality and Safety Department at the Company, from 2021G to 2024G. – Magnet Nursing Excellence Program Director at the Company, from 2020G to 2024G. – Director of the Company's National Database of Nursing Quality Indicators (NDNQI) program, from 2020G to 2024G. – Magnet Nursing Excellence Program Director at the American University of Beirut Medical Center (AUBMC), a private Lebanese university operating in the field of higher education, from 2012G to 2020G. – Registered Nurse at the American University of Beirut Medical Center, a private Lebanese university operating in the field of higher education, from 2005G to 2011G.

Source: The Company

Table 5.36: Summary Biography of Mohammad Afzal Abdul Gafoor

Name	Mohammad Afzal Abdul Gafoor
Age	44 years
Nationality	Pakistani
Position	Director of Internal Audit
Date of Appointment	23/10/1435H (corresponding to 19/08/2014G)
Academic Qualifications	– Master of Business Administration, Al-Khair University, Pakistan, 2009G. – Bachelor of Commerce, Allama Iqbal Open University, Pakistan, 2007G.
Current Positions	Director of Internal Audit at the Company, from 2014G to date.
Previous Key Positions	– Internal Audit Supervisor at Alshifa Hospital Company, a Saudi limited liability company operating in the field of healthcare delivery, from 2011G to 2014G. – Chartered Accountant at Nexia International, a UK-based consulting joint-stock company, from 2007G to 2011G.

Source: The Company

5.6 Bankruptcy and Insolvency Proceedings Involving Directors and Executive Management

As of the date of this Prospectus, neither the Directors, nor the Executive Management members or the Board Secretary have been subject to any bankruptcy proceedings. In addition, there have been no cases of bankruptcy in the last 5 years involving a company in which any of the Directors, Executive Management members or Board Secretary was appointed by the bankrupt company to an administrative or supervisory position.

5.7 Direct and Indirect Interests of Directors and Executive Management

Except as disclosed in Section 5.3 "**Board of Directors**", Section 5.5 "**Executive Management**" and Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus, neither the Directors, nor any of the Executive Management members or the Board Secretary or any of their relatives hold any direct or indirect interest in the Company's Shares or debt instruments, nor do they have any interest in any other matter that may affect the Company's business.

Furthermore, except as disclosed in Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus none of the Directors, Executive Management members, the Board Secretary, or any of their relatives have any interest in any existing or proposed contract or arrangement with respect to the Company's business as of the date of this Prospectus.

The following table sets out the direct and indirect ownership percentages of Directors and Executive management members in the Company pre- and post-Offering. Except as disclosed below, none of the Directors or Executive Management members owns any Shares in the Company directly or indirectly as of the date of this Prospectus.

Table 5.37: Direct and Indirect Ownership of the Company's Shares by Directors and Executive Management Pre- and Post-Offering

No.	Name	Position	Direct Ownership (%)		Indirect Ownership (%)	
			Pre-Offering	Post-Offering	Pre-Offering	Post-Offering
1.	Abdulaziz Abdullah Abdulwahab Almoosa	Chairman	N/A	N/A	77.20%	53.92%
2.	Malek Abdulaziz Abdullah Almoosa	Managing Director and CEO	N/A	N/A	2.85%	1.97%
3.	Zainab Abdulaziz Abdullah Almoosa	Vice Chairman and CEO of Al Moosa Specialist Hospital (Al Ahsa)	N/A	N/A	1.43%	0.99%
4.	Sara Abdulaziz Abdullah Almoosa	Director and Marketing and Community Partnership Manager	N/A	N/A	1.43%	0.99%

Source: The Company

The following table details the agreements and transactions with Related Parties in which the Directors and Executive Management of the Company hold an interest (for further information regarding these agreements, please refer to Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus).

Table 5.38: Details of Agreements and Transactions with Related Parties in Which Directors and the Executive Management of the Company Hold an Interest

No.	Agreement/Transaction	Value Of Outstanding Balances in Favor of the Company as of the Financial Year Ended 31 December 2023G (SAR)	Value Of Outstanding Balances in Favor of the Company as of the Three-Month Period Ended 31 March 2024G (SAR)	Interested Directors and Executive Management Members	Type of Interest	Reason for Interest
1.	Master Alliance Agreement between the Company, Almoosa College of Health Sciences, Almoosa Automatic Doors and Almoosa Real Estate	N/A	N/A	Abdulaziz Abdullah Abdulwahab Almoosa, Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa, and Sara Abdulaziz Abdullah Almoosa	Indirect	Abdulaziz Abdullah Abdulwahab Almoosa owns more than 5% of the share capital of Almoosa College of Health Sciences, Almoosa Automatic Doors and Almoosa Real Estate and is related to Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa and Sara Abdulaziz Abdullah Almoosa

No.	Agreement/Transaction	Value Of Outstanding Balances in Favor of the Company as of the Financial Year Ended 31 December 2023G (SAR)	Value Of Outstanding Balances in Favor of the Company as of the Three-Month Period Ended 31 March 2024G (SAR)	Interested Directors and Executive Management Members	Type of Interest	Reason for Interest
2.	Transactions with Almoosa College of Health Sciences	245,805	(13,501)	Abdulaziz Abdullah Abdulwahab Almoosa, Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa, and Sara Abdulaziz Abdullah Almoosa	Indirect	Abdulaziz Abdullah Abdulwahab Almoosa owns more than 5% of the share capital of Almoosa College of Health Sciences and is related to Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa, and Sara Abdulaziz Abdullah Almoosa
3.	Transactions with Almoosa Automatic Doors	3,724,769	3,920,585	Abdulaziz Abdullah Abdulwahab Almoosa, Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa, and Sara Abdulaziz Abdullah Almoosa	Indirect	Abdulaziz Abdullah Abdulwahab Almoosa owns more than 5% of the share capital of Almoosa Automatic Doors and is related to Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa and Sara Abdulaziz Abdullah Almoosa
4.	Conveyance of Land Agreement with Abdulaziz Abdullah Abdulwahab Almoosa*	-	-	Abdulaziz Abdullah Abdulwahab Almoosa	Direct	Agreement with Chairman Abdulaziz Abdullah Abdulwahab Almoosa
				Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa and Sara Abdulaziz Abdullah Almoosa	Indirect	The agreement was concluded with the Chairman, Abdulaziz Abdullah Abdulwahab Almoosa, who is related to Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa and Sara Abdulaziz Abdullah Almoosa

* Abdulaziz Almoosa entered into a loan agreement with the Ministry of Finance, which includes a mortgage on the plot encompassing Al Moosa Specialist Hospital (Al Ahsa) - South Tower. The Company entered into a Conveyance of Land Agreement with Abdulaziz Abdullah Almoosa on 09/09/1445H (corresponding to 19/03/2024G), under which the ownership of the plot encompassing Almoosa Specialist Hospital (Al Ahsa) is located was conveyed from Abdulaziz Almoosa to the Company, and the Company shall bear the repayment of all outstanding amounts under the loan provided by the Ministry of Finance. The outstanding loan amount under the Loan Agreement with the Ministry of Finance and the Plot Conveyance Agreement entered into with Abdulaziz Abdullah Abdulwahab Almoosa is not reflected as an outstanding balance for Abdulaziz Almoosa. This is because the loan amount from the Ministry of Finance is recorded as a financial transaction between the Company and the Ministry of Finance, rather than between the Ministry of Finance and Abdulaziz Almoosa in his personal capacity. Accordingly, this amount is reflected in the Company's financial statements as a balance due by the Company to the Ministry of Finance under the Loan Agreement and the Conveyance Agreement between Abdulaziz Almoosa and the Company.

Source: The Company

5.8 Remuneration of the Directors and Executive Management Members

The following table details the remuneration and benefits awarded by the Company to the Directors and the 5 highest-paid Executive Management members, including the Managing Director, CEO and CFO, during the past three financial years and the three-month period ended 31 March 2024G:

Table 5.39: Remuneration of Directors and Executive Management Members for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

SAR	Financial Year Ended 31 December			Three-Month Period Ended 31 March 2024G
	FY 2021G	FY 2022G	FY 2023G	
Directors	SAR 712,000	SAR 712,000	SAR 712,000	N/A
Executive Management members including the Managing Director, CEO and CFO	SAR 5,522,000	SAR 5,636,550	SAR 7,138,600	SAR 1,338,000

Source: The Company

5.9 Corporate Governance

The Company adopted its Internal Governance Manual pursuant to the Extraordinary General Assembly resolution dated 15/09/1445H (corresponding to 24/03/2024G) as per Article 91 of the Corporate Governance Regulations, which includes the Audit Committee Charter pursuant to Article 51 of the Corporate Governance Regulations, and the Nominations and Remuneration Committee Charter pursuant to Articles 57 and 61 of the Corporate Governance Regulations. Below is a summary of all of the internal governance regulations adopted by the Company as of the date of this Prospectus:

- The Internal Governance Manual adopted by virtue of the Extraordinary General Assembly resolution dated 15/09/1445H (corresponding to 24/03/2024G), as amended pursuant to the Extraordinary General Assembly resolution dated 16/10/1445H (corresponding to 25/04/2024G), which includes a number of regulations and policies required by the Corporate Governance Regulations, including the Dividend Distribution Policy, the Board of Directors' Charter, the Compliance and Disclosure Policy, policies, standards and procedures for membership of the Board of Directors, the Audit Committee Charter, the Nomination and Remuneration Committee Charter, the Remuneration Policy, the internal control system, the Complaints Policy and the Professional Conduct Policy.
- The Conflicts of Interest and Related Party Transactions Policy adopted by virtue of the Extraordinary General Assembly resolution dated 15/09/1445H (corresponding to 24/03/2024G).
- The Compliance Policy adopted by virtue of the Extraordinary General Assembly resolution dated 15/09/1445H (corresponding to 24/03/2024G).
- The Delegation of Authority Policy adopted by virtue of the Extraordinary General Assembly resolution dated 15/09/1445H (corresponding to 24/03/2024G); and
- The Stakeholder Engagement Policy adopted by virtue of the Extraordinary General Assembly resolution dated 15/09/1445H (corresponding to 24/03/2024G).

The Company's Internal Governance Manual includes provisions related to the following:

- Shareholders' rights, in accordance with Articles 4 to 9 of Part 2 of the Corporate Governance Regulations.
- Rights related to General Assembly meetings, in accordance with Articles 10 to 15 of Part 2, Chapter 2 of the Corporate Governance Regulations.
- The Board of Directors, its composition, competencies and procedures, in accordance with Articles 16 to 46 of Part 3 of the Corporate Governance Regulations.
- Executive Management and its powers and responsibilities, in accordance with Article 25 of the Corporate Governance Regulations.
- The Company's Committees, their membership and meetings, in accordance with Articles 47 to 66 of Part 4 of the Corporate Governance Regulations.
- Internal control, in accordance with Articles 70 to 76 of Part 5 of the Corporate Governance Regulations.
- The Auditor, in accordance with Articles 77 to 79 of Part 6 of the Corporate Governance Regulations.

- Stakeholders, in accordance with Articles 80 to 82 of Part 7 of the Corporate Governance Regulations.
- Professional and ethical standards, in accordance with Articles 83 to 85 of Part 8 of the Corporate Governance Regulations.
- Disclosure and transparency, in accordance with Articles 86 to 90 of Part 9 of the Corporate Governance Regulations.

The Company is compliant with the mandatory governance requirements applicable to listed joint-stock companies in accordance with the Corporate Governance Regulations, with the exception of certain provisions that the Company does not currently adhere to due to the fact that the Company's Shares are not yet listed on the Exchange. These provisions are as follows:

- Paragraph (a) of Article 8 with respect to the announcement of the information of nominees for membership of the Board of Directors on the website of the Exchange upon the publication or issuance of the call for the General Assembly.
- Paragraph (b) of Article 8 with respect to the limitation of voting at the General Assembly to nominees whose information has been declared in accordance with Paragraph (a) of Article 8.
- Paragraphs (d) and (e) of Article 13 with respect to the publication of the call for the General Assembly on the websites of the Exchange and the Company.
- Paragraph (c) of Article 14 regarding making available information related to the General Assembly items to Shareholders through the websites of the Exchange and the Company.
- Paragraph (d) of Article 15 with respect to providing the CMA with a copy of the minutes of the General Assembly meeting.
- Paragraph (e) of Article 15 with respect to the announcement to the public and notification of the CMA and the Exchange of the results of General Assembly meetings immediately upon conclusion thereof.
- Paragraph (d) of Article 17 regarding notifying the CMA of the names of the Directors, the status of their membership and any changes that occur thereto.
- Paragraph (b) of Article 30 concerning Board meetings.
- Article 54 regarding Audit Committee meetings.
- Article 65 relating to the Company's publication of the announcement of candidacy for the Board of Directors on the websites of the Company and the Exchange in order to invite persons wishing to run for membership of the Board.
- Articles 74, 75, and 78 relating to the internal audit plan, audit report and appointment of the Auditor.
- Articles 86, 87, 88, Paragraph (b) of Article 89 and Article 90 relating to disclosure and procedures thereof.

5.10 Conflicts of Interest

Neither the Company's Bylaws nor the Company's internal regulations and policies grant any Director the power to vote on any contract or offer in which they have a direct or indirect interest. This is in accordance with Articles 27 and 71 of the Companies Law, which stipulate that a Director may not have any interest, whether directly or indirectly, in the transactions or contracts made for the account of the Company, except with an authorization from the General Assembly.

Pursuant to the aforementioned article, a Director must inform the Board of any personal interests they have in transactions and contracts concluded for the account of the Company. The Chairman shall inform the General Assembly, when it convenes, of any transactions or contracts in which any Director has a personal interest. The Chairman shall also disclose any business in which Directors are involved that competes with the Company. Such disclosure shall be accompanied by a special report from the Auditor and such notification shall be recorded in the minutes of the Board meeting. The conflicted Director may not participate in voting on the resolution to be adopted in this respect. Based on the foregoing, the Directors declare that they will:

- Comply with Articles 71 and 72 of the Companies Law and Articles 44 and 46 of the Corporate Governance Regulations.
- Refrain from voting on contracts concluded with Related Parties in General Assembly meetings if they have a direct or indirect interest therein.

- Refrain from engaging in competition with the Company's business and ensure that all future transactions with Related Parties are conducted on an arm's length basis, in accordance with Articles 27 and 72 of the Companies Law.

5.11 Employee Shares

Except as set out in Section 5.12 "**Shares Allocated for Subscription by the Company's Employees**", the Company does not have any employee share schemes in place prior to the application for the registration and offer of securities subject to this Prospectus. Except as disclosed in Section 5.3 "**Board of Directors**" and Section 5.5 "**Executive Management**" of this Prospectus, none of the Company's employees own Shares in the Company nor are there any other arrangements involving employees in the Company's share capital (for further information regarding the Company's employees and Saudization commitments, please refer to Section 4.15 "**Employees**" of this Prospectus).

5.12 Shares Allocated for Subscription by the Company's Employees

The Company has allocated one hundred thirty-one thousand two hundred fifty (131,250) ordinary Shares (representing up to 0.30% of the Company's capital after the capital increase) (hereinafter referred to as the "Employee Investment Fund Shares") for the Employee Investment Fund to purchase from the Selling Shareholder after completing the Book Building process and determining the final Offer Price, according to the final price determined by the Participating Parties. The fund will determine the number of Shares to be purchased. Shares allocated to the Employee Investment Fund are not included in the Offer Shares and are additional shares from the Selling Shareholder. It is to be noted that an Employee Investment Fund has been established for the purpose of purchasing up to one hundred thirty-one thousand two hundred fifty (131,250) ordinary Shares at the final Offer Price on behalf of eligible employees wishing to invest in the Offer Shares. The Fund units will be proportionally allocated to eligible employees based on the amounts they invest in the Employee Investment Fund. If the Employee Investment Fund does not purchase all of the shares allocated to it, the purchased shares will be returned to the Selling Shareholder.

6. Management's Discussion and Analysis of Financial Position and Results of Operations (MD&A)

6.1 Introduction

The Management's Discussion and Analysis section of this Prospectus provides an analytical view of Almoosa Health Company operating performance and its financial position for the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2023G and 2024G, and the reviewed financial statements ("**Reviewed Financial Statements**") for the three-month period ended 31 March 2023G and 2024G, which must be read in conjunction with the financial statements.

This section and the accompanying notes have been prepared on the basis of the audited financial statements of the Company ("**Financial Statements**") for the financial years ended 31 December 2022G (which includes the comparative period ended 31 December 2021G) and 2023G (which includes the comparative period ended 31 December 2022G), which were audited by KPMG Professional Services ("**KPMG**") in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and the reviewed financial statements for the three-month period ended 31 March 2024G (which includes the comparison period ended 31 March 2023G), as stated in its report included elsewhere in the prospectus as stated in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus.

The Company has applied the International Financial Reporting Standards ("**IFRS**") that are 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**") (together referred to as ("**IFRS as endorsed in KSA**") in preparing its financial statements for the financial years ended 31 December 2022G, 2023G, and the three-month period ended 31 March 2023G and 2024G.

In 2021G, the Company had applied the International Financial Reporting Standards for Small and Medium-sized Entities ("**IFRS for SMEs**") that are endorsed in the Kingdom of Saudi Arabia and other relevant pronouncements endorsed by Saudi Organization for Chartered and Professional Accountants. For the purpose of the IPO and submission to the Capital Market Authority, the special purpose audited financial statements for the financial year ended 31 December 2021G, which were audited by KPMG, has been prepared in accordance with the International Financial Reporting Standards 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.

Neither KPMG nor any of its subsidiaries, employees (who form part of the team responsible for providing services to the Company) or any of their relatives own any shares or interest of any kind in the Company that would affect their independence as of the date of the audited financial statements of the Company. KPMG has provided its written consent to refer in this Prospectus to its role as the independent auditor for the Company's audited financial statements for the financial years ended 31 December 2021G, 2022G, 2023G, and the three-month period ended 31 March 2023G and 2024G and they have not withdrawn that approval as of the date of issuance of this Prospectus.

The above-mentioned audited financial statements also form an integral part of this Prospectus, and this section must be read along with these financial statements and the accompanying notes. These financial statements have been included in the Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus.

All amounts in this section have been rounded to the nearest thousand Saudi Arabian Riyal unless otherwise indicated. The "CAGR" refers to the compound annual growth rate over the period. The numbers and percentages have been rounded to the nearest decimal place. Therefore, the total of these numbers may differ from what is shown in the tables.

The financial information of the Company for the financial years ended 31 December 2021G, 2022G, and 2023G, presented in this Prospectus, is derived from the special purpose audited financial statements of the Company for the financial year ended 31 December 2021G and from the audited financial statements for the financial years ended 31 December 2022G and 2023G, and the financial information for the three-month period ended 31 March 2023G and 2024G from the reviewed financial statements for the three-month period ended 31 March 2024G.

This section may include statements of a forward-looking nature related to the future capabilities of the Company, based on management's plans and expectations regarding the Company's growth, results of operations and financial position, as well as the risks and uncertainties associated with it. The Company's actual results may differ materially from anticipated as a result of numerous factors, risks and future events, including those discussed in this section of the Prospectus or elsewhere thereof, particularly in the Section 2 "**Risk Factors**" of this Prospectus.

6.2 Directors' Declaration on the Financial Statements

1. The Board of Directors acknowledge that the financial information contained in this section has been extracted without material change and is presented in accordance with the special purpose audited financial statements of the Company for the financial years ended 31 December 2021G and the audited financial statements of the Company for the financial years ended 31 December 2022G and 2023G, and the reviewed financial statement for the three-month period ended 31 March 2024G (which include the comparative period ended 31 March 2023G) which were prepared by the Company in accordance with IFRS as endorsed in KSA.
2. The Board of Directors declares that the Company has working capital sufficient for a period of at least 12 months from the date of this Prospectus.
3. Other than as stated in this prospectus, neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the issuer.
4. The Board of Directors declares that there have been no material adverse changes to the Company's financial or business position in the three (3) financial years directly preceding the date of the application for the registration and offer of securities subject to this Prospectus, in addition to the end of period covered in the Auditor's report until the date of issuing this Prospectus.
5. The Board of Directors declare that all material facts related to the Company and its financial performance have been disclosed in this Prospectus, and that there are no other information, documents, or facts, the omission of which would make any statement herein misleading.
6. The Board of Directors declare that there is no intention to introduce any material changes to the nature of the Company's activities.
7. The Board of Directors confirms that operations have been not discontinued in a way that could affect or has affected the Company's financial position materially during the past 12 months.
8. The Board of Directors declare that there are no reservations in the Auditor's report on the issuer's financial statements for any of the three (3) financial years immediately preceding the date of filing the application for registration and offering of securities subject to this prospectus.
9. The Board of Directors declares that there have been no structural changes in the issuer during the three (3) financial years immediately preceding the date of filing the application for the registration and offer of securities that are the subject of this Prospectus.
10. The Board of Directors declares that the Company do not have any properties, including contractual financial securities or other assets, which may be subject to fluctuations in value or may be difficult to estimate, which may materially affect the assessment of the financial position except as disclosed in Section 6.9.2 ("**Statement of financial position**") and Section 6.11.2 ("**Statement of financial position**") of this Prospectus.
11. The Board of Directors declares that no commissions, discounts, brokerage fees or non-cash compensation have been granted by the Company to any of the members of the Board of Directors, senior executives, or those offering or offering securities or experts during the three (3) financial years directly preceding the date the application for admission and offering of the securities subject to this Prospectus was submitted.
12. Except as disclosed in Section 11.4.7 "**Financing Agreements**" of this Prospectus, the Company has not issued debt instruments, term loans, secured or unsecured mortgages, or current or approved but not issued, and that the Company does not have any loans or other debts, including overdrafts from bank accounts. The Board of Directors further declares that there are no guarantee obligations (including those covered by personal guarantee and not covered by personal guarantee or secured by a mortgage or not secured by a mortgage), obligations pending approval, acceptance credits or lease purchase commitments.
13. Other than what was disclosed in Section 11 "**Legal Information**" and other sections of this Prospectus, the Board of Directors declares that - to their knowledge - there are no mortgages, rights, or any encumbrances or costs on the Company's property as of the date of this Prospectus.

14. The Board of Directors declare that the Company share capital are not under option.
15. The Board of Directors declare that the Company has no contingent liabilities, guarantees or any significant fixed assets to be purchased or leased, other than what was disclosed in Section 2.1.41 "**Risks Related to Capital and Contingent Liabilities**" of this Prospectus.
16. Except as disclosed in Section 6.9.2.5 "**Shareholders' Equity**", the Company has not made any amendments in the share capital during the three (3) financial years immediately preceding the date of filing the application for registration and offering of securities subject to this prospectus.
17. The Board of Directors declares that the Company has no information on any governmental, economic, financial, monetary, or political policies, or any other factors, that have affected or could have a material impact (directly or indirectly) on the Company's operations, except as disclosed in Section 2 "**Risk Factors**" of this Prospectus.
18. The Board of Directors declare that the Company is not aware of any seasonal factors or economic cycles related to the activity that may have an impact on the Company's business or financial condition.
19. The Board of Directors declares that there has been no material change in the accounting policies of the issuer during the three (3) financial years immediately preceding the date of submitting the application for registration and offering of securities subject to this prospectus, in addition to the period covered in the auditor's report up to the date of issuance of this Prospectus.

6.3 Company Overview

Almoosa Health Company (the "**Company**") (formerly "**Almoosa Specialist Hospital Company**") is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2252022248 dated 06/08/1435H (corresponding to 04/06/2014G).

The Company was previously registered as a Branch of a sole proprietorship formed in the Kingdom of Saudi Arabia registered under commercial registration number 2252012962 dated 06/09/1414H (corresponding to 17/02/1994G). Abdulaziz AlMoosa Establishment was a sole proprietorship owned by Mr. Abdulaziz AlMoosa registered under commercial registration number 2252023498 dated 14/06/1409H (corresponding to 22/01/1989G) in Al Ahsa, Kingdom of Saudi Arabia. On 06/08/1435H (corresponding to 04/06/2014G), the name and commercial registration number of the Branch was changed to Almoosa Specialist Hospital Company and 2252022248 respectively.

In 2018G, the legal status of the Company was changed from a Branch to a Limited Liability Company and the related ministerial approval on the conversion was obtained on 10/10/1439H (corresponding to 24/06/2018G). In 2020G, the shareholders of the Company resolved to convert the Company from a Limited Liability Company to a Closed Joint Stock Company. The shareholders passed the resolution to convert the legal entity from single member limited liability company into closed joint stock company dated 14/02/1442H (corresponding to 01/10/2020G).

The Board of Directors ("**BoD**") of the Company recommended to shareholders on 13/07/1445H (corresponding to 25/01/2024G) to initiate legal formalities to file for an Initial Public Offering ("**IPO Application**") with the relevant regulatory authorities in the Kingdom of Saudi Arabia. Accordingly, the shareholders of the Company passed a resolution on 17/07/1445H (corresponding to 29/01/2024G) and approved the IPO Application. The management is in the process of listing the Company's shares and has appointed financial and legal advisers to carry out the required procedures.

The principal activities of the Company are to act as a private healthcare provider, storing medical items and selling medicine, cosmetics and disposable medical items. The Company's registered office is in Al Ahsa, Kingdom of Saudi Arabia.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to 30/06/2022G) (hereinafter referred as "**the Law**") came into force on 26/06/1444H (corresponding to 19/01/2023G). For certain provisions of the Law, full compliance is expected not later than two years from 26/06/1444H (corresponding to 19/01/2023G). The management is in the process of assessing the impact of the New Companies Law and will amend its bylaws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended bylaws to the shareholders/partners in their Extraordinary/Annual General Assembly meeting for their ratification.

The financial statements of the Company include activities and results of the following branches:

Table 6.1: List of branches

Branch Name	Commercial Registration No.	Registration Date	Location
AlMoosa Medical Pharmacy	2252023498	09/08/1415H (corresponding to 09/01/1995G)	Al Ahsa
Abdulaziz AlMoosa Drug Store	2252053792	22/09/1434H (corresponding to 29/07/2013G)	Al Ahsa
AlMoosa Hospital Medical Supplies Warehouse	2252069957	25/04/1439H (corresponding to 12/01/2018G)	Al Ahsa
AlMoosa Specialist Hospital Company	2051241163	13 /09/1443H (corresponding to 14/04/2022G)	Al Ahsa
Almoosa Gym	2031112804	05/02/1445H (corresponding to 21/08/2023G)	Al Ahsa
Almoosa for rehabilitation and LTC	2031110416	04/02/1444H (corresponding to 31/08/2022G)	Al Ahsa
The Leaf Kitchen	2252106494	08/10/1443H (corresponding to 09/05/2022G)	Al Ahsa

6.4 Key Factors Affecting the Company's Operations

6.4.1 The Company's revenue is generated from its two hospitals located in the Eastern region of Saudi Arabia

The Company's revenue was concentrated within the Eastern province of Saudi Arabia and both hospitals are based in the Al Ahsa municipality. In case of a suspension of the Company's operations in any of the healthcare facilities, whether partial or complete, as a result of any factors that can negatively impact the operations or as a result of increased competition or a decrease in the number of patients, this would lead to a decrease in revenue which would result in a negative and material impact on the Company's operations, results, financial position, and future outlook.

Factors that may negatively impact the Company's revenue and profitability can be:

- Operational issues faced in the hospital and clinics;
- Increased competition from private healthcare service providers;
- Challenges to attract and retain qualified medical, nursing, and other healthcare service personnel;
- Changes in demographics in the Eastern region; and
- Regulatory changes in the healthcare services sector.

6.4.2 The Company's revenue depends largely on major insurance companies

The Company's revenue contribution from insurance patients amounted to 37.8%, 43.1%, 45.6%, and 48.2% of total gross revenue in 2021G, 2022G, and 2023G, and three-month period ended 31 March 2024G respectively. In the event that any of the major insurance companies decides to terminate all or some of its contracts, or if it requests to renew its contract with the Company on unfavourable terms, or renegotiates a previously agreed upon price or scope of coverage, or the company fails to implement its financial contractual obligations, or claims submitted by the Company under the relevant agreement are rejected, this may result in a decrease in the Company's revenues and / or the number of patients referred by the major insurance companies to the Company's facilities (for further information, please refer to Section 2.1.7 "**Risks Related to the Collection of Receivables**" and Section 2.1.8 "**Risks Related to Discounts and Rejected Claims**", which would result in a negative and material impact on the Company's operations, results, financial position, and future outlook.

6.4.3 Rejections

The amounts paid by insurance companies in the Kingdom of Saudi Arabia for health care services are subject to lengthy procedures that include claims review and audit, which generally vary from one insurance company to another. Failure to comply with the procedures of any of these companies may result in rejection . Audit and review procedures related to the quality and price of services requested by patients with health insurance coverage, payment procedures and associated requirements are also subject to periodic review and change. Therefore, all or some of the claims submitted by the Company may be rejected as a result of non-compliance with the relevant procedures or for administrative or technical reasons. In the event that the Company's claims are rejected, in whole or in part, this would result in a negative and material impact on the Company's operations, results, financial position, and future outlook.

6.4.4 Capital work in progress

As at 31 March 2024G, the Company's capital work-in-progress amounted to SAR 248.6 million and mainly related to projects under development. Consideration should be given to the Company's ability to finance its projects under development through operating cash flows or debt financing. In case of debt financing, consideration should be given to the impact of the debt obligations and the debt services costs on the Company's profitability, working capital, and cash flows.

6.4.5 Loans exposure

As at 31 March 2024G, the Company's financial debt amounted to SAR 1.2 billion.

The Company's debt balance increased from SAR 494.7 million as at 31 December 2021G to SAR 1.2 billion as at 31 March 2024G mainly due to additional loans taken for capex spending requirements related to the Rehabilitation hospital and the North Tower of the acute care hospital. Finance agreements include certain conditions and requirements such as timely repayment of outstanding balances, maintaining certain financial ratios as stipulated in the banks' covenants, among other conditions and requirements. Moreover, these outstanding payments incur high levels of financial costs (1.4%, 2.2%, and 6.1% of revenue in 2022G and 2023G, and three-month period ended 31 March 2024G respectively). Consideration should be given to the impact that the large outstanding debt has on the Company's financial position, cash flows, and profitability (attributable to the financial costs incurred on the outstanding debt).

6.5 Basis of Preparation

Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("**SOCPA**") (collectively referred to as "**IFRS as endorsed in KSA**").

Basis of measurement

These financial statements have been prepared on a historical cost basis except for derivative financial instruments which are measured at fair value and employees' end-of-service benefits obligation which is measured at the present value of the obligations as explained in the relevant accounting policy.

Functional and presentation currency

These financial statements are presented in Saudi Riyals (SAR) which is the Company's functional currency. All financial information presented in these financial statements have been rounded off to the nearest Saudi Riyals, unless otherwise stated.

6.6 Summary of Significant Accounting Policies

The Company also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023G. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in the below Material Accounting Policies (2022G: Significant accounting policies) in certain instances in line with the amendments.

Current and non-current assets

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

External valuers are involved for valuation of significant assets, whenever required. The involvement of external valuer is decided by the Company after discussion and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The

Company decides, after discussions with the Company's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Revenue recognition

The Company generates its revenue from sale of pharmaceuticals and rendering of inpatient and outpatient services over time and at a point in time. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The goods and services are sold both on their own in separately identified contracts with customers and together as a bundled package of goods and/or services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Operating revenue

Revenues are measured at the transaction price which is the amount of consideration that the Company expects to be entitled to in exchange for the services provided. Revenue primarily comprises fees charged for inpatient and outpatient hospital services. For operating revenues, the revenue is recognized when the treatment is provided, and the invoice is generated (i.e., after satisfaction of performance obligation). Net patient services revenue is recognised at the estimated net realisable amounts from the third-party payers (insurance companies) and others for the services rendered, net of estimated retroactive revenue adjustments (rejection of claims) when the related services are rendered. Unbilled revenue is recorded for the service rendered where the patients are not discharged, and final invoice is not raised for the services.

Some contracts include variable considerations such as claims disallowed (rejection of claims) which is not paid by third-party payor, volume discount and prompt payment discount. Discounts comprise retrospective volume discounts granted to certain insurance companies on attainment of certain levels of business and constitute variable consideration. These are accrued over the course of the arrangement based on estimates of the level of business expected and are adjusted against revenue at the end of the arrangement to reflect actual volumes. The normal business process associated with transactions with insurers includes amount of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Accordingly, the Company expects an amount of consideration that is less than what was originally invoiced. These disallowances constitute a variable consideration and are assessed based on all information (historical, current, and forecast) that is reasonably available to the Company and identify a reasonable number of possible consideration amounts. Management estimates variable consideration using the single most likely amount method for prompt payment discount.

Revenue from inpatient services is recognized over a period of time and outpatient services are recognized at the point in time.

Sale of goods

Sales of goods represents the invoiced value of medicines and drugs supplied by the Company. The Company's contracts with customers for the sale of medicines and drugs generally include one performance obligation. Revenue from sale of medicines and drugs is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery/dispensing of the medicines and drugs.

Property and equipment

Property and equipment excluding land and construction work in progress (CWIP) are carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Freehold land and properties under construction are not depreciated.

The following useful lives are used in the calculation of depreciation:

Asset	Years
Buildings	33 years
Elevators and office equipment	6.67 years
Medical equipment and tools	10 years
Furniture and fixture	6.67 years
Motor vehicles	4 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Construction work in progress (CWIP)

CWIP is recognized at cost less accumulated impairment, if any. CWIP is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

Land is recognised at cost, less impairment, if any.

Intangible assets

Intangible assets represent the software license and operating license of hospital. They are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives ranging between 3 to 10 years. Useful lives are reviewed at each reporting date.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Currently, Company has no contract which includes lease and non-lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets to restore the underlying assets or the site on which it is located less any lease incentive returned.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability mainly comprise of fixed lease payments.

The lease liability is subsequently carried at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Company as a lessor

The Company enters into lease agreements as a lessor with respect to some of its building properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate consideration under the contract to each component.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and initial measurement

Accounts receivable and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through OCI ("**FVOCI**"); or fair value through profit or loss ("**FVTPL**").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model and assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The Company holds derivative financial instruments to hedge its interest rate risk exposures. Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies the general approach to provide for ECLs on all other financial instruments. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivable and contract assets, the Company applies a simplified approach in calculating ECLs.

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company assesses all the information available, including past due status, credit ratings, the existence of third-party insurance and forward-looking economic factors in the measurement of the expected credit losses associated with its accounts receivable and contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time. An asset's recoverable amount is the higher of an asset's or Cash Generating Units ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition and calculated on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet, if any.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liability

Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at a rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed in the statement of profit or loss and other comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied, are added to or deducted from the cost of the asset.

Contingencies

Contingent liabilities are not recognised in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable. A contingent asset becomes a realized asset recordable on the statement of financial position when the realization of cash flows associated with it becomes relatively certain.

Zakat and tax

Zakat

The Company is subject to the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is charged to the statement of profit or loss on an accruals basis. The Zakat charge is computed on the Saudi shareholders' share of the zakat base or adjusted net profit whichever is higher. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Value added tax

Expenses and assets are recognised net of the amount of value added tax ("VAT"), except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.
- The net amount of VAT recoverable from, or payable

Employees' benefits

Retirement benefit costs and termination benefits

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in profit or loss in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Critical Accounting Estimates and Judgements

The preparation of the Company's financial statements in conformity with IFRS, as endorsed in KSA, requires management to make judgements, 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 Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Further, certain estimates and assumptions include the direct and indirect impact of the COVID-19 pandemic on the Company's business, financial condition and results of operations. The economic impact of the pandemic on the Company's business depends on its severity and duration, which in turn depend on highly uncertain factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for expected credit losses of accounts receivable

The Company uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., payor groups). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Employees' end-of-service benefits

The cost of the employees' end-of-service benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Revenue recognition – estimating variable consideration

The Company estimates variable considerations to be included in the transaction price in respect of each of its agreement with customers. In making such estimate the Company assess the impact of any variable consideration in the contract, customers' right to volume discounts, prompt payment discounts and claims disallowance of certain services provided to the patients upon submission of invoices to the customers. The Company uses its accumulated historical experience to estimate the percentage. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected adjustments estimated by the Company.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash flows ("DCF") model. The cash flows are derived from the budget and marketing terms forecast for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the growth rate used for extrapolation purposes.

Useful lives of property and equipment

Management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods.

Useful lives of intangible assets

Management reviews the amortization period and the amortization method for any intangible asset with a finite useful life at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the Company changes the amortization period accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the Company changes the amortization method to reflect the changed pattern.

Incremental borrowing rate for lease agreements

The Company cannot readily determine the interest rate implicit in the lease agreement, therefore, it uses its Incremental Borrowing Rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

Determining the lease term of contracts

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

6.7 New and Amended Standards Issued but not yet Adopted

New standards and amendments not yet adopted

New and amended standards with no material effect on the financial statements

The following revised IFRSs have been adopted. The application of these amended IFRSs did not have any material impact on the amounts reported for current and prior periods.

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

A number of new standards are effective for annual periods beginning after 1 January 2023G and earlier application is permitted; however, the Company has not adopted the new or amended standards early in preparing these financial statements.

- Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS (1)).
- Supplier Finance Arrangements (Amendments to IAS (7) and IFRS (7)).
- Lease Liability in a Sale and Leaseback (Amendments to IFRS (16)).
- Lack of Exchangeability (Amendments to IAS (21)).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS (10) and IAS (28)) with effective annual period yet to be determined.

The above-mentioned standards are not expected to have a significant impact on the financial statements of the Company.

6.8 Summary of Financial Information and Key Performance Indicators for the financial years ended 31 December 2021G, 2022G, and 2023G

Table 6.2: Statement of Profit or Loss and other comprehensive income for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Revenue	701,542	816,039	978,975	16.3%	20.0%	18.1%
Cost of revenues	(486,902)	(577,015)	(671,977)	18.5%	16.5%	17.5%
Gross profit	**214,640**	**239,025**	**306,998**	**11.4%**	**28.4%**	**19.6%**
Other income – net	9,981	19,467	14,148	95.0%	(27.3%)	19.1%
Selling and distribution expenses	(10,951)	(14,264)	(12,755)	30.3%	(10.6%)	7.9%
General and administrative expenses	(136,939)	(171,551)	(176,308)	25.3%	2.8%	13.5%
Provision / (reversal) for impairment loss on accounts receivable	-	167	(3,930)	na	(2453.3%)	na
Gain / (loss) on derivative financial instruments	-	(1,910)	1,963	na	(202.8%)	na
Operating profit	**76,731**	**70,934**	**130,115**	**(7.6%)**	**83.4%**	**30.2%**
Finance cost	(4,852)	(15,377)	(28,339)	216.9%	84.3%	141.7%
Profit before zakat	**71,879**	**55,557**	**101,776**	**(22.7%)**	**83.2%**	**19.0%**
Zakat expense	(9,459)	(4,541)	(3,630)	(52.0%)	(20.1%)	(38.1%)
Profit for the year	**62,420**	**51,016**	**98,146**	**(18.3%)**	**92.4%**	**25.4%**
Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent period						
Re-measurement loss on employees' benefits	(6,340)	(855)	3,213	(86.5%)	(475.8%)	na
Other comprehensive loss for the year	(6,340)	(855)	3,213	(86.5%)	(475.8%)	na
Total comprehensive income for the year	**56,080**	**50,160**	**101,359**	**(10.6%)**	**102.1%**	**34.4%**
Earnings per share						
Basic and diluted earnings per share (SAR)	**-**	**1.5**	**2.8**	**na**	**86.7%**	**na**
As a percentage of revenue				Percentage points		
Gross profit	30.6%	29.3%	31.4%	(1.3)	2.1	0.8
Operating profit	10.9%	8.7%	13.3%	(2.2)	4.6	2.4
Profit before zakat	10.2%	6.8%	10.4%	(3.4)	3.6	0.2
Profit for the year	8.9%	6.3%	10.0%	(2.6)	3.7	1.1
KPIs				Change in percentage		
In-patients	21,049	25,086	31,301	19.2%	24.8%	21.9%
Out-patients	683,009	790,126	912,624	15.7%	15.5%	15.6%
Total number of patients	704,058	815,212	943,925	15.8%	15.8%	15.8%
Number of clinics	90	111	130	23.3%	17.1%	20.2%
Avg. revenue per patient (in SAR)	996	1,001	1,037	0.5%	3.6%	2.0%
Number of doctors	274	243	300	(11.3%)	23.5%	4.6%
Number of beds*	230	430	430	87.0%	0.0%	36.7%

* The number of beds includes the number of operational beds during the year, as the North Tower started operations gradually since 2022G.

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G, and Management information.

Table 6.3: Statement of financial position as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Total non-current assets	1,175,602	1,427,390	1,753,702
Total current assets	369,669	397,778	548,096
Total assets	**1,545,270**	**1,825,168**	**2,301,799**
Total equity	597,982	648,142	656,003
Total non-current liabilities	555,915	775,519	1,158,125
Total current liabilities	391,373	401,506	487,670
Total liabilities	947,288	1,177,026	1,645,795
Total liabilities and equity	**1,545,270**	**1,825,168**	**2,301,799**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.4: Key performance indicators as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Management)	2022G (Management)	2023G (Management)
Revenue growth rate	n.a	16.3%	20.0%
Current ratio	0.94	0.99	1.12
Return on assets (%)	4.0%	2.8%	4.3%
Return on equity (%)	10.4%	7.9%	15.0%
Debt-to-equity	0.83	1.21	1.85
Working capital as a percentage of revenue	(8.6%)	8.4%	21.4%
Average days inventory outstanding (Day)*	37	32	32
Average days payables outstanding (Day)**	241	209	188
Average days sales outstanding (Day)***	115	124	148
Cash conversion cycle	(89)	(53)	(7)

Source: Management information.

* Average days inventory outstanding is calculated based on cost of revenue

** Average days payables outstanding is calculated based on accounts payable and all costs under cost of revenue, selling and distribution expenses, and general and administrative expenses excluding employee costs, depreciation, amortization and impairment loss provision

*** Average days sales outstanding is calculated based on accounts receivable and credit revenue

Table 6.5: Cash flow statement for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Net cash generated used / from operating activities	197,717	(9,991)	40,070
Net cash used in investing activities	(315,488)	(316,668)	(454,386)
Net cash generated from financing activities	125,713	283,779	414,915
Increase / (decrease) in cash and cash equivalents	7,941	(42,880)	599
Cash and cash equivalents at beginning of the year	50,179	58,120	15,240
Cash and cash equivalents at end of the year	58,120	15,240	15,839

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

6.9 Results of operations for the financial years ending 31 December 2021G, 2022G and 2023G

6.9.1 Statement of Profit or Loss

Table 6.6: Statement of Profit or Loss and other comprehensive income for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Revenue	701,542	816,039	978,975	16.3%	20.0%	18.1%
Cost of revenues	(486,902)	(577,015)	(671,977)	18.5%	16.5%	17.5%
Gross profit	**214,640**	**239,025**	**306,998**	**11.4%**	**28.4%**	**19.6%**
Other income – net	9,981	19,467	14,148	95.0%	(27.3%)	19.1%
Selling and distribution expenses	(10,951)	(14,264)	(12,755)	30.3%	(10.6%)	7.9%
General and administrative expenses	(136,939)	(171,551)	(176,308)	25.3%	2.8%	13.5%
Provision / (reversal) for impairment loss on accounts receivable	-	167	(3,930)	na	(2453.3%)	na
Gain / (loss) on derivative financial instruments	-	(1,910)	1,963	na	(202.8%)	na
Operating profit	**76,731**	**70,934**	**130,115**	**(7.6%)**	**83.4%**	**30.2%**
Finance cost	(4,852)	(15,377)	(28,339)	216.9%	84.3%	141.7%
Profit before zakat	**71,879**	**55,557**	**101,776**	**(22.7%)**	**83.2%**	**19.0%**
Zakat expense	(9,459)	(4,541)	(3,630)	(52.0%)	(20.1%)	(38.1%)
Profit for the year	**62,420**	**51,016**	**98,146**	**(18.3%)**	**92.4%**	**25.4%**
Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent period						
Re-measurement loss on employees' benefits	(6,340)	(855)	3,213	(86.5%)	(475.8%)	na
Other comprehensive loss for the year	(6,340)	(855)	3,213	(86.5%)	(475.8%)	na
Total comprehensive income for the year	**56,080**	**50,160**	**101,359**	**(10.6%)**	**102.1%**	**34.4%**
Earnings per share						
Basic and diluted earnings per share (SAR)	**-**	**1.5**	**2.8**	**na**	**86.7%**	**na**
As a percentage of revenue					Percentage points	
Gross profit	30.6%	29.3%	31.4%	(1.3)	2.1	0.8
Operating profit	10.9%	8.7%	13.3%	(2.2)	4.6	2.4
Profit before zakat	10.2%	6.8%	10.4%	(3.4)	3.6	0.2
Profit for the year	8.9%	6.3%	10.0%	(2.6)	3.7	1.1
KPIs					Change in percentage	
In-patients	21,049	25,086	31,301	19.2%	24.8%	21.9%
Out-patients	683,009	790,126	912,624	15.7%	15.5%	15.6%
Total number of patients	704,058	815,212	943,925	15.8%	15.8%	15.8%
Avg. revenue per patient (in SAR)	996	1,001	1,037	0.5%	3.6%	2.0%
Number of doctors	274	243	300	(11.3%)	23.5%	4.6%
Number of beds*	230	430	430	87.0%	0.0%	36.7%

* The number of beds includes the number of operational beds during the year, as the North Tower started operations gradually since 2022G.

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G, and Management information.

Revenue

Revenue increased by 16.3% from SAR 701.5 million in 2021G to SAR 816.0 million in 2022G mainly driven by the increase in the total number of patients by 15.8%. This increase was primarily attributable to the (1) the increase in out-patients visits post COVID-19 (+107,117 patients), and the opening of 21 new clinics, (2) the opening of the North Tower resulting in increased patient visits coupled with the recruitment of the new doctors, and (3) the establishment of a centre of excellence alongside the expansion of existing clinics such as primary care, neurology, oncology, and others in line with the increase in (1) the total number of inpatients. (+SAR 60.7 million) and (2) outpatients (+SAR 75.1 million) due to the appointment of new doctors and the opening of the North Tower during the period.

Revenue further increased by 20.0% to SAR 979.0 million in 2023G driven by the increase in the number of patients by 15.8%, which was primarily attributable to (1) the opening of 124 new clinics, (2) ramping up of the new North Tower, and (3) expansion of existing clinics. It should also be noted that rejections increased over the same period due to the renewal of a contract with a corporate client, which transitioned from a "per capita" to a "fee-for-service" model after December 2022G.

This consistent upward trend in revenue marked by successive increases from 2021G to 2023G, has resulted in CAGR of 18.1% over the same period.

Cost of revenues

Cost of revenues mainly comprised of employees' costs, material consumption, depreciation, repair and maintenance, and others.

Cost of revenue increased by 18.5% from SAR 486.9 million in 2021G to SAR 577.0 million in 2022G as a result of the increase in (1) employees' cost (+SAR 35.4 million) following the Company's strategy to optimize its workforce, (2) material consumption (+SAR 18.2 million) in line with the growth in operations, (3) depreciation charge (+SAR 12.2 million) on the back of the increase in fixed assets following the opening of the North Tower and the ongoing projects, and (4) support services (+SAR 9.9 million).

Cost of revenue further increased by 16.5% to SAR 672.0 million in 2023G driven by the increase in (1) material consumption (+SAR 49.8 million) in line with the increase in consumption of pharmaceutical materials , (2) employees' cost (+SAR 26.7 million), and (3) repair and maintenance (+SAR 15.0 million) in line with the growth in operations following the opening of the North Tower and the Rehabilitation Hospital.

Gross profit

Gross profit increased over the historical period at a CAGR of 19.6% from SAR 214.6 million in 2021G to SAR 307.0 million in 2023G driven by the increase in revenue mainly due to the opening of the North Tower.

In parallel, The Company maintained a stable gross margin at an average of 30% over the historical period, driven by the Company's strategic workforce optimization, which included (1) streamlining the workforce, (2) optimising the headcount, (3) hiring highly skilled doctors, and (4) reallocating roles to support the operational needs of the hospital.

Other income - net

Other income – net mainly comprised of (1) income from the Human Resources Development Fund ("**HRDF**") and is related to support provided by the Human Resources Development Fund to incentivize the hiring of new graduates and create new job opportunities, (2) scientific support income, (3) cafeteria income, and others.

Other income – net increased by 95% from SAR 10.0 million in 2021G to SAR 19.5 million in 2022G mainly driven by the increase from (1) HRDF income (+SAR 6.9 million), and (2) training courses income (+SAR 2.7 million).

Other income decreased to SAR 14.1 million in 2023G due to the decrease in (1) HRDF income (-SAR 2.5 million), (2) training courses income (-SAR 1.6 million), and (3) cafeteria income (-SAR 1.5 million).

Selling and distribution expenses

Selling and distribution expenses mainly comprised of employees' costs and advertisement expenses.

Selling and distribution expenses increased by 30.3% from SAR 11.0 million in 2021G to SAR 14.3 million in 2022G driven by the increase in marketing and advertising due to the increased marketing campaigns following the opening of the North Tower . Subsequently in 2023G, selling and distribution decreased by 10.6% to SAR 12.8 million mainly driven by lower advertisement expenses (-SAR 1.6 million).

General and administrative expenses

General and administrative expenses mainly comprised of employees' costs, depreciation charges, repair and maintenance, support services, and others.

General and administrative expenses increased by 25.3% from SAR 136.9 million in 2021G to SAR 171.6 million in 2022G mainly on the back of the increase from (1) depreciation charge (+SAR 16.6 million), (2) employees' cost (+SAR 7.3 million), and (3) repair and maintenance (+SAR 4.8 million). General and administrative expenses further increased to SAR 176.3 million in 2023G mainly attributable to (1) an increase in employees' cost (+SAR 8.9 million), (2) depreciation charges (+SAR 3.3 million), and (3) other general and administrative expenses (+SAR 2.0 million), partially offset by (1) decrease in repair and maintenance (-SAR 8.2 million), and (2) amortization of intangible assets (-SAR 1.4 million).

Provision / (reversal) for impairment loss on accounts receivable

Provision / (reversal) for impairment loss on accounts receivable amounted to a reversal of SAR 167 thousand in 2022G. Subsequently, in 2023G provision for impairment loss on accounts receivable reached SAR 3.9 million.

Gain / (loss) on derivative financial instruments

Gain / (loss) on derivative financial instruments decreased from nil in 2021G to a loss of SAR 1.9 million in 2022G, the derivative financial contracts company has purchased to optimise its interest cost. Company has gained SAR 2.0 million on derivative financial instruments in 2023G.

Operating profit

Operating profit decreased by 7.6% from SAR 76.7 million in 2021G to SAR 70.9 million in 2022G, mainly due to an increase in general and administrative expenses from SAR 137.0 million in 2021G to SAR 171.6 million in 2022G. This was primarily caused by (1) an increase in employee costs (+SAR 7.3 million), mainly due to higher basic salaries, and (2) an increase in depreciation expenses (+SAR 16.6 million) in line with the addition of fixed assets resulting from the opening of the North Tower and the Rehabilitation Hospital. This was partially offset by an increase in gross profit from SAR 214.6 million in 2021G to SAR 239.0 million in 2022G.

The operating profit increased by 83.4% from SAR 70.9 million in 2022G to SAR 130.1 million in 2023G due to an increase in gross profit from SAR 239.0 million in 2022G to SAR 307.0 million in 2023G. This was partially offset by (1) an impairment loss on receivables (-SAR 3.9 million) and (2) an increase in general and administrative expenses (+SAR 4.7 million).

Finance cost

Finance costs mainly comprised of interest cost on long term loans, interest costs on defined benefit obligations, and others.

Finance costs increased by 216.9% from SAR 4.9 million in 2021G to SAR 15.4 million in 2022G mainly attributable to the increase in interest costs on long-term loans (+SAR 11.5 million) as the Company capitalized the interest cost (SAR 8.1 million) related to the construction of the North Tower in 2021G.

Finance costs further increased by 16.5% to SAR 28.3 million in 2023G driven by (1) the increase in interest costs on long-term loans by (+SAR 10.5 million) on the back of the increase in loan balances for the financing of the ongoing projects, and (2) the increase in interest on defined benefit obligation (+SAR 1.8 million).

Zakat expense

Zakat expense decreased from SAR 9.5 million in 2021G to SAR 4.5 million in 2022G, and later declined further to SAR 3.6 million in 2023G. The decrease in zakat is mainly due to an increase in property, plant, and equipment, which are deducted from the zakat base when calculating the annual zakat expense.

6.9.1.1 Revenue analysis

A. Revenue by Service Line

Table 6.7: Revenue by service line for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Medical services	584,708	661,448	792,263	13.1%	19.8%	16.4%
Pharmaceuticals	116,834	154,591	186,711	32.3%	20.8%	26.4%
Total revenue	**701,542**	**816,039**	**978,975**	**16.3%**	**20.0%**	**18.1%**
As a percentage of net revenue					Percentage points	
Medical services	83.3%	81.1%	80.9%	(2.2)	(0.2)	(2.4)
Pharmaceuticals	16.7%	18.9%	19.1%	2.2	0.2	2.4

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Revenue

The Company's core business activity consists of providing medical services and selling pharmaceutical products. Regarding medical services, the Company operates Almoosa Specialist Hospital (Al Ahsa), which functions through three buildings (the main building, the South building, and the North tower), generating a gross revenue of SAR 1.2 billion during 2023G, as well as the Rehabilitation Hospital (Al Ahsa), which had a gross revenue of SAR 10.0 million during 2023G. It is worth noting that the Company's revenue in 2021G and 2022G was primarily generated from Almoosa Specialist Hospital (Al Ahsa), as the Rehabilitation Hospital (Al Ahsa) opened in 2023G. In addition, the Company has five pharmacies (the North tower, the South building, the Rehabilitation hospital, the emergency unit, and the primary care unit). The net revenue increased from SAR 701.5 million in 2021G to SAR 979.0 million in 2023G.

Medical services revenue primarily related to the rendering of in-patient and out-patient services, covering various types of services and surgeries. Pharmaceutical revenue pertains to the pharmaceutical products taken by patients from the hospital, including medications used for specific procedures coupled with pharmacy sales. Medical services revenue constituted 81.8% of total revenue over the 2021G to 2023G period, whereby pharmaceutical revenue represented 18.2% of total revenue over the same period.

Revenue from medical services increased at a CAGR of 16.4% from 2021G to 2023G. Revenue from medical services increased by 13.1% from SAR 584.7 million in 2021G to SAR 661.5 million in 2022G driven by the increase in the number of patients following the increased visits to clinics post COVID-19, and the opening of the new North Tower. Revenue from medical services further increased by 19.8% from SAR 661.5 million in 2022G to SAR 792.3 million in 2023G driven by the continuous expansion of the clinics to the new North Tower, and the hiring of new doctors possessing new skills which enhanced the Hospital's utilization of its equipment.

Revenue from pharmaceuticals increased at a CAGR of 26.4% from 2021G to 2023G. Revenue from pharmaceuticals increased by 32.3% from SAR 116.8 million in 2021G to SAR 154.6 million in 2022G and subsequently increased by 20.8% in 2023G to SAR 186.7 million. This increase is mainly attributable to the increased activity and number of patients within medical services and general surgeries coupled with the opening of a new pharmacy in the North Tower.

B. Gross to net revenue

Table 6.8: Gross to net revenue for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G	2022G	2023G	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
In-patients	459,336	520,083	662,442	13.2%	27.4%	20.1%
Out-patients	348,226	423,261	559,548	21.5%	32.2%	26.8%
Total gross revenue	**807,562**	**943,344**	**1,221,990**	**16.8%**	**29.5%**	**23.0%**
Discounts, rejections, and others	(106,021)	(127,304)	(243,015)	20.1%	90.9%	51.4%
Net revenue	**701,542**	**816,039**	**978,975**	**16.3%**	**20.0%**	**18.1%**
Number of patients						
In-patients	21,049	25,086	31,301	19.2%	24.8%	21.9%
Out-patients	683,009	790,126	912,624	15.7%	15.5%	15.6%
Total number of patients	**704,058**	**815,212**	**943,925**	**15.8%**	**15.8%**	**15.8%**
Average gross revenue per patient (in SAR)						
In-patients	21,822	20,732	21,164	(5.0%)	2.1%	(1.5%)
Out-patients	510	536	613	5.1%	14.4%	9.6%

Source: Management information.

It should be noted that the average gross revenue per inpatient and outpatient patient were calculated by dividing the total gross revenue for in-patients and out-patients by the number of in-patients and out-patients.

Gross revenue

Gross revenue is mainly generated from in-patient and out-patient services spread across 32 clinic types.

Revenue is recognized when the service is rendered and the invoice is issued (i.e., after fulfilling the performance obligation). Revenue from patient services is recognized based on the estimated amounts that are verifiable from payers (such as insurance companies) and others for the service providers, after deducting estimated revenue adjustments (such as rejections). As gross revenue increased from SAR 807.6 million in 2021G to SAR 1.2 billion in 2023G.

Revenue from in-patient services is recognized over a specific period, while revenue from out-patient services is recognized at the time of service (please refer to Section 2.1.44 "**Risks Related to the Use of Assumptions, Estimates, Accounting Judgments and Related Errors**").

In-patient gross revenue

In-patient gross revenue increased at a CAGR of 20.1% between 2021G and 2023G. In-patient gross revenue increased by 13.2% from SAR 459.3 million in 2021G to SAR 520.1 million in 2022G driven by the increase in the number of patients by 19.2% mainly attributable to the (1) opening of new specialties, (2) the opening of the North Tower resulting in increased patient visits coupled with the recruitment of the new doctors, and (3) the establishment of a centre of excellence alongside the expansion of existing clinics. This was partially offset by a decrease in the average revenue per in-patient by 5.0% driven by the difference in the services mix between the two periods.

In-patient gross revenue increased by 27.4% from SAR 520.1 million in 2022G to SAR 662.4 million in 2023G driven by the increase in the number of patients by 24.8% coupled with the increase in the average revenue per patients by 2.1%. This increase is mainly attributable to (1) the opening of the North Tower, and (2) the strategic hiring of new doctors possessing skills that enhance the utilization of hospital equipment. Moreover, these new additions have played a pivotal role in introducing advanced surgeries and opening new specialties.

Out-patient gross revenue

Out-patient gross revenue increased at a CAGR of 26.8% between 2021G and 2023G. Out-patient gross revenue increased by 21.5% from SAR 348.2 million in 2021G to SAR 423.3 million in 2022G driven by the increase in the number of patients by 15.7% attributable to (1) increased clinic visits, (2) the hiring of new doctors and the opening of the North tower, (3) the establishment of new specialties and the expansion of existing ones, along with the creation of a center of excellence, which enhances capabilities and services for outpatient patients, and (4) the expansion of the primary care clinic, which previously operated under the umbrella of general medicine and has since transitioned to function as a separate department.

Out-patient revenue increased by 32.2% from SAR 423.3 million in 2022G to SAR 559.5 million in 2023G driven by the increase in the number of patients by 15.5% coupled with an increase in the average revenue per patient by 14.5% mainly driven by the ramp up in operations of the North Tower.

Discounts, rejections, and others

Discounts, rejections, and others increased by 20.1% from SAR 106.0 million in 2021G to SAR 127.3 million in 2022G in parallel with the increase in revenue over the same period. Discounts, rejections, and others increased by 90.9% from SAR 127.3 million to SAR 243.0 million, this increase was mainly affected by discounts in line with the increase in total revenue and rejections due to a modification in the contract type with the largest corporate customer.

Rejections

Relate primarily to unpaid claims from third-party payers and are accrued over the contractual period, based on estimates in line with expected business levels. These estimates are verified with insurance companies on a monthly basis and are settled with revenue once the claim is paid. Claims may be accepted, partially paid, or rejected during the checkout process. Rejection can occur for various reasons, such as incomplete information, coding errors, or mismatched patient details. Rejections increased from SAR 59.8 million in 2021G to SAR 76.4 million in 2022G in parallel with the increase in revenue with a slight increase in the rejection rate from 7.4% to 8.1%.

Subsequently, rejections increased from SAR 76.4 million in 2022G to SAR 183.8 million in 2023G, with the rejection rate increasing from 8.1% in 2022G to 15.0% in 2023G. This increase was primarily attributable by a change in the contract type with the largest corporate client at the end of 2022G, shifting from a fixed per-capita model to a payment-for-services-rendered model. As a result, there was a significant rise in the rejection rate from this client, largely due to the unfamiliarity with the new service model and the billing processes.

Discounts

The discounts are mainly related to cash discounts and promotions including dentistry, dermatology, cosmetic surgery, etc. on various occasions such as National Day, Ramadan and Eid season. Discounts increased from SAR 39.7 million in 2021G to SAR 45.7 million in 2022G, and SAR 60.3 million in 2023G in line with the increase in gross revenue, whereby the discounts as a percentage of revenue remained stable at an average of 5% over the 2021G-2023G period.

Refunds

Refunds mainly relate to the refunds of cash deposits from patients. Refunds increased from SAR 1.0 million in 2021G to SAR 2.2 million in 2022G and SAR 2.9 million in 2023G in line with the increase in gross revenue, whereby the refund as a percentage of revenue remained stable at an average of 0.2% over the 2021G-2023G period.

Other

Over the two-year period 2021G-2022G, it includes contractual price differences related to differences between prices within the hospital system and those negotiated with the largest corporate client. However, in 2023G, this category dropped to zero following the implementation of a new contract with this corporate client.

It should be noted that this calculation of discounts, rejects and other includes (1) refunds which relate primarily to the recovery of cash deposits from patients, (2) contractual price differences relating to differences between prices within the hospital system and those negotiated with corporate clients, and (3) Various other materials.

C. Gross revenue by segment

Gross revenue by clinic for the financial years ended 31 December 2021G, 2022G and 2023G.

Table 6.9: Gross revenue by clinic for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G	2022G	2023G	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Acute Care	655,245	762,702	924,118	16.4%	21.2%	18.8%
Primary Care	22,437	25,570	55,724	14.0%	117.9%	57.6%
Rehabilitation	-	-	10,018	na	na	na
Healthcare services	**677,682**	**788,271**	**989,985**	**16.3%**	**25.6%**	**20.9%**
Pharmacies	129,863	154,591	230,412	19.0%	49.0%	33.2%
Home Services	17	482	1,593	2,735.3%	230.5%	868.0%
Total revenue	**807,562**	**943,344**	**1,221,990**	**16.8%**	**29.5%**	**23.0%**
Discounts, rejections, and others	(106,021)	(127,304)	(243,015)	20.1%	90.9%	51.4%
Net revenue	**701,542**	**816,039**	**978,975**	**16.3%**	**20.0%**	**18.1%**
As a percentage of revenue						Percentage points
Acute Care	81.1%	80.9%	75.6%	(0.3)	(5.2)	(5.5)
Primary Care	2.8%	2.7%	4.6%	(0.1)	1.9	1.8
Rehabilitation	0.0%	0.0%	0.8%	-	0.8	0.8
Healthcare services	**83.9%**	**83.6%**	**81.0%**	**(0.4)**	**(0.3)**	**(2.9)**
Pharmacies	16.1%	16.4%	18.9%	0.3	2.5	2.8
Home Services	0.0%	0.1%	0.1%	0.0	0.1	0.1

Source: Management information.

Acute care

Healthcare revenue is mainly generated from the acute care revenue which accounted to 75.6% and 93.4% of total revenue and total hospital services revenue in 2023G.

Acute care revenue mainly comprised of different types of clinics within the hospital facilities including in-patients and out-patients. Acute care revenue increased at a CAGR of 18.8% over the 2021G to 2023G period.

Acute care revenue increased by 16.4% from SAR 655.2 million in 2021G to SAR 762.7 million in 2022G and further increased by 21.2% in 2023G to SAR 924.2 million driven by (1) opening of the North tower, (2) hiring new doctors, and (3) opening new specialties.

It is worth noting that the Specialist Hospital provided Telemedicine services recorded under acute care revenue which amounted to SAR 132.7 thousand in 2021G, and increased to SAR 108.8 thousand and SAR 333.9 thousand in 2022G and 2023G respectively. Telemedicine includes remote consultations and patient follow-ups, As at 31 December 2023G, the Company operated 42 specialized telemedicine clinics. The number of patients benefiting from the service increased from 1,669 patients in 2021G to 3,224 patients in 2022G and rose to 9,543 patients in 2023G. These services were provided through a range of specialized clinics and the Company will develop this as a separate business segment in the future.

Primary care

Primary care revenue increased at a CAGR of 57.6% over the 2021G to 2023G period.

Primary care revenue increased by 14.0% from SAR 22.4 million in 2021G to SAR 25.6 million in 2022G and further increased by 117.9% in 2023G to SAR 55.7 million driven by the opening of the North tower and hiring new doctors.

Rehabilitation

Rehabilitation revenue mainly related to the new opened facility, the Rehabilitation Hospital in November 2023G. The rehabilitation revenue amounted to SAR 10.0 million in 2023G.

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Pharmacies

Pharmacies revenue increased at a CAGR of 33.2% over the 2021G to 2023G period. Pharmacies revenue increased by 19.0% from SAR 129.9 million in 2021G to SAR 154.6 million in 2022G in line with the opening of a new pharmacy in the new North tower and the growth in hospital services activities. Pharmacies revenue increased by 49.0% from SAR 154.6 million in 2022G to SAR 230.4 million in 2023G driven by the continuous growth in the overall Hospital's operations on the back of the opening of the North tower.

Home services

Home services revenue accounted to less than 1.0% of total revenue over the historical period under analysis from 2021G to 2023G. Homes services revenue increased from SAR 17 thousand in 2021G to SAR 0.5 million and SAR 1.6 million in 2022G and 2023G respectively due to the Hospital focus on enhancing its home services.

D. Gross revenue by service payer

Table 6.10: Gross revenue by service payer for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G	2022G	2023G	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Insurance	304,974	406,439	556,693	33.3%	37.0%	35.1%
Corporate	264,120	307,800	451,218	16.5%	46.6%	30.7%
Government	127,208	117,036	97,752	(8.0%)	(16.5%)	(12.3%)
Cash revenue	111,261	112,069	116,327	0.7%	3.8%	2.3%
Total gross revenue	**807,562**	**943,344**	**1,221,990**	**16.8%**	**29.5%**	**23.0%**
Discounts, rejections, and others	(106,021)	(127,304)	(243,015)	20.1%	90.9%	51.4%
Net revenue	**701,542**	**816,039**	**978,975**	**16.3%**	**20.0%**	**18.1%**
As a percentage of gross revenue					Percentage points	
Insurance	37.8%	43.1%	45.6%	5.3	2.5	7.8
Corporate	32.7%	32.6%	36.9%	(0.1)	4.3	4.2
Government	15.8%	12.4%	8.0%	(3.3)	(4.4)	(7.8)
Cash revenue	13.8%	11.9%	9.5%	(1.9)	(2.4)	(4.3)

Source: Management information.

Patients with Insurance Coverage from Insurance Companies

Revenue from patients with insurance coverage from insurance companies primarily stems from payments made by insurance providers for both in-patient and out-patient services.

Gross revenue from patients with insurance coverage from insurance companies increased by 33.3% from SAR 305.0 million in 2021G to SAR 406.4 million in 2022G mainly driven by the overall increase in the number of patients and the annual price increment which ranges between 2% to 3%. Subsequently, insurance companies' gross revenue increased by 37.0% from SAR 406.4 million in 2022G to SAR 556.7 million in 2023G mainly driven by the continuous increase in the number of patients coupled with price revision.

Patients Affiliated with Corporate Clients

Revenue from patients affiliated with corporate clients is mainly generated from the services provided to corporate clients. It is worth noting that the revenue from corporate clients is primarily related to the largest corporate client which represented 99% of revenues from corporate clients in FY23. Revenue from patients affiliated with corporate clients increased by 16.5% from SAR 264.1 million in 2021G to SAR 307.8 million in 2022G, driven by the number of patients. Subsequently, gross revenue from patients affiliated with corporate clients witnessed an increase of 46.6%, rising from SAR 307.8 million in 2022G to SAR 451.2 million in 2023G. The main reason for this growth was the increase in number of patients on the back with the shift in the contract terms with the largest corporate client.

Patients referred by the Ministry of Health

Patients referred by the Ministry of Health Government are admitted through referral from the Ministry of Health hospitals and emergency. Revenue from patients referred by the Ministry of Health decreased by 8.0% from SAR 127.2 million in 2021G to SAR 117.0 million in 2022G, and subsequently decreased by 16.5% to SAR 97.8 million in 2023G. The change in revenue on a yearly-basis is mainly driven by the activity of the services covered by the Ministry of Health, coupled with the decrease in COVID-related cases covered by the ministry.

Cash Paying Patients

Revenue from cash paying patients is mainly associated with income generated from individual services without insurance coverage, specifically for services not included in insurance company plans. Revenue from cash paying patients increased from SAR 111.3 million in 2021G to SAR 112.1 million in 2022G, and subsequently to SAR 116.3 million in 2023G driven by the increase in the number of cash patients.

6.9.1.2 Cost of Revenues

Table 6.11: Cost of revenues for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Employees' cost	299,781	335,142	361,841	11.8%	8.0%	9.9%
Material consumption	161,273	179,485	229,286	11.3%	27.7%	19.2%
Depreciation	11,216	23,390	28,585	108.5%	22.2%	59.6%
Repair and maintenance	5,097	12,188	27,153	139.1%	122.8%	130.8%
Support services	2,819	12,676	9,188	349.7%	(27.5%)	80.5%
Utilities	4,354	10,229	7,982	134.9%	(22.0%)	35.4%
Amortization	57	174	1,959	205.3%	1025.9%	486.2%
Others	2,306	3,731	5,983	61.8%	60.4%	61.1%
Total Cost of revenue	**486,902**	**577,015**	**671,977**	**18.5%**	**16.5%**	**17.5%**
As a percentage of revenue					Percentage points	
Employees' cost	42.7%	41.1%	37.0%	(1.6)	(4.1)	(5.8)
Material consumption	23.0%	22.0%	23.4%	(1.0)	1.4	0.4
Depreciation	1.6%	2.9%	2.9%	1.3	0.1	1.3
Repair and maintenance	0.7%	1.5%	2.8%	0.8	1.3	2.0
Support services	0.4%	1.6%	0.9%	1.2	(0.6)	0.5
Utilities	0.6%	1.3%	0.8%	0.6	(0.4)	0.2
Amortization	0.0%	0.0%	0.2%	0.0	0.2	0.2
Others	0.3%	0.5%	0.6%	0.1	0.2	0.3
Total Cost of revenue	**69.4%**	**70.7%**	**68.6%**	**1.3**	**(2.1)**	**(0.8)**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Employees' cost

Employees' cost are primarily comprised of basic salaries, commission and incentive, and other employee-related expenses for hospital, clinical, and healthcare services staff (e.g. doctors, nurses, technicians, and pharmacists). Employees' costs increased by 11.8% from SAR 299.8 million in 2021G to SAR 335.1 million in 2022G mainly in line with the increase in basic salaries. Employees' costs increased by 8.0% from SAR 335.1 million in 2022G to SAR 361.8 million in 2023G mainly driven by (1) the increase in commission and incentives attributable to the increase in the number of part-time doctors, and (2) leave enhancement as during 2022G the Company reversed leave enhancement related to2021G accumulated during COVID-19.

In 2022G, the Company implemented a strategy to optimize its workforce, which included two main initiatives. First, it involved downsizing the number of employees. Additionally, some employees were relocated to the North tower, where they took on new roles and contributed to meeting staffing needs. As a result, replacing these employees with skilled and essential staff led to an increase in basic salaries and other associated benefits.

Material consumption

Material consumption mainly related to pharmaceutical and medical supplies essential for diverse operations within hospital clinics. Materials and consumption increased by 11.3% from SAR 161.3 million in 2021G to SAR 179.5 million in 2022G mainly in line with the increase in revenue over the same period. Materials and consumption increased by 27.7% from SAR 179.5 million in 2022G to SAR 229.3 million in 2023G in line with the expected growth in operations and the opening of new specialties.

Depreciation

Depreciation increased by 108.5% from SAR 11.2 million in 2021G to SAR 23.4 million in 2022G driven by the increase in the depreciation charge on building and medical suppliers on the back of the opening of the new North Tower. Depreciation further increased to SAR 28.6 million in line with the additions to fixed assets following the expansion and opening of Rehabilitation Hospital.

Repair and maintenance

Repair and maintenance are mainly related to repair and maintenance expenses on medical equipment, computers, and buildings, among others. Repairs and maintenance increased by 139.1% from SAR 5.1 million in 2021G to SAR 12.2 million in 2022G mainly due to (1) the increase in computer maintenance due to licenses and other annual maintenance contracts on the back of the opening of the North Tower, (2) medical equipment repair in line with the increase in medical equipment following the expansion, (3) general building maintenance attributable to the expansion and transferring clinics from the old unit to the North Tower, and (4) adding new clinics. Repairs and maintenance increased by 122.8% from SAR 12.2 million in 2022G to SAR 27.2 million in 2023G mainly due to the increase in (1) computer maintenance as mentioned earlier and the allocation of the computer maintenance from the general and administrative expenses, and (2) biomedical repair & maintenance, and medical equipment repair and maintenance in line with the growth in operations and the increase in business needs.

Support services

Support services mainly related to cleaning materials, and cleaning services. Support services increased by 349.7% from SAR 2.8m in 2021G to SAR 12.7m in 2022G mainly driven by the increase in outsourcing of cleaning services and the reclassification of other expenses such as dietary expenses, entertainment expenses, conference expenses, and others. Support services decreased by 27.5% from SAR 12.7 million in 2022G to SAR 9.2 million in 2023G.

Utilities

Utilities mainly related to electricity, water expenses, telephone, and gas. Utilities charges increased by 134.9% from SAR 4.4 million in 2021G to SAR 10.2 million in 2022G mainly driven by increased charges due to the opening of the North Tower. Utilities charge decreased by 22.0% from SAR 10.2 million in 2022G to SAR 8.0 million in 2023G mainly driven by the decrease in electricity expenses due to the reclassification of the North Tower from a commercial business to a healthcare provider in 2023G.

Amortization

Amortization mainly related to the amortization of intangible assets, which increased by 205.3% from SAR 57 thousand in 2021G to SAR 174 thousand in 2022G and subsequently increased to SAR 2.0 million in 2023G mainly driven by the reclassification of the amortization account from the general and administrative expenses.

Others

Others are mainly related to miscellaneous expenses such as dietary material expenses, non-medical consumable supplies, and housekeeping expenses, among other expenses. Others increased by 61.8% from SAR 2.3 million in 2021G to SAR3.7 million in 2022G mainly driven by the increase in expenses related to the opening of the North Tower. Others increased by to SAR 6.0 million in 2023G mainly driven by the increase in fees related to the software used for the insurance claim submissions. Others constituted less than 1% of total revenue over the period from 2021G to 2023G.

6.9.1.3 Selling and Distribution Expenses

Table 6.12: Selling and distribution expenses for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Employees' cost	2,273	2,861	3,169	25.9%	10.8%	18.1%
Advertisement and promotion	7,202	10,584	8,964	47.0%	(15.3%)	11.6%
Depreciation	71	102	95	43.7%	(6.9%)	15.7%
Reversal/charge for expected credit loss	1,219	-	-	(100.0%)	na	(100.0%)
Amortization	-	2	3	na	50.0%	(100.0%)
Others	187	715	524	282.4%	(26.7%)	67.4%
Total	**10,951**	**14,264**	**12,755**	**30.3%**	**(10.6%)**	**7.9%**
As a percentage of revenue					Percentage points	
Employees' cost	0.3%	0.4%	0.3%	0.1	(0.1)	(0.0)
Advertisement and promotion	1.0%	1.3%	0.9%	0.3	(0.4)	(0.1)
Depreciation	0.0%	0.0%	0.0%	0.0	(0.0)	(0.0)
Reversal charge for ECL	0.2%	0.0%	0.0%	(0.2)	-	(0.2)
Amortization	0.0%	0.0%	0.0%	0.0	0.0	0.0
Others	0.0%	0.1%	0.1%	0.1	(0.0)	0.0
Total selling and distribution expenses	**1.6%**	**1.7%**	**1.3%**	**0.2**	**(0.4)**	**(0.3)**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Employee's cost

Employee's cost mainly related to basic salaries, allowances, and other employee related expenses for administrative staff. Employee's cost increased by 25.9% from SAR 2.3 million in 2021G to SAR 2.9 million in 2022G mainly in line with the increase in basic salaries. Employee's cost increased by 10.8% from SAR 2.9 million in 2022G to SAR 3.2 million in 2023G mainly driven by the increase in staff bonuses.

Advertisement and promotion

Advertisement and promotion included advertisement on social media platforms, posters and billboards in malls and airports. Advertisement and promotion increased by 47.0% from SAR 7.2 million in 2021G to SAR 10.6 million in 2022G due to the increased marketing campaigns following the opening of the North Tower. Subsequently, advertisement and promotion decreased to by 15.3% to SAR 9.0 million in 2023G.

Depreciation

Depreciation increased by 43.7% from SAR 71 thousand in 2021G to SAR 102 thousand in 2022G, and slightly decreased by 6.9% to SAR 95 thousand in 2022G, in line with the additions to fixed assets made over the period in relation to the expansion and opening of the North Tower and Rehabilitation Hospital.

Reversal/charge for expected credit loss

Charge for expected credit loss decreased from SAR 1.2 million in 2021G to nil in 2022G and 2023G as it was reclassified in a separate account as part of the income statement.

Amortization

Amortization amounted to SAR 2 thousand and SAR 3 thousand in 2022G and 2023G respectively and related to the software amortization.

Others

Others related to miscellaneous selling and distribution expenses such as printing, electricity, and water, amongst other expenses. Others increased from SAR 190 thousand in 2021G to SAR 715 thousand in 2022G driven by the increase in printing and stationary and electricity expenses. Subsequently, others slightly decreased to SAR 524 thousand in 2023G. Others constituted less than 1% of total revenue over the period under analysis.

6.9.1.4 General and Administrative Expenses

Table 6.13: General and administrative expenses for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Employees' cost	107,885	115,219	124,143	6.8%	7.7%	7.3%
Depreciation	9,504	26,091	29,352	174.5%	12.5%	75.7%
Repair and maintenance	5,925	10,711	2,523	80.8%	(76.4%)	(34.7%)
Support services	6,827	8,952	7,063	31.1%	(21.1%)	1.7%
Bank charges	-	2,183	1,516	na	(30.6%)	Na
Training and development	2,304	2,307	2,054	0.1%	(11.0%)	(5.6%)
Utilities	1,724	1,666	3,554	(3.4%)	113.3%	43.6%
Withholding tax expense	-	-	1,149	na	na	Na
Amortization	1,389	1,462	25	5.3%	(98.3%)	(86.6%)
Others	1,381	2,960	4,929	114.3%	66.5%	88.9%
Total	**136,939**	**171,551**	**176,307**	**25.3%**	**2.8%**	**13.5%**
As a percentage of revenue					Percentage points	
Employees' cost	15.4%	14.1%	12.7%	(1.3)	(1.4)	(2.7)
Depreciation	1.4%	3.2%	3.0%	1.8	(0.2)	1.6
Repair and maintenance	0.8%	1.3%	0.3%	0.5	(1.0)	(0.6)
Support services	1.0%	1.1%	0.7%	0.1	(0.4)	(0.3)
Bank charges	0.0%	0.3%	0.2%	0.3	(0.1)	0.2
Training and development	0.3%	0.3%	0.2%	(0.0)	(0.1)	(0.1)
Utilities	0.2%	0.2%	0.4%	(0.0)	0.2	0.2
Withholding tax expense	0.0%	0.0%	0.1%	-	0.1	0.1
Amortization	0.2%	0.2%	0.0%	(0.0)	(0.2)	(0.2)
Others	0.2%	0.4%	0.5%	0.2	0.1	0.3
Total	**19.5%**	**21.0%**	**18.0%**	**1.5**	**(3.0)**	**(1.5)**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Employees' cost

Employees' cost primarily consisted of basic salaries and other employees' benefits including housing, travel, end of service, amongst others. Employees' cost increased by 6.8% from SAR 107.9 million in 2021G to SAR 115.2 million in 2022G mainly driven by the increase in basic salaries.

Employees' cost further increased by 7.7% to SAR 124.1 million in 2023G in line with the increase in leave allowances, and air tickets allowances as the amounts accumulated during COVID-19 were reversed during 2022G.

Depreciation

Depreciation increased by 174.5% from SAR 9.5 million in 2021G to SAR 26.1 million in 2022G and further increased by 12.5% to SAR 29.4 million in 2023G in line with the addition to fixed assets on the back of the opening of the North Tower and Rehabilitation Hospital.

Repair and maintenance

Repair and maintenance primarily consisted of costs related to the maintenance of vehicles, tools, computers, biomedical equipment, and others. Repair and maintenance increased by 80.8% from SAR 5.9 million in 2021G to SAR 10.7 million in 2022G driven by (1) the increase in computer maintenance due to licenses and other annual maintenance contracts on the back of the opening of the North Tower, and (2) general building maintenance repair and maintenance. Subsequently, repair and maintenance decreased by 76.4% to SAR 2.5 million in 2023G primarily due to the allocation of the computer maintenance to the cost of revenue.

Support services

Support services are mainly related to miscellaneous services such as printing, cleaning, security, staff registration fees, and accreditation fees, amongst others. Support services increased by 31.1% from SAR 6.8 million in 2021G to SAR 9.0 million in 2022G and subsequently decreased to SAR 7.1 million in 2021G. Support services averaged 1% of total revenue over the historical period under analysis from 2021G-2023G.

Bank charges

Bank charges primarily relate to bank charges on point-of-sale commissions. Bank charges increased from nil in 2021G to SAR2.2 million in 2022G and SAR 1.5 million in 2023G as this account was part of the finance cost in 2021G and amounted to SAR 1.0 million.

Training and development

Training and development related to training courses expenses such books, brochures and other training materials and related expenses. Training and development remained stable at SAR 2.3 million in 2021G and 2022G. Training and development decreased by 11% to SAR 2.1 million in 2023G.

Utilities

Utilities primarily related to electricity, water, and phone bills. Utilities remained stable at SAR 1.7 million in 2021G and 2022G. Utilities increased to SAR 3.6 million in 2023G driven by the opening of Rehabilitation Hospital.

Withholding tax expense

Withholding tax expense amounted to SAR 1.1 million in 2023G. The amount is related to fees accumulated over the period 2021G-2023G in relation to consultancy fees and is expected to be settled by June 2023G.

Amortization of intangible assets

Amortization of intangible assets related to the amortization of intangible assets of software and licenses. Amortization of intangible assets slightly increased by 5.3% from SAR 1.4 million in 2021G to SAR 1.5 million in 2022G and subsequently decreased by 98.3% to SAR 25 thousand in 2023G due to the reclassification of the account to cost of revenue.

Others

Others consisted of various miscellaneous costs related to general and administrative expenses such as freight expenses, donations, office events, and others. Others increased by 114.3% from SAR 1.4 million in 2021G to SAR 3.0 million in 2022G primarily due to the increase in entertainment, traveling expenses, and fuel and transportation expenses. Others further increased by 66.5% to SAR 4.9 million in 2023G mainly due to the allocation of miscellaneous expenses under others. Others averaged 1% of total revenue over the period under analysis.

6.9.1.5 Other Income – Net

Table 6.14: Other income for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Human Resources Development Fund (HRDF) income	4,433	11,371	8,840	156.5%	(22.3%)	41.2%
Training courses income	361	3,098	1,471	758.2%	(52.5%)	101.9%
Scientific support income	2,919	1,565	1,788	(46.4%)	14.2%	(21.7%)
Cafeteria income	1,107	2,662	1,153	140.5%	(56.7%)	2.1%
Gain on disposal of property and equipment	(67)	28	328	(141.8%)	1071.4%	na
Property and equipment written-off	(10)	(15)	-	50.0%	(100.0%)	(100.0%)
Others	1,238	759	567	(38.7%)	(25.3%)	(32.3%)
Total other income	**9,981**	**19,467**	**14,148**	**95.0%**	**(27.3%)**	**19.1%**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Human Resources Development Fund (HRDF) income

Human Resources Development Fund (HRDF) income related to grants provided by Human Resources Development Fund as incentives for hiring fresh graduates and creating new jobs. HRDF income increased by 156.5% from SAR 4.4 million in 2021G to SAR 11.4 million in 2022G driven by the increased hiring to fresh graduates during the opening of the North Tower. HRDF income subsequently decreased to SAR 8.8 million.

Scientific support income

Scientific support income is primarily provided by pharmaceutical companies and are incentives paid to the Company for participation in conferences or courses, and decreased from SAR 2.9 million in 2021G to SAR 1.6 million in 2022G, and subsequently increased to SAR 1.8 million in 2023G.

Cafeteria income

Cafeteria income related to the hospital's cafeterias, increased from SAR 1.1 million in 2021G to SAR 2.7 million in 2022G driven by the opening of the North Tower and the recovery post-COVID-19. Cafeteria income decreased to SAR 1.2 million in 2023G as the cafeteria's operations were transferred to a third-party operator starting March 2023G.

Training courses income

Training courses income is related to medical training and courses provided to external companies such as basic life support training. Training courses income amounted to SAR 361 thousand, SAR 3.1m in 2022G, and SAR 1.5 million in 2021G, 2022G, and 2023G respectively.

(Loss)/gain on disposal of property and equipment

(Loss)/gain on disposal of property and equipment related to the sale of fixed assets, and amounted to a loss of -SAR 67 thousand in 2021G, a gain of SAR 28 thousand and SAR 328 thousand in 2022G and 2023G respectively.

Property and equipment written-off

Property and equipment written-off primarily related to the disposal of damaged fixed assets during the year and amounted to SAR 10 thousand and SAR 15 thousand in 2021G and 2022G, respectively.

Others

Others primarily related to the rental income of the flower shops and juice corners, lounge income, and others. Others decreased from SAR 1.2 million in 2021G to SAR 759 thousand in 2022G and further decreased to SAR 567 thousand in 2023G due to outsourcing the operations of the visitors lounge to a third party.

6.9.1.6 Finance Costs

Table 6.15: Finance cost for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G
Interest cost on long-term loas	-	11,484	22,024	na	91.8%	na
Unwinding of deferred income on Ministry of Finance loan	1,456	1,320	2,199	(9.3%)	66.6%	22.9%
Interest cost on defined benefit obligation	1,543	1,955	3,790	26.7%	93.9%	56.7%
Interest cost on lease liabilities	821	618	326	(24.7%)	(47.2%)	(37.0%)
Bank charges	1,033	-	-	na	na	na
Total finance cost	**4,852**	**15,377**	**28,339**	**216.9%**	**84.3%**	**141.7%**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Interest cost on long-term loans

Interest cost on long-term loans primarily pertained to the Company's long-term loan interest expenses. Interest cost increased from nil in 2021G to SAR 11.5 million in 2022G as the Company capitalized the interest cost towards the relevant construction capital expenditures for the North Tower which amounted to SAR 8.1 million in 2021G. It is worth noting that the Company commenced expensing long-term interest costs once the operations of the North Tower commenced.

Interest cost on long-term loans increased from SAR11.5 million in 2022G to SAR 22.0 million in 2023G driven by the increase in the loan balance from SAR 786.7 million to SAR 1.2 billion on the back of increasing the loan amount from a commercial bank.

Unwinding deferred income on Ministry of Finance ("MoF")

Unwinding deferred income on Ministry of Finance is related to the amortization of the government grant, given that the loan was interest-free. Unwinding deferred income decreased from SAR 1.4 million in 2021G to SAR 1.3 million in 2022G, and subsequently increased to SAR 2.2 million in 2023G as the Company settled two payments during 2023G to compensate for the payment exemption granted during the COVID-19 period.

Interest on lease liability

Interest on lease liability decreased from SAR 821 thousand in 2021G to SAR 618 thousand and SAR 326 thousand in 2022G and 2023G respectively, in parallel with the decrease in the lease liability balance from SAR 18.4 million in 2021G to SAR 5.4 million in 2023G.

Bank charges

Bank charges amounted to SAR 1.0 million in 2021G and were subsequently reclassified to general and administrative expenses.

6.9.2 Statement of financial position

The following table shows the balance sheet as at 31 December 2021G, 2022G and 2023G.

Table 6.16: Statement of financial position as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Non-current assets			
Property and equipment	1,151,553	1,409,135	1,743,602
Intangible assets	4,961	6,213	4,126
Right-of-use assets	19,088	12,042	5,974
Total non-current assets	**1,175,602**	**1,427,390**	**1,753,702**
Current assets			
Inventories	49,917	50,080	59,374
Accounts receivable	218,534	284,918	446,539
Advances, prepayments, and other current assets	20,744	18,560	26,344
Due from shareholder	22,353	28,979	-
Cash and cash equivalents	58,120	15,240	15,839
Total current assets	**369,669**	**397,778**	**548,096**
Total assets	**1,545,270**	**1,825,168**	**2,301,799**
Equity and Liabilities			
Equity			
Share capital	1,000	1,000	1,000
Proposed share capital	-	-	349,000
Statutory reserve	300	300	300
Contribution from shareholder	395,743	395,743	-
Retained earnings	200,939	251,099	305,703
Total equity	**597,982**	**648,142**	**656,003**
Liabilities			
Non-current liabilities			
Long-term loans	466,876	681,282	1,054,953
Lease liabilities	10,828	5,060	2,196
Employees' benefits	78,212	89,177	100,976
Total non-current liabilities	**555,915**	**775,519**	**1,158,125**
Current liabilities			
Accounts payable	257,332	207,574	210,722
Accruals and other current liabilities	77,095	38,499	44,014
Derivative financial instruments	-	2,234	271
Refund liabilities	15,284	36,775	67,741
Long-term loans – current portion	27,843	105,453	93,102
Short term borrowings	-	-	65,000
Lease liabilities – current portion	7,535	6,385	3,190
Zakat payable	6,283	4,586	3,630
Total current liabilities	**391,373**	**401,506**	**487,670**
Total liabilities	**947,288**	**1,177,026**	**1,645,795**
Total liabilities and equity	**1,545,270**	**1,825,168**	**2,301,799**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.17: Key performance indicators as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Management)	2022G (Management)	2023G (Management)
Revenue growth rate	n.a	16.3%	20.0%
Current ratio	0.95	0.99	1.12
Return on assets (%)	4.0%	2.8%	4.3%
Return on equity (%)	10.4%	7.9%	15.0%
Debt-to-equity	0.83	1.21	1.85
Working capital as a percentage of revenue	(8.6%)	8.4%	21.4%
Average days inventory outstanding* (Days)	37	32	32
Average days payables outstanding** (Days)	241	209	188
Average days sales outstanding*** (Days)	115	124	148
Cash conversion cycle	(89)	(53)	(7)

Source: Management information.

* Average days inventory outstanding is calculated based on cost of revenue

** Average days payables outstanding is calculated based on accounts payable and all costs under cost of revenue, selling and distribution expenses, and general and administrative expenses excluding employee costs, depreciation, amortization and impairment loss provision

*** Average days sales outstanding is calculated based on accounts receivable and credit revenue

Non-current assets

Non-current assets amounted to SAR 1.8 billion as at 31 December 2023G and mainly consisted of property and equipment (SAR 1.7 billion), right-of-use assets (SAR 6.0 million), and intangible assets (SAR 4.1 million). Non-current assets increased from SAR 1.2 billion as at 31 December 2021G to SAR 1.4 billion as at 31 December 2022G mainly due to the increase in property and equipment by SAR 257.6 million driven by the capital expenditure spent for the opening of the North Tower. This was partially offset by the decrease in right-of-use assets by SAR 7.0 million. Non-current assets increased to SAR 1.8 billion as at 31 December 2023G mainly on the back of the increase in property and equipment by SAR 334.5 million driven by the capital expenditure spent for the opening of Rehabilitation Hospital. This was partially of set by the decrease in right-of-use assets by SAR 6.1 million.

Current assets

Current assets amounted to SAR 548.1 million as at 31 December 2023G and mainly comprised accounts receivables (SAR 446.5 million), inventories (SAR 59.4 million), and advances prepayments and other current assets (SAR 26.3 million). Current assets increased from SAR 369.7 million as at 31 December 2021G to SAR 397.8 million as at 31 December 2022G mainly driven by the increase in accounts receivables by SAR 66.4 million in line with the increase in revenue. Current assets increased to SAR 548.1 million as at 31 December 2023G mainly on the back of the increase in accounts receivables by SAR161.6 million from one of the corporate clients due to the new contract terms, partially offset by the decrease in due from a shareholder from SAR 29.0 million as at 31 December 2022G to nil as at 31 December 2023G.

Equity

As at 31 December 2023G, shareholders' equity amounted to SAR 656.0 million and mainly comprised proposed share capital (SAR 349.0 million), retained earnings (SAR 305.7 million) and share capital (SAR 1.0 million). Shareholders' equity increased from SAR 598.0 million as at 31 December 2021G to SAR 656.0 million as at 31 December 2023G mainly driven by the increase in proposed share capital by SAR 349.0 million.

Non-current liabilities

Non-current liabilities amounted to SAR 1.2 billion as at 31 December 2023G and mainly included long-term loans (SAR 1.1 billion) and employees' benefits (SAR 101.0 million). Non-current liabilities increased from SAR 555.9 million as at 31 December 2021G to SAR 775.5 million as at 31 December 2022G mainly on the back of the increase in long term loans by SAR 214.4 million. Non-current liabilities increased to SAR 1.2 billion as at 31 December 2023G mainly due to the increase in long term loans by SAR 373.7 million. The increase in long term loans is mainly driven by the financing requirement for the opening of the North Tower and Rehabilitation Hospital.

Current liabilities

Current liabilities amounted to SAR 487.7 million as at 31 December 2023G and mainly comprised accounts payable (SAR 210.7 million) and long term loans – current portion (SAR 93.1 million). Current liabilities increased from SAR 391.4 million as at 31 December 2021G to SAR 401.5 million as at 31 December 2022G mainly driven by the increase in long term loans – current portion by SAR 77.6 million, partially offset by the decrease in account payable by SAR 49.8 million, and accruals and other current liabilities by SAR 38.6 million. Current liabilities increased to SAR 487.7 million as at 31 December 2023G mainly due to the increase in short term loans by SAR 65.0 million and refund liabilities by SAR 31.0 million.

6.9.2.1 Non-Current Assets

Table 6.18: Non-current assets as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Property and equipment	1,151,553	1,409,135	1,743,602
Intangible assets	4,961	6,213	4,126
Right-of-use assets	19,088	12,042	5,974
Total non-current assets	**1,175,602**	**1,427,390**	**1,753,702**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

A. Property and Equipment

Table 6.19: Gross Book Value of Property and Equipment as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Land	233,555	233,555	265,609
Buildings	135,291	586,290	985,132
Elevators	4,543	11,657	11,657
Medical equipment and tools	176,422	287,603	340,103
Office equipment	43,988	67,701	76,881
Furniture and fixture	35,770	59,373	70,416
Motor vehicles	4,836	4,706	6,518
Construction work in progress	762,013	451,399	325,404
Total	**1,396,418**	**1,702,285**	**2,081,720**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.20: Net Book Value of Property and Equipment as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Land	233,555	233,555	265,609
Buildings	80,671	515,574	895,798
Elevators	425	6,398	5,166
Medical equipment and tools	57,697	148,660	186,689
Office equipment	8,352	26,962	30,977
Furniture and fixture	8,305	26,331	32,437
Motor vehicles	534	256	1,522
Construction work in progress	762,013	451,399	325,404
Total	**1,151,553**	**1,409,135**	**1,743,602**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.21: Additions to Property and Equipment as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Land	14,092	-	32,054
Buildings	-	7,699	14,882
Elevators	-	4,339	-
Medical equipment and tools	4,893	33,850	43,135
Office equipment	1,784	7,520	9,226
Furniture and fixture	2,509	4,444	11,993
Motor vehicles	62	29	959
Construction work in progress	295,133	249,298	302,993
Total	**318,472**	**307,179**	**415,242**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Land

Land primarily consisted of (1) Al Khobar land (SAR 102.7 million), (2) Rehabilitation Hospital land (SAR 53.7 million), (3) North Tower land (SAR 28.6 million), (4) Al Hofuf land (SAR 32.1 million), (5) non-operational lands (SAR 45.4 million), and (6) other lands mainly used as parking for the AlMoosa Specialist Hospital (Al Ahsa). Land remained stable as at 31 December 2021G and 31 December 2022G and amounted to SAR 233.6 million. Land balance continued to increase to reach SAR 265.6 million as at 31 December 2023G, mainly due to additions (+SAR 32.1 million) in relation to Al Hofuf hospital.

Buildings

Buildings mainly consisted of (1) North Tower building (SAR 439.1 million), (2) the Rehabilitation Hospital building (SAR 378.6 million), (3) South Tower building (SAR 43.0 million), and (4) other additions to buildings and capitalized renovations.

Buildings increased from SAR 80.7 million as at 31 December 2021G to SAR 515.6 million at 31 December 2022G due to transfers from construction work in progress to buildings (+SAR 443.3 million) related to the opening of the North Tower. Subsequently, buildings increased from SAR 515.6 million as at 31 December 2022G to SAR 895.8 million as at 31 December 2023G attributable to transfers of SAR 384.0 million from construction work in progress in relation to the Rehabilitation Hospital.

Elevators

Elevators pertained to elevators used for the hospital's buildings. Elevators increased from SAR 425 thousand as at 31 December 2021G to SAR 6.4 million as at 31 December 2022G due to (1) additions (+SAR 4.3 million) and (2) transfers from construction work in progress (+SAR 2.8 million) both related to the opening of the North Tower partially offset by the depreciation charge for the year (-SAR 1.1 million). Elevators subsequently decreased to SAR 5.2 million as at 31 December 2023G due to the depreciation charge for the year (-SAR 1.2 million).

Medical equipment and tools

Medical equipment and tools amounted to SAR 186.7 million as at 31 December 2023G and mainly related to medical equipment used in the acute care hospital and rehabilitation hospital. Medical equipment and tools increased from SAR 57.7 million as at 31 December 2021G to SAR 148.7 million as at 31 December 2022G mostly on the back of (1) transfers from construction WIP (+SAR 78.1 million) and (2) additions (+SAR 33.9 million) both relating to the opening of the North Tower, partially offset by depreciation charges (-SAR 20.9 million). Medical equipment and tools further increased to SAR 186.7 million as at 31 December 2023G on the back of (1) additions (+SAR 43.1 million) and (2) transfers (+SAR 20.7 million) both relating to the opening of the Rehabilitation Hospital, partially offset by depreciation charges (-SAR 25.6 million).

Office equipment

Office equipment increased from SAR 8.3 million as at 31 December 2021G to SAR 27.0 million as at 31 December 2022G due to (1) transfers (+SAR 16.4 million) and (2) additions (+SAR 7.5 million), partially offset by the depreciation charge of the year (-SAR 5.3 million). Office equipment further increased to SAR 31.0 million due to (1) additions (+SAR 9.2 million) and (2) transfers (+SAR 1.2 million), partially offset by the depreciation charge of the year (-SAR6.2 million).

Furniture and fixture

Furniture and fixture increased from SAR 8.3 million as at 31 December 2021G to SAR 26.3 million as at 31 December 2022G due to (1) transfers from construction work in progress (+SAR 19.4 million), and (2) additions (+SAR 4.4 million) both related to the opening of the North Tower, partially offset by the depreciation charge of the year (-SAR 5.8 million). Furniture and fixture further increased to SAR 32.4 million as at 31 December 2023G due to additions (+SAR 12.0 million) related to the opening of the Rehabilitation Hospital, partially offset by depreciation charges of the year (-SAR 5.8 million).

Motor vehicles

Motor vehicles mainly included ambulances, home healthcare service vehicles, buses, and vehicles used for hospital operations. Motor vehicles decreased from SAR 534 thousand as at 31 December 2021G to SAR 256 thousand as at 31 December 2022G mainly due to the depreciation charge of the year (-SAR 307 thousand). Motor vehicles subsequently increased to SAR 1.5 million as at 31 December 2023G on the back of (1) additions (+SAR 959 thousand) and (2) transfers from construction work in progress (+SAR 885 thousand) both related to the opening of the Rehabilitation Hospital, partially offset by the depreciation charge for the year (-SAR 577 thousand).

Construction work in progress

Construction work in progress mainly pertained to the Rehabilitation Hospital (SAR 245.2 million), and suppliers prepayments (SAR 52.8 million) reflecting amounts not yet invoiced from suppliers. Construction work in progress decreased from SAR 762 million as at 31 December 2021G to SAR 451.4 million as at 31 December 2022G due to transfers (-SAR 560.0 million) related to the completion of the North Tower, partially offset by additions (+SAR 249.3 million) related to the rehabilitation hospital. Construction work in progress decreased to SAR 325.4 million as at 31 December 2023G as a result of transfers (-SAR 406.7 million) in relation to opening the Rehabilitation Hospital, partially offset by additions (+SAR 303.0 million) related to additional work in progress related to the Rehabilitation Hospital.

B. Right-of-Use Assets

Table 6.22: Right-of-use, net as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Gross book value	25,763	25,763	25,763
Accumulated depreciation	(6,675)	(13,721)	(19,789)
Net book value	**19,088**	**12,042**	**5,974**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.23: Lease liabilities as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Balance at 1 January	1,944	18,363	11,445
Additions during the year	23,132	-	-
Interest charge for the year	821	618	326
Payments during the year	(7,535)	(7,535)	(6,385)
Balance at 31 December	**18,363**	**11,445**	**5,386**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.24: Lease liabilities, current and non-current portions as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Non-current portion	10,828	5,060	2,196
Current portion	7,535	6,385	3190
Balance as at end of the year	**18,363**	**11,445**	**5,386**

Source: Audited financial statements for the financial years ended 31 December 2021G, 2022G and management information.

Table 6.25: Amount recognised in statement of profit or loss and other comprehensive income as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Interest on lease liabilities	821	618	326
Expenses relating to short-term leases	8,931	6,542	5,449
Depreciation	6,257	7,046	6,068

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.26: Amount recognised in statement of cash flows as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Total cash outflow for leases*	7,535	7,535	6,385

* Total cash outflow for leases includes interest charges

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Right-of-use assets

Right-of-use assets mainly comprised of leased facilities primarily related to staff accommodations.

Right-of-use-assets decreased from SAR 19.1 million as at 31 December 2021G to SAR 12.0 million as at 31 December 2022G, mainly due to the amortization charges.

Right-of-use-assets decreased from SAR 12.0 million as at 31 December 2022G to SAR 6.0 million as at 31 December 2023G due to amortization charges.

C. Intangible Assets

Table 6.27: Intangible assets, net as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December 2021G (Audited)	As at 31 December 2022G (Audited)			As at 31 December 2023G (Audited)		
	Total	Software	Operating Licenses	Total	Software	Operating Licenses	Total
Cost							
Balance at 1 January	12,554	8,861	4,934	13,795	9,296	7,389	16,685
Additions during the year	311	435	2,455	2,890	1,103	1,061	2,164
Written-off during the year	-	-	-	-	-	(2,265)	(2,265)
Transfer from capital work-in-progress	930	-	-	-	-	-	-
Balance at 31 December	**13,795**	**9,296**	**7,389**	**16,685**	**10,399**	**6,185**	**16,584**
Accumulated amortization							
Balance at 1 January	7,389	4,529	4,306	8,834	5,860	4,612	10,472
Amortization for the year	1,445	1,331	307	1,638	1,329	657	1,986
Balance at 31 December	**8,834**	**5,860**	**4,612**	**10,472**	**7,189**	**5,269**	**12,458**
Carrying amount	**4,961**	**3,436**	**2,777**	**6,213**	**3,210**	**916**	**4,126**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.28: Amortization of intangible assets as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Cost of revenues	56	174	1,959
Selling and distribution expenses	-	2	3
General and administrative expenses	1,389	1,462	25
Total amortization	**1,445**	**1,638**	**1,986**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Intangible assets

Intangible assets amounted to SAR 4.1 million as at 31 December 2023G, primarily comprised of (1) software (SAR 3.2 million) in relation to medical software, Oracle, accounting software, security systems, and others, and (2) operating licenses (SAR 916 thousand) in relation to accreditations, licensing fees, Microsoft Office, servers, subscription to medical software, and others.

Intangible assets increased from SAR 5.0 million as at 31 December 2021G to SAR 6.2 million as at 31 December 2022G driven by the additions to software and operating licenses (SAR 2.9 million) in relation to the opening of the North Tower, partially offset by the amortization charge of the year (-SAR 1.6 million).

Intangible assets decreased to SAR 4.1 million as at 31 December 2023G driven by the amortization charge of the year (SAR 2.0 million), and write-offs (-SAR 2.3 million) in relation to 1-year medical service fees. This was partially offset by additions to the software and operating licenses (+SAR 2.2 million) on the back of the opening of the Rehabilitation Hospital.

6.9.2.2 Current Assets

Table 6.29: Current assets as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Inventories	49,917	50,080	59,374
Accounts receivable	218,534	284,918	446,539
Advances, prepayments, and other current assets	20,744	18,560	26,344
Due from shareholder	22,353	28,979	-
Cash and cash equivalents	58,120	15,240	15,839
Total current assets	**369,669**	**397,778**	**548,096**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

A. Inventories

Table 6.30: Inventories as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Surgical and consumable tools	16,249	23,290	35,300
Pharmaceuticals and cosmetic materials	27,033	14,798	19,936
Spare parts and consumables	6,694	12,050	4,138
Total	**49,976**	**50,139**	**59,374**
Less: write-down of inventories against expired inventories	(59)	(59)	-
Total Inventories	**49,917**	**50,080**	**59,374**
Average days inventory outstanding (Day)	**37**	**32**	**32**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G and Management information.

Table 6.31: The movement of provision against expired inventories as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Balance at 1 January	131	59	59
Write-off during the year	(18)	-	(59)
Reversal during the year	(54)	-	-
Balance at 31 December	**59**	**59**	**-**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Surgical and consumable tools

Surgical and consumable tools amounted to SAR 35.3 million as at 31 December 2023G, primarily pertained to various tools utilized in the clinics, such as surgical instruments, disposable supplies, wound care materials, anaesthesia equipment, diagnostic tools, electrocautery devices, orthopaedic and ophthalmic tools, endoscopy, and cardiovascular equipment etc. Surgical and consumable tools increased from SAR 16.2 million as at 31 December 2021G to SAR 23.3 million as at 31 December 2022G following the opening of the North Tower. Surgical and consumable tools further increased to SAR 35.3 million as at 31 December 2023G in line with the opening of the Rehabilitation Hospital.

Pharmaceuticals and cosmetic materials

Pharmaceuticals and cosmetic materials amounted to SAR 19.9 million as at 31 December 2023G, mainly related to different type of pharmaceutical products. Pharmaceuticals and cosmetic materials decreased from SAR 27.0 million as at 31 December 2021G to SAR 14.8 million as at 31 December 2022G as a result of stock levels normalizing after being unusually high as at 31 December 2021G due to COVID-19. Pharmaceuticals and cosmetic materials subsequently increased to SAR 19.9 million as at 31 December 2023G driven by the growth in operations and the opening of two new pharmacies in the North Tower and the Rehabilitation Hospital.

Spare parts and consumables

Spare parts and consumables amounted to SAR 4.1 million as at 31 December 2023G, mainly related to spare surgical tools and consumables. Spare parts and consumables increased from SAR 6.7 million as at 31 December 2021G to SAR 12.1 million as at 31 December 2022G and subsequently decreased to SAR 4.1 million as at 31 December 2023G based on the operational requirements.

Provision against expired inventories

Provision against expired inventories amounted to SAR 59 thousand as at 31 December 2021G and 31 December 2022G to account for expired inventories that were later written off.

Average days inventory outstanding ranged between 32 days to 37 days over the period spanning from 31 December 2021G to 31 December 2023G.

B. Accounts Receivable

Table 6.32: Accounts receivable as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Accounts receivable	218,472	283,519	449,276
Less: Impairment loss	(2,945)	(2,778)	(6,708)
Total	**215,527**	**280,740**	**442,568**
Due from related parties	3,008	4,178	3,971
Total accounts receivable	**218,534**	**284,918**	**446,539**
Average days sales outstanding (Day)	**115**	**124**	**148**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.33: Ageing of accounts receivable as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December 2021G (Audited)			As at 31 December 2022G (Audited)			As at 31 December 2023G (Audited)		
	Expected credit loss %	Gross carrying amount	Lifetime ECL	Expected credit loss %	Gross carrying amount	Lifetime ECL	Expected credit loss %	Gross carrying amount	Lifetime ECL
Not past due	-	45,524	-	-	48,245	-	-	80,768	-
1-90 days	0.33%	47,013	(155)	0.24%	67,037	(160)	0.32%	98,794	(320)
91-180 days	0.92%	21,545	(197)	0.77%	24,749	(191)	0.71%	68,955	(491)
181-360 days	1.07%	30,353	(325)	1.30%	31,154	(404)	1.28%	78,326	(1,004)
More than 361 days	3.06%	74,038	(2,268)	1.80%	112,333	(2,024)	4.00%	122,433	(4,894)
Total	**-**	**218,472**	**(2,945)**	**-**	**283,519**	**(2,778)**	**-**	**449,276**	**(6,708)**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.34: The movement of allowance for expected credit losses as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Impairment loss Balance at 1 January	1,726	2,945	2,778
Provision for expected credit loss during the year	1,219	-	3,930
Reversal during the year	-	(167)	-
Balance at 31 December	**2,945**	**2,778**	**6,708**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.35: Due from related parties as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
AlMoosa Automatic Doors Factory	3,008	3,331	3,725
AlMoosa College of Health Sciences	-	847	246
Balance at 31 December	**3,008**	**4,178**	**3,971**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Accounts receivable

Gross receivables amounted to SAR 701.1 million as at 31 December 2023G and mainly comprised of receivables from insurance providers (SAR 214.4 million), Government (SAR 241.0 million) and corporate clients (SAR 245.7 million) which is mainly related to the largest corporate client which was partially offset by rejection provisions in an amount of SAR 251.8 million and accordingly the net accounts receivable for that period amounted to SAR 449.3 million. Net accounts receivable increased by 29.8% from SAR 218.5 million as at 31 December 2021G to SAR 283.5 million as at 31 December 2022G mainly driven by the increase in net revenue by 16.3% with a slightly lower collection. Gross receivables increased by 58.5% from SAR 283.5 million as at 31 December 2022G to SAR 449.3 million as at 31 December 2023G primarily driven by the growth in net revenue by 20.0% coupled with higher receivables from the largest corporate client, due to the shift in contract terms from fixed per capita coverage to full comprehensive insurance coverage as a new initiative with this client.

Based on the Company's credit policy, all service payers are offered payment period of 60 to 90 days.

Impairment loss

The Company recognizes expected credit loss during each reporting period, utilizing a provision matrix derived from its historical credit loss track record.

Impairment loss amounted to SAR 6.7 million as at 31 December 2023G, mainly related to the expected credit loss incurred against doubtful accounts. Impairment loss decreased from SAR 2.9 million as at 31 December 2021G to SAR 2.8 million as at 31 December 2022G driven by the reversal of SAR 0.2 million during the year. Subsequently, impairment loss increased to SAR 6.7 million driven by a provision charge of SAR 3.9 million during the year based on the yearly ECL assessment.

C. Advances, Prepayments and Other Current Assets

Table 6.36: Advances, prepayments, and other current assets as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Prepaid expenses	16,856	14,154	16,909
Advances to suppliers	2,120	3,419	8,472
Employees' advances	1,606	932	778
Other assets	163	55	185
Total advances, prepayments, and other current assets	**20,744**	**18,560**	**26,344**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Prepaid expenses

Prepaid expenses amounted to SAR 16.9 million as at 31 December 2023G, and mainly consisted of (1) prepaid medical insurance (SAR 8.5 million), (2) prepaid staff visa/iqama (SAR 7.0 million), and (3) others (SAR 1.4 million).

Prepaid expenses decreased from SAR16.9 million as at 31 December 2021G to SAR 14.2 million as at 31 December 2022G, mainly due to the decrease in other prepaid expenses (-SAR 3.2 million) due to the decrease in prepaid building rent (-SAR 3.5 million). Prepaid expenses increased from SAR 14.2 million as at 31 December 2022G to SAR 16.9 million as at 31 December 2023G mainly due to the increase in prepaid medical insurance (+SAR 1.6 million) driven by the increase in the insurance rates, and prepaid staff visa/iqama (+SAR 1.1 million).

Advances to supplier

Advances to supplier amounted to SAR 8.5 million as at 31 December 2023G associated with payments made to capital expenditure suppliers, maintenance contracts, and services contracts.

Advances to suppliers increased from SAR 2.1 million as at 31 December 2021G to SAR 3.4 million as at 31 December 2022G driven by the expanding operations and the opening of the North Tower. Advances to suppliers further increased to SAR 8.5 million as at 31 December 2023G due to a further increase in capital expenditure associated with the Rehabilitation Hospital.

Employees' advances

Employees' advances amounted to SAR 778 thousand as at 31 December 2023G, and mainly comprised of advances extended to employees.

Employee' advances decreased from SAR 1.6 million as at 31 December 2021G to SAR 932 thousand and SAR 778 thousand as at 31 December 2022G and 31 December 2023G respectively. This reduction was a result of the Company's initiative to encourage employees to utilize payment plan services such as Tamara and Tabby.

Other assets

Other assets amounted to SAR 185 thousand as at 31 December 2023G and mainly comprised of (1) third parties' letters of guarantees, and (2) suppliers and hospital offsetting accounts. Other assets decreased from SAR 163 thousand as at 31 December 2021G to SAR 55 thousand as at 31 December 2022G and subsequently increased to SAR 185 thousand as at 31 December 2023G.

D. Due from shareholder

Table 6.37: Due from shareholders as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Due from shareholder (Mr. Abdul-Aziz Al Moosa)	22,353	28,979	-

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

The amount due from a shareholder amounted to SAR 22.4 million as at 31 December 2021G, and SAR 28.9 million as at 31 December 2022G, and then decreased to zero as at 31 December 2023G. These balances were related to personal withdrawals, which were fully settled in 2023G.

E. Cash and Cash Equivalents

Table 6.38: Cash and cash equivalents as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Cash in hand	57,454	14,568	15,300
Bank balances	666	672	539
Total cash and cash equivalents	**58,120**	**15,240**	**15,839**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Cash and cash equivalents amounted to SAR 15.9 million as at 31 December 2023G and mainly comprised of cash in hand (SAR 15.3 million) and bank balances (SAR 539 thousand).

Cash and cash equivalents decreased from SAR 58.1 million as at 31 December 2021G to SAR 15.2 million as at 31 December 2022G driven by negative cashflow from operations during the year (-SAR 9.9 million), and negative cash flow from investing activities (- SAR 316.7 million), partially offset by positive cash flow from financing activities (+ SAR283.8 million).

Cash and cash equivalents increased slightly increased form SAR 15.2 million as at 31 December 2022G to SAR 15.8 million as at 31 December 2023G driven by positive cash flow from operation (+ SAR 40.1 million), and cash flow from financing activities (+ SAR 414.9 million), partially offset by negative cash flow from investing activities (- SAR 454.4 million).

6.9.2.3 Non-Current Liabilities

Table 6.39: Non-current liabilities as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Long-term loans	466,876	681,282	1,054,953
Lease liabilities	10,828	5,060	2,196
Employees' benefits	78,212	89,177	100,976
Total non-current liabilities	**555,915**	**775,519**	**1,158,125**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

A. Long Term Loans (Current and Non-Current)

Table 6.40: Long-term loans as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Loans from SNB – 1	62,500	37,500	-
Loans from SAB – 2	191,000	317,167	356,960
Loans from SNB – 3	198,000	162,500	112,500
Loans from Al Rajhi Bank – 4	-	150,000	399,500
Loans from Saudi Fransi – 5	-	-	175,000
Loan from Ministry of finance (MoF)	22,745	19,901	14,215
Less: Deferred income on loan from MoF	(5,992)	(4,672)	(2,473)
Less: Amortization on transaction cost	(1,376)	(1,114)	(749)
Total long-term loans	**466,876**	**681,282**	**1,054,953**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.41: Long-term loans – current portion as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Loans from MoF	2,843	2,843	2,843
Loans from commercial banks	25,000	97,583	82,451
Accrued interest expense	-	5,027	7,808
Total	**27,843**	**105,453**	**93,102**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.42: Terms and conditions of outstanding loans as at 31 December 2023G

SAR in 000s	As at 31 December 2023G (Audited)			
	Currency	Year of Maturity	Face Value	Carrying Amount
Loans from SNB – 1	SAR	-	-	-
Loans from SAB – 2	SAR	20230G	389,411	389,411
Loans from SNB – 3	SAR	2027G	162,500	161,751
Loans from Al Rajhi Bank – 4	SAR	2030G	399,500	399,500
Loans from Saudi Fransi – 5	SAR	2030G	175,000	175,000
Loan from MoF	SAR	2030G	17,058	14,586
Total	**SAR**		**1,143,469**	**1,140,248**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.43: Long-term loans – future maturities as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Within one year	27,843	100,426	85,294
Later than one year but not later than five years	370,789	524,539	837,761
Later than five years	103,456	162,529	220,414
Total	**502,088**	**787,495**	**1,143,469**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Long term loans

Long term loans increased from SAR 466.9 million as at 31 December 2021G to 681.3 million as at 31 December 2022G driven by (1) the increase in loan from commercial bank 2 (+ SAR 126.1 million) attributable to the increase in credit facility limit from SAR 100.0 million to SAR 400.0 million to finance the construction of the Rehabilitation Hospital, and (2) Obtaining a loan of SAR 150.0 million (Loans from commercial banks - 4) to finance the construction of the Rehabilitation Hospital. This was partially offset by the decrease in loans from commercial banks 1 (-SAR 37.5 million) as this balance was transferred to the current portion of long-term loans.

Total loans increased from SAR 681.3 million as at 31 December 2022G to SAR 1.1 billion as at 31 December 2023G driven by attributable to the increase in the balance from (1) loans from commercial banks - 2 (+SAR 39.8 million), (2) loans from commercial banks -4 (+SAR 249.5 million), and (3) obtaining a new loan (loans from commercial banks -4 +SAR 175.0 million).

Current portion of long term loans

Current position of long term loans increased from SAR 27.8 million as at 31 December 2021G to SAR 105.5 million as at 31 December 2022G driven by the increase in the yearly payments in parallel with the increase in the long terms balances. Subsequently, current portion of long term loans slightly decreased to SAR 93.1 million as at 31 December 2023G.

Loan from SNB Bank - 1

In 2018G, the Company entered into a term loan agreement for SAR 100.0 million with a rate of 1.45% plus SIBOR with SNB bank to finance the expansion of the AlMoosa Specialist Hospital (Al Ahsa) through the construction of new medical tower. The outstanding balance was fully settled in April 2023G. The loan is secured against personal guarantees of Mr. Malek Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of certain parcels of land.

Loan from SAB Bank - 2

In 2019G, the Company entered into long term murabaha liquidity financing agreement for SAR 100.0 million with a rate of 0.9% plus SIBOR through SAB bank to finance the construction of the North Tower and the Rehabilitation Hospital. During 2021G, an additional limit was obtained amounting to SAR 300.0 million through a revised facility letter and the total utilized facility was SAR 389 million as at 31 December 2023G. The loan is repayable in 24 equal quarterly instalments commencing from 1 July 2024G. The loan is secured against a personal guarantee of Mr. Abdulaziz AlMoosa and mortgage of the Rehabilitation Hospital land.

Loan from SNB Bank- 3

In 2020G, the Company entered into an additional term loan agreement for SAR 200.0 million with a rate of 1.0% plus SIBOR with SNB bank to finance the expansion of the AlMoosa Specialist Hospital (Al Ahsa) through the construction of new medical tower and utilized SAR 200.0 million as at 31 December 2023G. The loan is repayable in 16 equal quarterly instalments commencing on the earlier of one year from full draw down or from the end of the loan limit availability period i.e., 30 April 2022G. The loan is secured against the personal guarantees of Mr. Malek Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of main building land.

Loan from Al Rajhi Bank- 4

During the year 2022G, the Company entered into a long-term loan agreement for SAR 480.0 million with a rate of 0.95% plus SIBOR through Al Rajhi Bank to finance the construction of the Rehabilitation Hospital and utilized SAR 399.5 million as at 31 December 2023G. The loan is repayable in 20 equal quarterly instalments commencing from 1 June 2025G. The loan is secured against personal guarantee of Mr. Abdulaziz AlMoosa and Malek Almoosa and mortgage over the North Tower land.

Loans from Banque Saudi Fransi -5

During the year 2023G, the Company entered into a long term loan agreement for SAR 350.0 million with a rate of 1.0% plus SIBOR through Saudi Fransi bank to finance the construction and Medical Equipment supply of the Hospital and utilized SAR 175.0 million as at 31 December 2023G. The loan is repayable in 10 equal quarterly instalments commencing from 31 July 2025G. The loan is secured against personal guarantee of Mr. Abdulaziz AlMoosa and Mr. Malek Almoosa.

Loan from Ministry of Finance (MoF)

In 2010G, the Company entered into a loan agreement for SAR 42.6 million with Ministry of Finance to finance the construction of main building of the AlMoosa Specialist Hospital (Al Ahsa). The loan is repayable in equal annual instalments of SAR 2.8 million each which commenced from 2015G and will continue up to 2030G. The loan provided is interest free and does not require any collaterals and securities from the Company.

The Company is required to comply with certain covenants under the loan facility agreements mentioned above. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. As of 31 December 2023G, the necessary waivers in relation to non-compliance of loan covenants have been obtained by the Company from banks before year end, wherever applicable, and accordingly these loans were not reclassified to current liabilities.

Short term borrowings

Table 6.44: Short term borrowings as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Short term borrowings	-	-	65,000
Total	**-**	**-**	**65,000**

Source: Audited financial statements for the financial years ended 31 December 2021G, 2022G.

The Company obtained a short-term loan of SAR 65.0 million from a commercial bank to be repaid in 2024G to finance working capital requirements.

B. Employees' Benefits

Table 6.45: Employees' benefits – amount recognised in statement of profit or loss as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Current service cost	12,972	16,990	17,849
Interest cost on defined benefit obligation	1,543	1,955	3,790
Total	**14,514**	**18,946**	**21,639**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.46: Employees' benefits – amount recognised in other comprehensive income as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Remeasurement loss arising from:			
Actuarial gain / (loss) due to change in experience adjustments	6,340	1,280	(509)
Actuarial gain due to change in financial assumptions	-	(425)	(2,704)
Total	**6,340**	**855**	**(3,213)**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.47: Movement in the present value of defined benefit obligation as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Balance at 1 January	61,702	78,212	89,177
Current service cost	12,972	16,990	17,849
Interest cost	1,543	1,955	3,790
Re-measurement gain / (loss) on employees' benefits	6,340	855	(3,213)
Benefits paid during the year	(4,344)	(8,835)	(6,627)
Total	**78,212**	**89,177**	**100,976**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.48: Employees' benefits – assumptions used in determining the post-employment defined benefit obligation as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Discount rate	2.5%	4.25%	4.75%
Future salary increases	3.0%	4.75%	4.75%
Mortality rates (WHO SA16)	75%	75%	75%
Rates of employee turnover (WHO SA16)	15%	15%	15%

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.49: Employees' benefits – sensitivity analysis as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Discount rate			
Defined benefit obligation (1% increase)	74,044	84,555	95,972
Defined benefit obligation (1% decrease)	82,867	94,326	106,532
Future salary			
Defined benefit obligation	82,796	94,249	106,477
Defined benefit obligation	74,025	84,534	95,927

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.50: Employees' benefits – payments are expected against the defined benefit liability as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Year 1	18,894	20,938	24,417
Year 2	11,321	13,890	16,560
Year 3	11,889	15,322	18,424
Year 4	12,988	16,136	17,574
Year 5	13,937	16,175	18,759
Beyond 5 years	164,993	214,455	236,070
Total	**234,023**	**296,917**	**331,804**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Employees end of service benefits

Employees' end of service benefits are calculated using actuarial valuations, representing the provision for employees' end of service benefits. The provision has been provided based on an independent actuarial exercise using key assumptions; such as a retirement age of 60 years, a discount rate of 4.75%, and future salary growth of 4.75%.

Employees benefits increased by 14.1% from SAR 78.2 million as at 31 December 2021G to SAR 89.2 million as at 31 December 2022G, and subsequently increased by 13.2% to SAR 101.0 million driven by the increase in discount rate from 4.25% in 2022G to 4.75% in 2023G coupled with the yearly service cost.

6.9.2.4 Current Liabilities

Table 6.51: Current liabilities as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Accounts payable	257,332	207,574	210,722
Accruals and other current liabilities	77,095	38,499	44,014
Derivative financial instruments	-	2,234	271
Refund liabilities	15,284	36,775	67,741
Long-term loans – current portion	27,843	105,453	93,102
Short term borrowings	-	-	65,000
Lease liabilities – current portion	7,535	6,385	3,190
Zakat payable	6,283	4,586	3,630
Total current liabilities	**391,373**	**401,506**	**487,670**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

A. Accounts Payable

Table 6.52: Accounts payable as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Accounts payable	132,809	147,011	159,079
Payable to contractors	124,523	60,562	51,643
Total	**257,332**	**207,574**	**210,722**
Average days payables outstanding (Day)	**241**	**209**	**188**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Accounts payable

Accounts payable amounted to SAR 210.7 million as at 31 December 2023G primarily consisted of (1) account payable (SAR 159.1 million) related to various types of disposables, consumables, and medical supplies used within the main clinic's operations, sourced from multiple suppliers, and (2) payables to contractors)SAR 51.6 million) primarily associated with the hospital's capital expenditures and ongoing business expansion initiatives, specifically the Rehabilitation Hospital and North Tower. The credit terms with major suppliers vary between 90 to 120 days, contingent on the specific agreements and relationships established with each supplier.

Total accounts payable decreased from SAR 257.3 million as at 31 December 2021G to SAR 207.6 million as at 31 December 2022G (-SAR 49.8 million), mainly due to the decrease in payable to contractors (-SAR 64.0 million) due to the completion of most of the capital expenditures related to the North Tower. This was partially offset by an increase in accounts payable (+SAR 14.2 million) in line with the increase in operations. Total accounts payable slightly increased from SAR 207.6 million as at 31 December 2022G to SAR 210.7 million as at 31 December 2023G (+SAR 3.1 million) mainly due to the increase in accounts payable (+SAR 12.0 million) in line with the increase in operations. This was partially offset by the decrease in payable to contractors (-SAR 8.9 million).

B. Accruals and Other Current Liabilities

Table 6.53: Accruals and other current liabilities as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Value added tax (VAT) payable	7,802	14,125	22,705
Accrued employees' benefits	60,726	14,815	11,467
Goods received but not invoiced	2,962	3,475	6,031
Advances from patients	1,394	1,091	7
Accruals for NPHIES fee	-	3,289	-
Others	4,212	1,704	3,804
Total	**77,095**	**38,499**	**44,014**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Value added tax (VAT) payable

Value added tax (VAT) payable amounted to SAR 22.7 million as at 31 December 2023G. Value added tax increased from SAR 7.8 million as at 31 December 2021G to SAR 14.1 million as at 31 December 2022G, and further increased to SAR 22.7 million as at 31 December 2023G, in line with the growth in revenue and business operations.

Accrued employees' benefits

Accrued employees' benefits amounted to SAR 11.5 million as at 31 December 2023G primarily consisted of (1) Staff vacation pay (SAR 5.1 million), (2) staff incentives (SAR 2.8 million), (3) staff GOSI (SAR 2.2 million), and (4) vacation tickets (SAR 1.3 million). Accrued employees' benefits decreased from SAR 60.7 million as at 31 December 2021G to SAR 14.8 million as at 31 December 2022G driven by the decrease in payroll clearing account (-SAR 26.1 million), and vacation tickets (-SAR 9.6 million) due to the accumulation of these balances during COVID-19.

Subsequently, accrued employees' benefits decreased to SAR 11.5 million as at 31 December 2023G attributed to the disbursement of accumulated commissions and incentives during the year.

Goods received but invoices not received

Goods received but invoices not received amounted to SAR 6.0 million as at 31 December 2023G, pertained to pharmaceutical products, including medicines and consumable items. This represents instances where goods have been received from suppliers, but the corresponding invoices are anticipated at a later date. Goods received but invoices not received increased from SAR 3.0 million as at 31 December 2021G to SAR3.5 million as at 31 December 2022G, and further increased to SAR 6.0 million in line with the increase in purchases.

Advances from patients

Advances from patients amounted to SAR 7 thousand as at 31 December 2023G, these advances are typically taken in the form of deposits made by patients in anticipation of medical procedures. Advances from patients decreased from SAR 1.4 million as at 31 December 2021G to SAR 1.1 million as at 31 December 2022G and further decreased to SAR 7 thousand as at 31 December 2023G.

Accruals for NPHIES fees

Accruals for NPHIES fees comprised of fees related to NPHIES portal used to submit insurance bills and amounted to SAR 3.3 million as at 31 December 2022G. Subsequently, accruals for NPHIES decreased to nil as all related fees were paid at the end of the year.

Others

Others (SAR 3.8 million as at 31 December 2023G) are mainly related to accrued utilities. Others decreased from SAR 4.2 million as at 31 December 2021G to SAR 1.7 million as at 31 December 2022G due to a decrease in rent liabilities to nil as at 31 December 2022G (-SAR 2.2 million). Others increased to SAR 3.8 million as at 31 December 2023G driven by the increase in utilities accrual on the back of the opening of the North Tower and the Rehabilitation Hospital.

C. Derivatives financial instruments

Table 6.54: Derivatives financial instruments as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Balance at 1 January	-	-	2,234
Change in fair value	-	2,234	(1,963)
Balance at 31 December	**-**	**2,234**	**271**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Derivatives financial instruments

Derivatives financial instruments amounted to SAR 271 thousand as at 31 December 2023G, and mainly related to cashflow hedge reserve with respect to interest rate swaps with various commercial banks. Derivatives financial instruments decreased from SAR 2.2 million as at 31 December 2022G to SAR 271 thousand as at 31 December 2023G driven by a change in fair value by SAR 1.9 million.

D. Refund Liabilities

Table 6.55: Refund liabilities as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Balance at 1 January	8,372	15,284	36,775
Addition during the year	16,798	21,491	30,966
Adjusted during the year	(9,885)	-	-
Balance at 31 December	**15,284**	**36,775**	**67,741**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Refund liability

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

Refund liability amounted to SAR 67.7 million as at 31 December 2023G. Refund liability increased from SAR 15.3 million as at 31 December 2021G to SAR 36.8 million and SAR 67.7 million as at 31 December 2022G and as at31 December 2023G respectively driven by refund additions during the year in line with the growth in revenue over the same period.

E. Zakat Payable

Table 6.56: Principle elements of zakat as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Non-current assets	1,141,582	1,427,390	1,753,702
Non-current liabilities	545,088	775,519	1,158,125
Opening shareholders' equity	583,168	597,982	648,142
Profit before zakat	71,879	55,557	101,776
Dividend paid	48,088	-	-

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Table 6.57: Movement of zakat provision as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Balance at 1 January	5,071	6,283	4,586
Provision during the year	6,283	4,541	3,630
Provision for prior years	3,176	-	-
Payments during the year	(8,248)	(6,238)	(4,586)
Balance at 31 December	**6,283**	**4,586**	**3,630**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

The Company has submitted its zakat returns up to year 2022G and has obtained the required certificates and official receipts, however, all returns since inception are still under ZATCA review.

Zakat payable

Zakat payable decreased from SAR 6.3 million as at 31 December 2021G to SAR4.6 million as at 31 December 2022G driven by the decrease in the zakat expense during the year. Zakat payable decreased to SAR 3.6 million as at 31 December 2023G.

6.9.2.5 Shareholders' Equity

Table 6.58: Shareholders' equity as at 31 December 2021G, 2022G and 2023G

SAR in 000s	As at 31 December		
	2021G (Audited)	2022G (Audited)	2023G (Audited)
Share capital	1,000	1,000	1,000
Proposed share capital	-	-	349,000
Statutory reserve	300	300	300
Contribution from shareholder	395,743	395,743	-
Retained earnings	200,939	251,099	305,703
Total equity	**597,982**	**648,142**	**656,003**

Table 6.59: Share capital as at 31 December 2021G, 2022G and 2023G

SAR	Ownership percentage	No. of shares	SAR
Abdulaziz Abdullah AlMoosa	80%	80,000	800
Habiba Abdulrahman AlMoosa	2.5%	2,500	25
Mohammad Abdulaziz AlMoosa	2.5%	2,500	25
Sara Abdulaziz AlMoosa	1.25%	1,250	12.5
Zainab Abdulaziz AlMoosa	1.25%	1,250	12.5
Omaima Abdulaziz AlMoosa	1.25%	1,250	12.5
Malek Abdulaziz AlMoosa	2.5%	2,500	25
Yaser Abdulaziz AlMoosa	2.5%	2,500	25
Lama Abdulaziz AlMoosa	1.25%	1,250	12.5
Yousef Abdulaziz AlMoosa	2.5%	2,500	25
Ahmed Abdulaziz AlMoosa	2.5%	2,500	25
Total	**100%**	**100,000**	**1,000**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G and Management information.

The share capital is divided into 100,000 shares of SAR 10 each. The Company's board of directors recommended in its meeting held on 14 September 2023G to increase share capital by way of issuance of SAR 34.9 million new shares (SAR 10 per share) to the existing shareholders of the Company which was approved by the shareholders of the Company in an Extra Ordinary General Meeting held on 24 December 2023G. The share capital increase was proposed by way of capitalization of SAR 349.0 million from contribution from a shareholder. The proposed increase of share capital was approved by the Ministry of Commerce on 10 January 2024G.

Statutory Reserve

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

In the year 2024G, the Company elected not to transfer any specific percentage of the net profits of the financial year to the reserve balance in accordance with Article 177 of the New Companies Law, which does not include any requirement to transfer a specific percentage to establish a reserve.

Contribution From a Shareholder

During 2023G, the Company has proposed to issue new shares to the existing shareholders of the Company, accordingly, the balance has been adjusted against the issuance of new shares. In addition, the remaining balance has been settled against the outstanding receivable from the shareholders.

Retained Earnings

Retained earnings increased from SAR 201.0 million as at 31 December 2021G to SAR 251.1 million as at 31 December 2022G driven by driven by the total comprehensive income of the year (SAR 50.1 million) with no dividends distributed. As at 31 December 2023G, retained earnings increased to SAR 305.7 million driven by the total comprehensive income of the year (SAR 101.4 million) partially offset by dividends distribution of SAR46.7m.

6.9.3 Cash Flow Statements

Table 6.60: Cash flow statement for the financial years ended 31 December 2021G, 2022G and 2023G

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)
Cash flows from operating activities:			
Profit before zakat	71,879	55,557	101,776
Adjustments for:			
Depreciation on property and equipment	20,791	49,583	58,033
Amortization on intangibles	1,445	1,638	1,986
Depreciation on right-of-use assets	6,257	7,046	6,068
Gain on disposal of property and equipment	67	(28)	(328)
Gain on sale of available for sale investment	(438)	-	-
Property and equipment write-off	10	15	-
Interest expense on long-term loans	1,033	11,484	22,024
Impact on unwinding on interest-free loan from government	1,456	1,320	2,199
Interest expense on lease liability	821	618	326
Employees' defined benefit expense	14,514	18,946	21,639
Changes in fair value of derivative financial instruments	-	2,234	1,963
Provision / (reversal) for doubtful debts	1,219	(167)	3,930
Inventory written off during the year	18	-	(59)
Total adjustments	**119,073**	**148,244**	**219,557**
Changes in:			
Accounts receivable	(10,712)	(66,217)	(166,805)
Due from a shareholder	12,894	-	-
Inventories	(7,810)	(163)	(9,294)
Advances, prepayments, and other current assets	(2,956)	2,184	(7,784)
Accounts payable	75,253	(49,758)	3,148
Accruals and other current liabilities	18,005	(38,596)	5,515
Refund liabilities	6,883	21,491	30,966
Cash generated from operations	**210,629**	**17,184**	**75,303**
Interest paid	(321)	(11,484)	(23,694)
Interest paid on lease liability	-	(618)	(326)
Zakat paid	(8,248)	(6,238)	(4,586)
Employees' benefits paid	(4,344)	(8,835)	(6,627)
Net cash from/used in operating activities	**197,717**	**(9,991)**	**40,070**
Cash flows from investing activities:			
Additions to property and equipment	(318,472)	(307,179)	(415,242)

SAR in 000s	2021G (Audited)	2022G (Audited)	2023G (Audited)
Additions to intangible assets	(311)	(2,890)	(2,164)
Proceeds from disposal of property and equipment	19	28	23,070
Sale of investment	3,276	-	-
Advance for transfer of land	-	-	(60,050)
Due from a shareholder	-	(6,626)	-
Net cash used in investing activities	**(315,488)**	**(316,668)**	**(454,386)**
Cash flows from financing activities:			
Proceeds from long-term loans	148,911	318,539	622,911
Repayment of long-term loans	-	(27,843)	(201,936)
Lease payments	(7,535)	(6,917)	(6,059)
Dividend paid	(15,663)	-	-
Net cash generated from financing activities	**125,713**	**283,779**	**414,915**
Cash and cash equivalents			
Increase / (decrease) in cash and cash equivalents	7,941	(42,880)	599
Cash and cash equivalents at beginning of the year	50,179	58,120	15,240
Cash and cash equivalents at end of the year	**58,120**	**15,240**	**15,839**
Non-cash transactions:			
Related party receivables	-	-	1,255
Prepayments and advances	-	-	60,050
Due from a shareholder	-	-	32,193
Issuance of share capital	-	-	349,000

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G.

Net cash used in operating activities

Net cash used in operating activities decreased from SAR 197.7 million in 2021G to -SAR 9.9 million in 2022G driven by (1) the decrease in profit before zakat (-SAR 16.3 million), (2) the negative impact from the increase in accounts receivables (-SAR 55.5 million) on the back of the growth in operations and the negative impact from the decrease in trade payables (- SAR 125.0 million) due to payments made to contractors of the North Tower construction.

Operating cash flows further increased from -SAR 9.9 million in 2022G to SAR SAR 40.1 million in 2023G primarily driven by the positive impact from the increase in trade payables (+ SAR 52.9 million) and profit before zakat (+SAR 46.2 million) and accruals and other current liabilities (+ SAR 44.1 million), this was offset by the negative impact resulting from the increase in account receivables (- SAR 100.6 million).

Net cash used in investing activities

Net cash used in investing activities decreased from -SAR 315.5 million in 2021G to -SAR 316.7 million in 2022G driven by a decrease in capex additions (-SAR 11.3 million) related to the North Tower and the Rehabilitation Hospital.

Cash flow from investing activities increased to -SAR 454.4 million in 2023G mainly on the back of the additions made for the construction of the Rehabilitation Hospital.

Net cash generated from financing activities

Net cash generated from financing activities increased from SAR 125.7 million in 2021G to SAR 283.8 million in 2022G driven by the (1) increase in net inflow of loans and borrowings (+SAR 141.8 million) due to the increase in loan balances to finance the construction of the ongoing projects.

Cash flow from financing activities further increased to SAR 414.9 million in 2023G driven by the increase in long-term loans (+SAR 130.3 million).

6.10 Summary of Financial Information and Key Performance Indicators for the three-month period ended 31 March 2023G and 2024G

Table 6.61: Statement of comprehensive income for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
	(Reviewed)	(Reviewed)	
Revenue	232,664	277,157	19.1%
Cost of revenues	(162,861)	(198,613)	22.0%
Gross profit	**69,804**	**78,544**	**12.5%**
Other income – net	2,986	2,865	(4.1%)
Selling and distribution expenses	(4,213)	(5,953)	41.3%
General and administrative expenses	(37,035)	(40,605)	9.6%
Provision / (reversal) for impairment loss on accounts receivable	(869)	(1,344)	54.7%
Gain / (loss) on derivative financial instruments	2,918	3	(99.9%)
Operating profit	**33,591**	**33,510**	**(0.2%)**
Share of profit of equity-accounted investee	-	288	na
Finance cost	(6,594)	(17,471)	165.0%
Profit before zakat	**26,997**	**16,327**	**(39.5%)**
Zakat expense	(908)	(2,600)	186.3%
Profit for the year	**26,090**	**13,727**	**(47.4%)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period			
Re-measurement loss on employees' benefits	-	-	na
Other comprehensive loss for the year	-	-	na
Total comprehensive income for the year	**26,090**	**13,727**	**(47.4%)**
Earnings per share			
Basic and diluted earnings per share (SAR)	**0.75**	**0.39**	**(0.4)**
As a percentage of revenue			Percentage points
Gross profit	30.0%	28.3%	(1.7)
Operating profit	14.4%	12.1%	(2.3)
Profit before zakat	11.6%	5.9%	(5.7)
Profit for the year	11.2%	5.0%	(6.2)
KPIs			Change in percentage
In-patients	7,401	9,278	25.4%
Out-patients	222,015	251,696	13.4%
Total number of patients	229,416	260,974	13.8%
Avg. revenue per patient (in SAR)	1,014	1,062	4.7%
Number of doctors	276	326	18.1%
Number of beds*	430	555	29.1%

* The number of beds includes the number of operational beds during the year, as the North Tower started operations gradually since 2022G.

Source: Reviewed financial statements for the three-month period ended 31 March 2024G and Management information.

Table 6.62: Statement of financial position as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Total non-current assets	1,753,702	1,770,553
Total current assets	548,096	570,092
Total assets	**2,301,799**	**2,340,645**
Total equity	656,003	642,818
Total non-current liabilities	1,158,125	1,144,738
Total current liabilities	487,670	553,089
Total liabilities	1,645,795	1,697,827
Total liabilities and equity	**2,301,799**	**2,340,645**

Source: Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Table 6.63: Key performance indicators as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Management)	As at 31 March 2024G (Management)
Revenue growth rate	n.a	19.1%
Current ratio	1.12	1.03
Return on assets (%)	4.3%	2.3%
Return on equity (%)	15.0%	8.5%
Debt-to-equity	1.85	1.92
Working capital as a percentage of revenue	21.4%	19.7%
Average days inventory outstanding (Day)*	32	30
Average days payables outstanding (Day)**	188	171
Average days sales outstanding (Day)***	148	133
Cash conversion cycle	(7)	(8)

Source: Management information.

* Average days inventory outstanding is calculated based on cost of revenue

** Average days payables outstanding is calculated based on accounts payable and all costs under cost of revenue, selling and distribution expenses, and general and administrative expenses excluding employee costs, depreciation, amortization and impairment loss provision

*** Average days sales outstanding is calculated based on accounts receivable and credit revenue

Table 6.64: Cash flow statement for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)
Net cash generated/used in operating activities	(58,980)	27,646
Net cash used in investing activities	(91,446)	(54,355)
Net cash generated from financing activities	295,661	19,081
Increase / (decrease) in cash and cash equivalents	145,235	(7,628)
Cash and cash equivalents at beginning of the year	15,240	15,839
Cash and cash equivalents at end of the year	160,475	8,211

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

6.11 Results of operations for the three-month period ended 31 March 2023G and2024G.

6.11.1 Statement of Profit or Loss

Table 6.65: Statement of Profit or Loss and other comprehensive income for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
	(Reviewed)	(Reviewed)	
Revenue	232,664	277,157	19.1%
Cost of revenues	(162,861)	(198,613)	22.0%
Gross profit	**69,804**	**78,544**	**12.5%**
Other income – net	2,986	2,865	(4.1%)
Selling and distribution expenses	(4,213)	(5,953)	41.3%
General and administrative expenses	(37,035)	(40,605)	9.6%
Provision / (reversal) for impairment loss on accounts receivable	(869)	(1,344)	54.7%
Gain / (loss) on derivative financial instruments	2,918	3	(99.9%)
Operating profit	**33,591**	**33,510**	**(0.2%)**
Share of profit of equity-accounted investee	-	288	na
Finance cost	(6,594)	(17,471)	165.0%
Profit before zakat	**26,997**	**16,327**	**(39.5%)**
Zakat expense	(908)	(2,600)	186.3%
Profit for the year	**26,090**	**13,727**	**(47.4%)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period			
Re-measurement loss on employees' benefits	-	-	na
Other comprehensive loss for the year	-	-	na
Total comprehensive income for the year	**26,090**	**13,727**	**(47.4%)**
Earnings per share			
Basic and diluted earnings per share (SAR)	0.75	0.39	(0.4)
As a percentage of revenue			Percentage points
Gross profit	30.0%	28.3%	(1.7)
Operating profit	14.4%	12.1%	(2.3)
Profit before zakat	11.6%	5.9%	(5.7)
Profit for the year	11.2%	5.0%	(6.2)
KPIs			Change in percentage
In-patients	7,401	9,278	25.4%
Out-patients	222,015	251,696	13.4%
Total number of patients	229,416	260,974	13.8%
Avg. revenue per patient (in SAR)	1,014	1,062	4.7%
Number of doctors	276	326	18.1%
Number of beds*	430	555	29.1%

* The number of beds includes the number of operational beds during the year, as the North Tower started operations gradually since 2022G.

Source: Reviewed financial statements for the three-month period ended 31 March 2024G and management information.

Revenue

Revenue increased by 19.1% from SAR 232.7 million in the three-month period ended 31 March 2023G to SAR 277.2 million in the three-month period ended 31 March 2024G, mainly due to (i) an increase in revenue from in-patients (+SAR 33.6 million) and (2) out-patients (+SAR 23.3 million) as a result of the opening of the North Tower of AlMoosa Specialist Hospital (Al Ahsa), which led to an increase in patient visits, in addition to the opening of AlMoosa Rehabilitation Hospital.

Cost of revenues

Cost of revenue mainly consists of the medical staff's personnel costs, medical material consumption, depreciation, repair and maintenance, etc.

Cost of revenues increased by 22.0% from SAR 162.9 million in the three-month period ended 31 March 2023G to SAR 198.6 million in the three-month period ended 31 March 2024G driven by the increase in (i) medical material consumption (+SAR 15.6 million) in line with growth in operations, (2) employee costs (+SAR 14.1 million), and (3) depreciation (+SAR 4.2 million) due to the increase in fixed assets following the opening of the North Tower and the Rehabilitation Hospital.

Gross profit

Gross profit increased by 12.5% from SAR 69.8 million in the three-month period ended 31 March 2023G to SAR 78.5 million in the three-month period ended 31 March 2024G. This was offset by a decrease in gross profit margin from 30.0% in the three-month period ended 31 March 2023G to 28.3% in the three-month period ended 31 March 2024G, on the back of an increase in material consumption (as a percentage of revenue by 2.1%) as a result of the opening of the Rehabilitation Hospital. Additionally, depreciation increased (as a percentage of revenue by 0.7%) in line with the opening of the North Tower and the Rehabilitation Hospital. This was partially offset by the decrease in staff costs (as a percentage of revenue by 1.3%).

Other income – net

Other income – net mainly comprised of income from the Human Resources Development Fund ("HRDF"), scientific support income, cafeteria income, and others.

Other income – net decreased by 4.1% from SAR 3.0 million in the three-month period ended 31 March 2023G to SAR 2.9 million in the three-month period ended 31 March 2024G, primarily due to a decrease in (i) cafeteria income (-SAR 319 thousand), and (2) scientific support income (-SAR 247 thousand).

Selling and distribution expenses

Selling and distribution expenses mainly comprised of selling and distribution employees' costs and advertisement expenses.

Selling and distribution expenses increased by 41.3% from SAR 4.2 million in the three-month period ended 31 March 2023G to SAR 6.0 million in the three-month period ended 31 March 2024G, driven by an increase in advertising expenses due to marketing campaigns related to the opening of the Rehabilitation Hospital.

General and administrative expenses

General and administrative expenses mainly comprised of administrative employees' costs, depreciation charges, repair and maintenance, support services, and others.

General and administrative expenses increased by 9.6% from SAR 37.0 million in the three-month period ended 31 March 2023G to SAR 40.6 million in the three-month period ended 31 March 2024G, mainly due to an increase in employee costs by SAR 3.2 million.

Provision / (reversal) for impairment loss on accounts receivable

Provision for impairment loss on accounts receivable increased from SAR 869 thousand in the three-month period ended 31 March 2023G to SAR 1.3 million in the three-month period ended 31 March 2024G.

Gain / (loss) on derivative financial instruments

Gain on derivative financial instruments decreased from SAR 2.9 million in the three-month period ended 31 March 2023G to SAR 3 thousand in the three-month period ended 31 March 2024G due to the changes in market rates that positively impacted the instruments' fair value during the previous period.

Operating Profit

The operating profit remained relatively stable at SAR 33.5 million in the three-month periods ended 31 March 2023G and 2024G.

Finance cost

Finance costs mainly comprised of interest cost on long term loans, interest costs on defined benefit obligations, and others.

Finance cost increased by 165.0% from SAR 6.6 million in the three-month period ended 31 March 2023G to SAR 17.5 million in the three-month period ended 31 March 2024G, mainly due to an increase in interest cost on long-term loans (+ SAR 11.4 million) driven by (1) The increase in loan balances to finance the opening of the new North tower and the Rehabilitation Hospital, (2) the rise in the Saudi Interbank Offered Rate (SAIBOR) during the same period, and (3) the capitalization of interest costs for the three-month period ended 31 March 2023G as the mentioned projects, which were financed, were not yet operational during that period.

Share of profit of equity-accounted investee

The balance of the share of the investee increased from zero in the three-month period ended 31 March 2023G to SAR 288 thousand in the three-month period ended 31 March 2024G in relation to the 25% ownership in Oryx Isotopes Company.

Zakat expense

Zakat expense increased from SAR 908 thousand in the three-month period ended 31 March 2023G to SAR 2.6 million in the three-month period ended 31 March 2024G due to zakat provision related refund liabilities.

6.11.1.1 Revenue analysis

A. Revenue by Service Line

Table 6.66: Revenue by service line for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)	Variance
Medical services	188,335	198,178	5.2%
Pharmaceuticals	44,329	58,674	32.4%
Rehabilitation	-	20,305	na
Total revenue	**232,664**	**277,157**	**19.1%**
As a percentage of revenue			Percentage points
Medical services	80.9%	71.5%	(9.4)
Pharmaceuticals	19.1%	21.2%	2.1
Rehabilitation	-	7.3%	7.3

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Revenue

The Company's primary business activity consisted of (i) providing medical services (which accounted for 71.5% of total revenue in the three-month period ended 31 March 2024G) stemming from the operations of AlMoosa Specialist Hospital (Al Ahsa) which operates through 3 towers (i.e Main building, South Tower, and North Tower), (2) selling pharmaceutical products (21.2%) through 5 pharmacies (North Tower, South Building, Rehabilitation

Hospital, Emergency Unit, Primary Care Unit), and (3) rehabilitation services (7.3%) stemming from the operations of the Rehabilitation Hospital which commenced operations during November 2023G.

Medical services revenue primarily related to the rendering of in-patient and out-patient services, covering various types of services and surgeries. Pharmaceutical revenue pertains to the pharmaceutical products taken by patients from the hospital, including medications used for specific procedures coupled with pharmacy sales.

Revenue from medical services increased by 5.2% from SAR 188.3 million in the three-month period ended 31 March 2023G to SAR 198.2 million in the three-month period ended 31 March 2024G, primarily due to the increase in the total number of patients from 229,416 to 260,974 (+31,558 patients) as a result of the expansion of clinics to the new North Tower, and the hiring of new doctors with new skills, which enhanced the utilization of the hospital's equipment.

Revenue from pharmaceuticals increased by 32.4% from SAR 44.3 million in the three-month period ended 31 March 2023G to SAR 58.7 million in the three-month period ended 31 March 2024G mainly due to the increase in the activity and number of patients within medical services and general surgeries, in addition to the opening of two new pharmacies in the North Tower and the Rehabilitation Hospital.

The Rehabilitation Hospital opened in November 2023G and began generating revenue for the first time in the first quarter of 2024G, amounting to SAR 20.3 million for the three-month period ended 31 March 2024G. The total number of patients reached 26,948, with 26,806 out-patients generating an average revenue of SAR 278 per patient, and 142 in-patients generating an average revenue of SAR 191.9 thousand per patient during this period.

B. Gross to net revenue

Table 6.67: Gross to net revenue for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
In-patients	155,707	189,347	21.6%
Out-patients	132,643	155,909	17.5%
Total gross revenue	**288,350**	**345,257**	**19.7%**
Discounts, rejections, and others	(55,685)	(68,100)	22.3%
Net revenue	**232,664**	**277,157**	**19.1%**
Number of patients			
In-patients	7,401	9,278	25.4%
Out-patients	222,015	251,696	13.4%
Total number of patients	**229,416**	**260,974**	**13.8%**
Average gross revenue per patient (in SAR)			Percentage points
In-patients	21,039	20,408	(3.0%)
Out-patients	597	619	3.7%

It should be noted that the average gross revenue per in-patient and out-patient patient were calculated by dividing the total gross revenue for inpatients and outpatients by the number of inpatients and outpatients.

Source: Management information.

Gross revenue

Gross revenue is mainly generated from in-patient and out-patient services spread across 32 clinic types.

In-patient gross revenue

In-patient gross revenue increased by 21.6% from SAR 155.7 million in the three-month period ended 31 March 2023G to SAR 189.3 million in the three-month period ended 31 March 2024G driven by the increase in the number of patients from 7,401 patients in the three-month period ended 31 March 2023G to 9,278 patients in the three-month period ended 31 March 2024G primarily due to (1) the opening of the Rehabilitation Hospital, and (2) the ramp-up of the North Tower.

Out-patient gross revenue

Out-patient gross revenue increased by 17.5% from SAR 132.6 million in the three-month period ended 31 March 2023G to SAR 155.9 million in the three-month period ended 31 March 2024G driven by the increase in the number of patients from 222,015 patients in the three-month period ended 31 March 2023G to 251,696 patients in the three-month period ended 31 March 2024G, mainly due to (1) the opening of the Rehabilitation Hospital, and (2) the ramp-up of the North Tower.

Discounts, rejections, and others

Discounts, rejections and others increased by 22.3% from SAR 55.7 million in the three-month period ended 31 March 2023G to SAR 68.1 million in the three-month period ended 31 March 2024G, in parallel with the increase in revenue over the same period.

Discounts, rejections, and others primarily related to (1) discounts associated with cash discounts and promotional offers, (2) rejections related to unpaid claims owed by third-party payers (such as insurance companies and others) that accumulate over the contractual period, primarily based on estimates aligned with expected business levels, and (3) refunds, which mainly pertain to the reimbursement of cash deposits from patients.

Rejections

Rejections increased by 21.1% from SAR 43.2 million in the three-month period ended 31 March 2023G to SAR 52.3 million in the three-month period ended 31 March 2024G, in parallel with the increase in total revenue during the same period. The rejection rate remained stable at an average of approximately 15% during the same period.

Discounts

Discounts increased by 26.2% from SAR 13.0 million in the three-month period ended 31 March 2023G to SAR 16.4 million in the three-month period ended 31 March 2024G, in line with the increase in total revenue. Discounts as a percentage of revenue remained stable at an average of approximately 5% during the same period.

Refunds

Refunds increased by 97.4% from SAR 401 thousand in the three-month period ended 31 March 2023G to SAR 792 thousand in the three-month period ended 31 March 2024G, in line with the increase in total revenue. Refunds as a percentage of revenue remained stable at an average of 0.2% during the same period.

Other

The balance of other items increased by 49.7% from SAR 869,000 in the three-month period ended 31 March 2023G to SAR 1.3 million in the three-month period ended 31 March 2024G, while the percentage of other revenue remained stable at an average of 0.3% during the same period.

C. Gross revenue by segment

Table 6.68: Gross revenue by clinic for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
Acute Care	223,702	231,871	3.7%
Primary Care	11,392	16,490	44.8%
Rehabilitation	-	25,719	100.0%
Healthcare services	**235,094**	**274,080**	**16.6%**
Pharmacies	52,980	70,720	33. 5%
Home Services	276	457	65.4%
Total gross revenue	**288,350**	**345,257**	**19.7%**
Discounts, rejections, and others	(55,685)	(68,100)	22.3%
Net revenue	**232,664**	**277,157**	**19.1%**

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
As a percentage of revenue			Percentage points
Acute Care	77.6%	67.2%	(10.4)
Primary Care	4.0%	4.8%	0.8
Rehabilitation	0.0%	7.4%	7.4
Healthcare services	81.5%	79.4%	(2.1)
Pharmacies	18.4%	20.5%	2.1
Home Services	0.1%	0.1%	0.0

Source: Management information.

Acute care

Acute care revenue mainly comprised of different types of clinics within the hospital facilities including in-patients and out-patients. Acute care revenue increased by 3.7% from SAR 223.7 million during the three-month period ended 31 March 2023G to SAR 231.9 million during the three-month period ended 31 March 2024G.

Primary care

Primary care revenue increased by 44.8% from SAR 11.4 million during the three-month period ended 31 March 2023G to SAR 16.5 million during the three-month period ended 31 March 2024G, driven by the opening of the North Tower and the hiring of new doctors.

Rehabilitation

Rehabilitation revenue is primarily related to the Rehabilitation Hospital. Rehabilitation revenue amounted to SAR 25.7 million during the three-month period ended 31 March 2024G as the Hospital opened during November 2023G and recorded revenue for the first time in the first quarter of 2024G.

Pharmacies

Pharmacies revenue increased by 33.5% from SAR 53.0 million during the three-month period ended 31 March 2023G to SAR 70.7 million during the three-month period ended 31 March 2024G, in line with the opening of two new pharmacies in the North Tower and the Rehabilitation Hospital, coupled with the growth of hospital's services activities.

Home services

Home services revenue represented less than 1.0% of total revenues during the three-month period ended 31 March 2023G and the three-month period ended 31 March 2024G. Home services revenue increased from SAR 276 thousand during the three-month period ended 31 March 2023G to SAR 457 thousand during the three-month period ended 31 March 2024G driven by the hospital's focus on enhancing its home services.

D. Gross revenue by service payer

Table 6.69: Gross revenue by service payer for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
Patients with insurance coverage from insurance companies	127,822	166,479	30.2%
Patients affiliated with corporate clients	107,968	119,986	11.1%
Patients referred by the Ministry of Health	24,693	30,115	22.0%
Cash paying patients	27,866	28,676	2.9%
Total gross revenue	**288,350**	**345,257**	**19.5%**
Discounts, rejections, and others	(55,685)	(68,100)	22.3%

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
Net revenue	**232,664**	**277,157**	**19.1%**
As a percentage of revenue			Percentage points
Patients with insurance coverage from insurance companies	44.3%	48.2%	3.9
Patients affiliated with corporate clients	37.4%	34.8%	(2.7)
Patients referred by the Ministry of Health	8.6%	8.7%	0.1
Cash paying patients	9.7%	8.3%	(1.4)

Source: Management information.

Patients with Insurance Coverage from Insurance Companies

Revenue from patients with insurance coverage from insurance companies primarily stems from payments made by insurance providers for both in-patient and out-patient services.

Revenue from patients with insurance coverage from insurance companies increased by 30.2% from SAR 127.8 million in the three-month period ended 31 March 2023G to SAR 166.5 million in the three-month period ended 31 March 2024G, mainly due to the continuous increase in the number of patients and the number of insurance policies.

Patients Affiliated with Corporate Clients

Revenue from patients affiliated with corporate clients is mainly generated from the services provided to corporate clients, it is worth noting that the revenue from corporate clients is mainly related to the Company's largest client which accounted for 99% of the total revenue during three-month period ended 31 March 2024G.

Revenue from patients affiliated with its corporate clients increased by 11.1% from SAR 108.0 million in the three-month period ended 31 March 2023G to SAR 120.0 million in the three-month period ended 31 March 2024G, in line with the increase in the number of patients.

Patients Referred by the Ministry of Health

Patients referred by the Ministry of Health are admitted through referral from the Ministry of Health hospitals and emergency.

Revenue from patients referred by the Ministry of Health increased by 22.0% from SAR 24.7 million in the three-month period ended 31 March 2023G to SAR 30.1 million in the three-month period ended 31 March 2024G, in line with the increase in the number of patients.

Cash Paying Patients

Revenue from cash paying patients is mainly associated with income generated from individual services without insurance coverage, specifically for services not included in insurance company plans. Revenue from cash paying patients increased from SAR 27.9 million in the three-month period ended 31 March 2023G to SAR 28.7 million in the three-month period ended 31 March 2024G.

6.11.1.2 Cost of Revenue

Table 6.70: Cost of revenue for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
Employees' cost	92,147	106,225	15.3%
Material consumption	50,338	65,922	31.0%
Depreciation	11,177	15,333	37.2%
Repair and maintenance	3,046	2,850	(6.4%)
Support services	2,201	2,881	30.9%
Utilities	1,652	2,826	71.1%
Claim submission fees	1,317	1,772	34.5%
Others	982	803	(18.2%)
Total Cost of revenue	**162,861**	**198,613**	**22.0%**
As a percentage of revenue			Percentage points
Employees' cost	39.6%	38.3%	(1.3)
Material consumption	21.6%	23.8%	2.2
Depreciation	4.8%	5.5%	0.7
Repair and maintenance	1.3%	1.0%	(0.3)
Support services	0.9%	1.0%	0.1
Utilities	0.7%	1.0%	0.3
Claim submission fees	0.6%	0.6%	0.1
Others	0.4%	0.3%	(0.1)
Total Cost of revenue	**70.0%**	**71.7%**	**1.7**

Source: Management information.

Employees' cost

Employees' cost are primarily comprised of basic salaries, commission and incentive, and other employee-related expenses for hospital, clinical, and healthcare services staff (e.g. doctors, nurses, technicians, and pharmacists). Employees' costs increased by 15.3% from SAR 92.1 million in the three-month period ended 31 March 2023G to SAR 106.2 million in the three-month period ended 31 March 2024G, mainly due to the increase in basic salaries in line with the increase in the number of doctors during the period coupled with annual salaries increments.

Material consumption

Material consumption is primarily related to pharmaceutical and medical supplies essential for diverse operations within hospital clinics. Materials consumption increased by 31.0% from SAR 50.3 million in the three-month period ended 31 March 2023G to SAR 65.9 million in the three-month period ended 31 March 2024G, in line with the increase in revenue over the same period, and the opening of the Rehabilitation Hospital.

Depreciation

Depreciation increased by 37.2% from SAR 11.2 million in the three-month period ended 31 March 2023G to SAR 15.3 million in the three-month period ended 31 March 2024G due to higher depreciation on fixed assets following the opening of the Rehabilitation Hospital.

Repair and maintenance

Repairs and maintenance are mainly related to medical equipment, computers, buildings, etc. Repair and maintenance decreased by 6.4% from SAR 3.0 million in the three-month period ended 31 March 2023G to SAR 2.9 million in the three-month period ended 31 March 2024G. This decrease is attributed to a decrease in maintenance work carried out during 2023G, which was related to the expansion of several clinics to the North Tower.

Support services

Support services mainly related to cleaning materials, and cleaning services. Support services increased by 30.9% from SAR 2.2 million in the three-month period ended 31 March 2023G to SAR 2.9 million in the three-month period ended 31 March 2024G, in line with the opening of the Rehabilitation Hospital and the North tower during the period.

Utilities

Utilities mainly related to electricity, water expenses, telephone, and gas. Utilities charges Service facility fees increased by 71.1% from SAR 1.7 million in the three-month period ended 31 March 2023G to SAR 2.8 million in the three-month period ended 31 March 2024G, primarily due to increased fees as a result of the opening of the Rehabilitation Hospital and the North Tower.

Claim submission fees

Claim submission fees increased by 34.5% from SAR 1.3 million in the three-month period ended 31 March 2023G to SAR 1.8 million in the three-month period ended 31 March 2024G, as a result of the increase in the volume of claims during the period, driven by the increase in the number of patients obtaining insurance coverage.

Others

Others are mainly related to miscellaneous expenses such as dietary material expenses, non-medical consumable supplies, and maintenance and cleaning expenses, among other expenses. Others amounted to SAR 982 thousand and SAR 803 thousand in the three-month period ended 31 March 2023G and in the three-month period ended 31 March 2024G, respectively.

6.11.1.3 Selling and Distribution Expenses

Table 6.71: Selling and distribution expenses for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G (Management)	Three-month period ended 31 March 2024G (Management)	Variance
Employees' cost	809	1,116	37.9%
Advertisement and promotion	3,359	4,763	41.8%
Depreciation	26	21	(19.2%)
Others	20	52	160.0%
Total	**4,213**	**5,953**	**41.3%**
As a percentage of revenue			Percentage points
Employees' cost	0.3%	0.4%	0.1
Advertisement and promotion	1.4%	1.7%	0.3
Depreciation	0.0%	0.0%	(0.0)
Others	0.0%	0.0%	0.0
Total selling and distribution expenses	**1.8%**	**2.1%**	**0.3**

Source: Management information.

Employee's cost

Employee's cost mainly related to basic salaries, allowances, and other employee related expenses for administrative staff. Employee's cost increased by 37.9% from SAR 809 thousand in the three-month period ended 31 March 2023G to SAR 1.1 million in the three-month period ended 31 March 2024G, in line with the increase in the number of employees in addition to the annual increases.

Advertisement and promotion

Advertisement and promotion included advertisement on social media platforms, posters and billboards in malls and airports. Advertisement and promotion increased by 41.8% from SAR 3.4 million in the three-month period ended 31 March 2023G to SAR 4.8 million in the three-month period ended 31 March 2024G, as a result of increased marketing campaigns after the opening of the North Tower and the Rehabilitation Hospital.

Depreciation

Depreciation amounted to SAR 26 thousand and SAR 21 thousand in the three-month period ended 31 March 2023G and in the three-month period ended 31 March 2024G, respectively.

Others

Others related to miscellaneous selling and distribution expenses such as printing, electricity, and water, amongst other expenses. Others increased from SAR 20 thousand in the three-month period ended 31 March 2023G to SAR 52 thousand in the three-month period ended 31 March 2024G.

6.11.1.4 General and Administrative Expenses

Table 6.72: General and administrative expenses for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G (Management)	Three-month period ended 31 March 2024G (Management)	Variance
Employees' cost	27,150	30,396	12.0%
Depreciation	2,710	2,840	4.8%
Repair and maintenance	3,605	2,615	(27.5%)
Support services	895	1,479	65.3%
Training and development	301	740	145.8%
Utilities	838	266	(67.4%)
Amortization	347	626	80.4%
Others	1,188	1,644	38.4%
Total	**37,035**	**40,605**	**9.6%**
As a percentage of revenue			Percentage points
Employees' cost	11.7%	11.0%	(0.7)
Depreciation	1.2%	1.0%	(0.1)
Repair and maintenance	1.5%	0.9%	(0.6)
Support services	0.4%	0.5%	0.1
Training and development	0.1%	0.3%	0.1
Utilities	0.4%	0.1%	(0.3)
Amortization	0.1%	0.2%	0.1
Others	0.5%	0.6%	0.1
Total	**15.9%**	**14.7%**	**(1.3)**

Source: Management information.

Employees' cost

Employees' cost primarily consisted of basic salaries and other employees' benefits including housing, travel, end of service, amongst others. Employees' cost increased by 12.0% from SAR 27.2 million in the three-month period ended 31 March 2023G to SAR 30.4 million in the three-month period ended 31 March 2024G, mainly due to higher headcount in addition to annual increments.

Depreciation

Depreciation expenses increased by 4.8% from SAR 2.7 million in the three-month period ended 31 March 2023G to SAR 2.8 million in the three-month period ended 31 March 2024G.

Repair and maintenance

Repair and maintenance primarily consisted of costs related to the maintenance of vehicles, tools, computers, biomedical equipment, and others. Repair and maintenance decreased by 27.5% from SAR 3.6 million in the three-month period ended 31 March 2023G to SAR 2.6 million in the three-month period ended 31 March 2024G, driven by the increase in computer equipment maintenance attributable to higher licenses and other annual maintenance contracts during 2023G.

Support services

Support services are mainly related to miscellaneous services such as printing, cleaning, security, staff registration fees, and accreditation fees, amongst others. Support services increased by 65.3% from SAR 895 thousand in the three-month period ended 31 March 2023G to SAR 1.5 million in the three-month period ended 31 March 2024G, whereby support services averaged 1% of total revenue during the three-month period ended 31 March 2023G and 2024G.

Training and development

Training and development related to training courses expenses such books, brochures and other training materials and related expenses. Training and development increased by 145.8% from SAR 301 thousand in the three-month period ended 31 March 2023G to SAR 740 thousand in the three-month period ended 31 March 2024G attributable to the increase in employees training programs during the first quarter of 2024G.

Utilities

Utilities primarily related to electricity, water, and phone bills. Utilities Service facilities decreased from SAR 838 thousand in the three-month period ended 31 March 2023G to SAR 266 thousand in the three-month period ended 31 March 2024G, driven by the decrease in electricity bills by SAR 427 thousand, due to the cost split between the cost of revenue and general and administrative expenses.

Amortization of intangible assets

Amortization of intangible assets related to the amortization of intangible assets of software and licenses. Amortization slightly increased slightly by 80.4% from SAR 347 thousand in the three-month period ended 31 March 2023G to SAR 626 thousand in the three-month period ended 31 March 2024G due to the reclassification of fees from cost of revenue to general and administrative expenses.

Others

Others consisted of various miscellaneous costs related to general and administrative expenses such as freight expenses, donations, office events, and others. Other increased by 38.4% from SAR 1.2 million in the three-month period ended 31 March 2023G to SAR 1.6 million in the three-month period ended 31 March 2024G, mainly due to an increase in entertainment, property insurance, and social community support expenses.

6.11.1.5 Other Income – Net

Table 6.73: Other income for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
Human Resources Development Fund (HRDF) income	1,461	2,067	41.5%
Training courses income	145	112	(22.8%)
Scientific support income	467	220	(52.9%)
Cafeteria income	489	169	(65.4%)
Gain on disposal of property and equipment	-	43	n.a
Others	425	254	(40.2%)
Total	**2,986**	**2,865**	**(4.1%)**

Source: Management information.

Human Resources Development Fund (HRDF) income

Human Resources Development Fund (HRDF) income related to grants provided by Human Resources Development Fund as incentives for hiring fresh graduates and creating new jobs. HRDF income increased from SAR 1.5 million in the three-month period ended 31 March 2023G to SAR 2.1 million in the three-month period ended 31 March 2024G, on the back of an increase in the employment of new graduates.

Training courses income

Training courses income is related to medical training and courses provided to external companies such as basic life support training. Training courses income decreased from SAR 145 thousand in the three-month period ended 31 March 2023G to SAR 112 thousand in the three-month period ended 31 March 2024G due to the decrease in training programs.

Scientific support income

Scientific support income is primarily provided by pharmaceutical companies and are incentives paid to the Company for participation in conferences or courses, scientific support income decreased from SAR 467 thousand in the three-month period ended 31 March 2023G to SAR 220 thousand in the three-month period ended 31 March 2024G, due to decreased participation in conferences or courses held.

Cafeteria income

Cafeteria income related to the hospital's cafeterias, decreased from SAR 489 thousand in the three-month period ended 31 March 2023G to SAR 169 thousand in the three-month period ended 31 March 2024G, as cafeteria operations were transferred to an external operator effective March 2023G.

(Loss)/gain on disposal of property and equipment

(Loss)/gain on disposal of property and equipment is mainly related to the sale of fixed assets and amounted to SAR 43 thousand in the three-month period ended 31 March 2024G.

Others

Others primarily related to the rental income of the flower shops and juice corners, lounge income, and others. Others decreased from SAR 425 thousand in the three-month period ended 31 March 2023G to SAR 254 thousand in the three-month period ended 31 March 2024G due to outsourcing the lounge operations to a third party.

6.11.1.6 Finance Costs

Table 6.74: Finance cost for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G	Three-month period ended 31 March 2024G	Variance
Interest on long term loan	5,538	16,938	205.9%
Impact of unwinding charge on interest free loan from Government	550	256	(53.5%)
Bank charges	401	230	(42.6%)
Interest on Lease liability	105	47	(55.2%)
Total finance cost	**6,594**	**17,471**	**165.0%**

Source: Management information.

Interest cost on long-term loans

Interest cost on long-term loans primarily pertained to the Company's long-term loan interest expenses. Interest cost increased from SAR 5.5 million in the three-month period ended 31 March 2023G to SAR 16.9 million in the three-month period ended 31 March 2024G due to the increase in the loan amount for the purpose of financing the construction of the North Tower and the Rehabilitation Hospital.

Impact of unwinding charge on interest free loan from Government

Impact of unwinding charge on interest free loan from government is related to the amortization of the government grant, given that the loan was interest-free. Impact of unwinding charge on interest free loan from government decreased from SAR 550 thousand in the three-month period ended 31 March 2023G to SAR 256 thousand in the three-month period ended 31 March 2024G due to the settlement of two payments during the year 2023G to compensate for the payment exemption granted during the period Covid-19.

Bank charges

Bank charges decreased from SAR 401 thousand in the three-month period ended 31 March 2023G to SAR 230 thousand in the three-month period ended 31 March 2024G.

Interest on lease liability

Interest on lease liability decreased from SAR 105 thousand in the three-month period ended 31 March 2024G to SAR 47 thousand in the three-month period ended 31 March 2024G, in parallel with the decrease in the balance of lease liabilities during the period.

6.11.2 Statement of financial position

The following table shows the balance sheet as at 31 December 2023G and three-month period ended 31 March 2024G.

Table 6.75: Statement of financial position as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Non-current assets		
Property and equipment	1,743,602	1,753,986
Intangible assets	4,126	3,711
Right-of-use assets	5,974	4,768
Equity-accounted investee	-	8,088
Total non-current assets	**1,753,702**	**1,770,553**
Current assets		
Inventories	59,374	65,268
Accounts receivable	446,539	462,036
Advances, prepayments, and other current assets	26,344	34,578
Cash and cash equivalents	15,839	8,211
Total current assets	**548,096**	**570,092**
Total assets	**2,301,799**	**2,340,645**
Equity and Liabilities		
Equity		
Share capital	1,000	350,000
Proposed share capital	349,000	-
Statutory reserve	300	-
Retained earnings	305,703	292,818
Total equity	**656,003**	**642,818**
Liabilities		
Non-current liabilities		
Long-term loans	1,054,953	1,035,812
Lease liabilities	2,196	2,243
Employees' benefits	100,976	106,683
Total non-current liabilities	**1,158,125**	**1,144,738**
Current liabilities		
Accounts payable	210,722	220,236
Accruals and other current liabilities	44,014	45,504
Derivative financial instruments	271	267
Refund liabilities	67,741	77,060
Long-term loans – current portion	93,102	110,601
Short term borrowings	65,000	90,000
Lease liabilities – current portion	3,190	3,190
Zakat payable	3,630	6,230
Total current liabilities	**487,670**	**553,089**
Total liabilities	**1,645,795**	**1,697,827**
Total liabilities and equity	**2,301,799**	**2,340,645**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Table 6.76: Key performance indicators as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Management)	As at 31 March 2024G (Management)
Revenue growth rate	n.a	19.1%
Current ratio	1.12	1.03
Return on assets (%)	4.3%	2.3%
Return on equity (%)	15.0%	8.5%
Debt-to-equity	1.85	1.92
Working capital as a percentage of revenue	21.4%	19.7%
Average days inventory outstanding (Days)	32	30
Average days payables outstanding (Days)	188	171
Average days sales outstanding (Days)	148	133
Cash conversion cycle	(7)	(8)

Source: Management information.

Non-current assets

Non-current assets amounted to SAR1.8 billion as at 31 March 2024G and mainly consisted of property and equipment (SAR 1.8 billion), right-of-use assets (SAR 4.8 million), intangible assets (SAR 3.7 million), and Equity-accounted investee (SAR 8.1 million) related to a 25% ownership stake in Oryx isotopes. Non-current assets increased by SAR 16.9 million during the period, mainly due to the increase in property and equipment by SAR 10.4 million attributable to additions of SAR 59.3 million out of which SAR 51.4 million was related to additions made to construction work in progress, offset by (1) disposal of SAR 22.9m related to land's ownership transferred as dividend in kind for shareholders, (2) transfer of SAR7.8m related to the 25% investment in Oryx Isotopes previously classified under capital work in progress, and (3) depreciation charge of the year (-SAR 18.2 million). The increase in property and equipment was partially offset by the decrease in right-of-use assets by SAR 1.2 million due to the amortization charge of the period.

Current assets

Current assets amounted to SAR 570.1 million as at 31 March 2024G and mainly consisted of accounts receivable (SAR 462.0 million), inventory (SAR 65.3 million), prepayments and other current assets (SAR 34.6 million), and cash and cash equivalents (SAR 8.2 million). Current assets increased by SAR 22.0 million from SAR 548.1 million as at 31 December 2023G to SAR 570.1 million as at 31 March 2024G attributable to the increase in (1) accounts receivable by SAR 15.5 million in line with the increase in the Company's activity during the period, (2) prepayments and other current assets by SAR 8.2 million driven by the increase in advances to suppliers, and (3) inventory by SAR 5.9 million in line with an increase in activity during the period. This was partially offset by the decrease in cash and cash equivalents by SAR 7.6 million.

Equity

Equity amounted to SAR 642.8 million as at 31 March 2024G, and primarily consisted of share capital (SAR 350.0 million) and retained earnings (SAR 292.8 million). Equity decreased from SAR 656.0 million as at 31 December 2023G to SAR 642.8 million as at 31 March 2024G, the decrease in retained earnings during the period is due to dividends amounting to SAR 26.9 million, of which SAR 22.9 million represents the transfer of certain non-operational land to shareholders as dividends, while the remaining amount was distributed in cash.

Non-current liabilities

Non-current liabilities amounted to SAR 1.1 billion as at 31 March 2024G and mainly included long-term loans (SAR 1.0 billion), employee benefits (SAR 106.7 million), and lease obligations (SAR 2.2 million). Non-current liabilities decreased from SAR 1.2 billion at 31 December 2023G to SAR 1.1 billion as at 31 March 2024G due to the decrease in long-term loans by SAR 19.1 million attributable to payments made during the period. This was offset by an increase in employee benefits obligations (+SAR 5.7 million) in line with the increase in the number of employees during the same period, and an the increase in lease liabilities (+SAR 47 thousand).

Current liabilities

Current liabilities amounted to SAR 553.1 million as at 31 March 2024G and mainly consisted of accounts payable (SAR 220.2 million), long-term loans - current portion (SAR 110.6 million), short-term borrowings (SAR 90.0 million), return obligations (SAR 77.1 million), and Accruals and other current liabilities (SAR 45.5 million). Current liabilities increased from SAR 487.7 million as at 31 December 2023G to SAR 553.1 million as at 31 March 2024G, mainly due to the increase in (1) short-term borrowings (+SAR 25.0 million), and (2) long-term loans - current portion (+SAR 17.5 million), (3) accounts payable (+SAR 9.5 million), and (iv) Return liabilities (+SAR 9.3 million).

6.11.2.1 Non-Current Assets

Table 6.77: Non-current assets as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Property and equipment	1,743,602	1,753,986
Intangible assets	4,126	3,711
Right-of-use assets	5,974	4,768
Equity-accounted investee	-	8,088
Total non-current assets	**1,753,702**	**1,770,553**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

A. Property and Equipment

Table 6.78: Gross Book Value of Property and Equipment as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Land	265,609	242,705
Buildings	985,132	1,105,626
Elevators	11,657	11,657
Medical equipment and tools	340,103	343,755
Office equipment	76,881	79,124
Furniture and fixture	70,416	70,773
Motor vehicles	6,518	6,837
Construction work in progress	325,404	248,553
Total	**2,081,720**	**2,109,032**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.79: Net Book Value of Property and Equipment as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Land	265,609	242,705
Buildings	895,798	1,007,927
Elevators	5,166	4,858
Medical equipment and tools	186,689	184,309
Office equipment	30,977	32,445
Furniture and fixture	32,437	31,470
Motor vehicles	1,522	1,719
Construction work in progress	325,404	248,553
Total	**1,743,602**	**1,753,986**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.80: Additions to Property and Equipment as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Land	32,054	-
Buildings	14,882	-
Medical equipment and tools	43,135	3,704
Office equipment	9,226	3,123
Furniture and fixture	11,993	702
Motor vehicles	959	319
Construction work in progress	302,993	51,442
Total	**415,242**	**59,290**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Land

Land amounted to SAR 242.7 million as at 31 March 2024G and mainly consisted of (1) land in Al Khobar (SAR 102.7 million), (2) land for the Rehabilitation Hospital (SAR 53.7 million), (3) land in Al Hofuf (SAR 32.1 million), and (4) other lands used mainly as parking lots for the hospital. Land decreased from SAR 265.6 million as at 31 December 2023G to SAR 242.7 million as at 31 March 2024G attributable to the transfer of non-operating lands to shareholders as dividends in kind (-SAR 22.9 million). The company entered into a land transfer agreement with Abdulaziz Abdullah Almoosa on 09/09/1445H (corresponding to 19/03/2024G), under which the ownership of the land on which the South Tower of AlMoosa Specialist Hospital (Al Ahsa) is located was transferred.

Buildings

Buildings amounted to SAR 1.0 billion as at 31 March 2024G and mainly consisted of (1) the North Tower building (SAR 431.9 million), (2) the Rehabilitation Hospital building (SAR 378.9 million), and (3) The main hospital building in Al Ahsa. and capitalized renewals. Buildings increased from SAR 895.8 million as at 31 December 2023G to SAR 1.0 billion as at 31 March 2024G due to transfers from construction work in progress to buildings (SAR 120.5 million) related to the Rehabilitation Hospital.

Elevators

Elevators pertained to elevators used for the hospital's buildings. Elevators decreased from SAR 5.2 million as at 31 December 2023G to SAR 4.9 million as at 31 March 2024G due to annual depreciation fees.

Medical equipment and tools

Medical equipment and tools amounted to SAR 184.3 million as at 31 March 2024G and related to medical equipment used in the acute care hospital and the Rehabilitation Hospital. Medical equipment and tools slightly decreased from SAR 186.7 million as at 31 December 2023G to SAR 184.3 million as at 31 March 2024G due to annual depreciation charges (SAR 6.1 million), partially offset by additions (SAR 3.7 million).

Office equipment

Office equipment amounted to SAR 32.4 million as at 31 March 2024G. Office equipment increased from SAR 31.0 million as at 31 December 2023G to SAR 32.4 million as at 31 March 2024G as a result of additions (SAR 3.1 million), partially offset by annual depreciation charges (SAR 1.6 million).

Furniture and fixture

Furniture and fixtures amounted to SAR 31.5 million as at 31 March 2024G. Furniture and fixtures decreased from SAR 32.4 million as at 31 December 2023G to SAR 31.5 million as at 31 March 2024G on the back of annual depreciation charges (SAR 1.7 million), partially offset by additions (SAR 702 thousand).

Motor vehicles

Motors vehicles amounted to SAR 1.7 million as at 31 March 2024G mainly included ambulances, home health care service vehicles, buses, and vehicles used in hospital operations. Motor vehicles decreased from SAR 1.5 million as at 31 December 2023G to SAR 1.7 million as at 31 March 2024G due to additions related to the opening of the Rehabilitation Hospital (SAR 319 thousand), partially offset by depreciation charges for the period (SAR 122 thousand).

Construction work in progress

Construction work in progress amounted to SAR 248.6 million as at 31 March 2024G mainly comprised of (1) buildings under construction work (SAR 183.6 million) associated with the Rehabilitation Hospital, Al Hofuf, and Al Khobar, and (2) payments made to suppliers (SAR 52.9 million), which represent the amounts paid but not yet been invoiced from suppliers. Construction work in progress decreased from SAR 325.4 million as at 31 December 2023G to SAR 248.6 million as at 31 March 2024G due to (1) transfers to buildings (SAR 120.5 million) in connection with the opening of the Rehabilitation Hospital, and (2) transfers to equity accounted investee (SAR 7.8 million) related to a 25% investment in Oryx previously classified as construction work in progress. This has been partially offset by additional works being carried out related to the Rehabilitation Hospital (SAR 51.4 million).

B. Right-of-Use Assets

Table 6.81: Right-of-use, net as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Gross book value	25,763	25,763
Accumulated depreciation	(19,789)	(20,995)
Net book value	**5,974**	**4,768**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.82: Lease liabilities as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Balance at 1 January	11,445	5,386
Interest charge for the year	326	47
Payments during the year	(6,385)	-
Balance at 31 December	**5,386**	**5,433**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.83: Lease liabilities, current and non-current portions as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Non-current portion	2,196	2,243
Current portion	3,190	3,190
Balance as at end of the year	**5,386**	**5,433**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.84: Amount recognised in statement of profit or loss and other comprehensive income as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Interest on lease liabilities	326	47
Expenses relating to short-term leases	5,449	-
Depreciation	6,068	1,206

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.85: Amount recognised in statement of cash flows as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Total cash outflow for leases*	6,385	-

* Total cash outflow for leases includes interest charges

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Right-of-use assets

Right-of-use assets mainly comprised of leased facilities primarily related to staff accommodations.

Right-of-use assets decreased from SAR 6.0 million as of 31 December 2023G to SAR 4.8 million as of 31 March 2024G, due to amortization charges during the period.

C. Intangible Assets

Table 6.86: Intangible assets, net as at 31 December 2023G and three-month period ended 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)			As at 31 March 2024G (Management)		
	Software	Operating Licenses	Total	Software	Operating Licenses	Total
Cost						
Balance at 1 January	9,296	7,389	16,685	10,399	6,185	16,584
Additions during the year	1,103	1,061	2,164	-	214	214
Written-off during the year	-	(2,265)	(2,265)	-	-	-
Balance at 31 December	**10,399**	**6,185**	**16,584**	**10,399**	**6,399**	**16,798**
Accumulated amortization						
Balance at 1 January	5,860	4,612	10,472	7,189	5,269	12,458
Amortization for the year	1,329	657	1,986	410	219	629
Balance at 31 December	**7,189**	**5,269**	**12,458**	**7,599**	**5,488**	**13,087**
Carrying amount	**3,210**	**916**	**4,126**	**2,800**	**911**	**3,711**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.87: Amortization of intangible assets as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Cost of revenues	1,959	626
Selling and distribution expenses	3	-
General and administrative expenses	25	3
Total amortization	**1,986**	**629**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Intangible assets

Intangible assets amounted to SAR 3.7 million as at 31 March 2024G, and mainly consist of (1) software (SAR 2.8 million) in relation to medical software, Oracle, accounting software, security systems, etc., and (2) operating licenses (SAR 911 thousand) in relation to fees for accreditations, licenses, Microsoft Office, servers, subscription to medical programs, etc.

Intangible assets decreased from SAR 4.1 million as at 31 December 2023G to SAR 3.7 million as at 31 March 2024G on the back of amortization charges for the period amounting to SAR 629 thousand. This was partially offset by additions to programs and operating licenses (SAR 214 thousand) resulting from the opening of the Rehabilitation Hospital.

6.11.2.2 Current Assets

Table 6.88: Current assets as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Inventories	59,374	65,268
Accounts receivable	446,539	462,036
Advances, prepayments, and other current assets	26,344	34,578
Cash and cash equivalents	15,839	8,211
Total current assets	**548,096**	**570,092**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

A. Inventories

Table 6.89: Inventories as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Surgical and consumable tools	35,300	37,692
Pharmaceuticals and cosmetic materials	19,936	23,161
Spare parts and consumables	4,138	4,415
Total	**59,374**	**65,268**
Less: Provision against expired inventories	-	-
Total Inventories	**59,374**	**65,268**
Average days inventory outstanding (Day)	**32**	**30**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.90: The movement of provision against expired inventories as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Balance at 1 January	59	-
Write-off during the year	(59)	-
Balance at 31 December	**-**	**-**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Surgical and consumable tools

Surgical and consumable tools amounted to SAR 37.7 million as at 31 March 2024G, and mainly relates to various instruments used in clinics, such as surgical instruments, disposable supplies, wound care materials, anesthesia equipment, diagnostic instruments, electrocautery devices, surgical instruments. Orthopedics, eyes, endoscopy, cardiovascular equipment and others. The value of surgical instruments and consumables increased from SAR 35.3 million as at 31 December 2023G to SAR 37.7 million as at 31 March 2024G, in line with the opening of the Rehabilitation Hospital and the North Tower.

Pharmaceuticals and cosmetic materials

Pharmaceutical and cosmetic materials amounted to SAR 23.2 million as at 31 March 2024G, and mainly relates to different types of pharmaceutical products. Pharmaceutical and cosmetic materials increased from SAR 19.9 million as at 31 December 2023G to SAR 23.2 million as at 31 March 2024G due to the growth in activities during the period.

Spare parts and consumables

Spare parts and consumables amounted to SAR 4.4 million as at 31 March 2024G, mainly related to spare surgical instruments and consumables. Spare parts and consumables increased from SAR 4.1 million as at 31 December 2023G to SAR 4.4 million as at 31 March 2024G, in line with the growth in activities during the period.

Provision against expired inventories

Provision against expired inventories reached zero as at 31 December 2023G and 31 March 2024G.

B. Accounts Receivable

Table 6.91: Accounts receivable as at 31 December 2023G and 31 March 2024G.

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Accounts receivable	449,276	463,504
Less: Impairment loss	(6,708)	(5,389)
Total	**442,568**	**458,116**
Due from related parties	3,971	3,921
Total accounts receivable	**446,539**	**462,036**
Average days sales outstanding (Day)	**148**	**133**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.92: Ageing of accounts receivable as at 31 December 2023G and ended 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)			As at 31 March 2024G (Management)		
	Expected credit loss %	Gross carrying amount	Lifetime ECL	Expected credit loss %	Gross carrying amount	Lifetime ECL
Not past due	-	80,768	-	-	83,905	-
1-90 days	0.32%	98,794	(320)	0.20%	130,979	(257)
91-180 days	0.71%	68,955	(491)	0.47%	84,439	(394)
181-360 days	1.28%	78,326	(1,004)	1.61%	50,069	(806)
More than 361 days	4.00%	122,433	(4,894)	3.44%	114,113	(3,931)
Total	**-**	**449,276**	**(6,708)**	**-**	**463,504**	**(5,389)**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.93: The movement of allowance for expected credit losses as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Impairment loss Balance at 1 January	2,778	6,708
Provision for expected credit loss during the year	3,930	1,344
Reversal during the year	-	(2,664)
Balance at 31 December	**6,708**	**5,389**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Table 6.94: Due from related parties as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
AlMoosa Automatic Doors Factory	3,725	3,921
AlMoosa College of Health Sciences	246	-
Balance at 31 December	**3,971**	**3,921**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Accounts receivable

Account receivables amounted to SAR 463.5 million as at 31 March 2024G and mainly consisted of receivables from insurance service providers, government and corporate clients. Account receivables increased by SAR 14.2 million from SAR 449.3 million as at 31 December 2023G to SAR 463.5 million as at 31 March 2024G in line with the increase in revenue by 19.1%.

Based on the Company's credit policy, all service payers are offered payment period of 60 to 90 days.

Impairment loss

The Company recognizes expected credit loss during each reporting period, utilizing a provision matrix derived from its historical credit loss track record.

Impairment loss amounted to SAR 5.4 million as at 31 March 2024G, and is mainly related to the expected credit loss incurred against doubtful accounts. The impairment loss decreased from SAR 6.7 million as at 31 December 2023G to SAR 5.4 million as at 31 March 2024G due to a reversal of SAR 2.7 million.

C. Advances, Prepayments and Other Current Assets

Table 6.95: Advances, prepayments, and other current assets as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Prepaid expenses	16,909	13,106
Advances to suppliers	8,472	18,698
Employees' advances	778	1,290
Other assets	185	1,484
Total advances, prepayments, and other current assets	**26,344**	**34,578**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Prepaid expenses

Prepaid expenses amounted to SAR 13.1 million as at 31 March 2024G, and mainly comprised of (1) prepaid employee visa/accommodation (SAR 6.4 million), (2) prepaid medical insurance (SAR 3.8 million), and (3) Others (SAR 3.0 million).

Prepaid expenses decreased from SAR 16.9 million as at 31 December 2023G to SAR 13.1 million as at 31 March 2024G, mainly due to the decrease in (1) prepaid medical insurance (-SAR 5.3 million) as insurance fees are paid in May of each year, and (2) pre-paid employee visa/accommodation (-SAR 654 thousand), partially offset by the increase in others (+SAR 2.2 million) related to marketing and property insurance as a result of the different advance payment cycle between the full year and quarterly periods.

Advances to supplier

Advance to suppliers amounted to SAR 18.7 million as at 31 March 2024G, related to payments made to suppliers for capital expenditures, maintenance contracts, and service contracts. Advance to suppliers increased from SAR 8.5 million as at 31 December 2023G to SAR 18.7 million as at 31 March 2024G as a result of higher capital expenditures associated with the Rehabilitation Hospital.

Employees’ advances

Employees’ advances amounted to SAR 1.3 million as at 31 March 2024G, and consisted of advances made to employees. Employee advances increased from SAR 778 thousand as at 31 December 2023G to SAR 1.3 million as at 31 March 2024G as due to higher demand on employees’ advances.

Other assets

Other assets amounted to SAR 1.5 million as at 31 March 2024G and mainly consisted of (1) the IPO cost (SAR 1.7 million), offset by (2) suppliers and hospital clearing accounts (-SAR 0.3 million). Other assets increased from SAR 185 thousand as at 31 December 2023G to SAR 1.5 million as at 31 March 2024G as a result of the capitalization of the IPO cost.

D. Cash and Cash Equivalents

Table 6.96: Cash and cash equivalents as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Cash in hand	15,300	857
Bank balances	539	7,354
Total cash and cash equivalents	**15,839**	**8,211**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Cash and cash equivalents amounted to SAR 8.2 million as at 31 March 2024G, and mainly consisted of bank balances (SAR 7.4 million), and cash on hand (SAR 857 thousand).

Cash and cash equivalents decreased by SAR 7.6 million from SAR 15.8 million as at 31 December 2023G to SAR 8.2 million as at 31 March 2024G.

6.11.2.3 Non-Current Liabilities

Table 6.97: Non-current liabilities as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Long-term loans	1,054,953	1,035,812
Lease liabilities	2,196	2,243
Employees’ benefits	100,976	106,683
Total non-current liabilities	**1,158,125**	**1,144,738**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G..

A. Long Term Loans (Current and Non-Current)

Table 6.98: Long-term loans as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Loans from SAB - Loan 1	356,960	350,000
Loans from SNB - Loan 2	112,500	100,000
Loans from Al Rajhi Bank - Loan 3	399,500	399,500
Loans from Saudi Fransi - Loan 4	175,000	175,000
Loan from Ministry of finance (MoF)	14,215	14,215
Less: Deferred income on loan from MoF	(2,473)	(2,217)
Less: Amortization on transaction cost	(749)	(686)
Total long-term loans	**1,054,953**	**1,035,812**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.99: Long-term loans – current portion as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Loans from MoF	2,843	2,843
Loans from commercial banks	82,451	100,000
Accrued interest expense	7,808	7,758
Total	**93,102**	**110,601**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Table 6.100: Terms and conditions of outstanding loans as at 31 March 2024G

As at 31 March 2024G (Management)				
SAR in 000s	Currency	Year of Maturity	Face Value	Carrying Amount
Loans from SAB - Loan 1	SAR	2030G	400,000	400,000
Loans from SNB - Loan 2	SAR	2027G	200,000	150,000
Loans from Al Rajhi Bank - Loan 3	SAR	2030G	480,000	399,500
Loans from Saudi Fransi - Loan 4	SAR	2030	300,000	175,000
Loan from MoF	SAR	2029G	42,646	17,058
Total	**SAR**	**-**	**1,422,646**	**1,141,558**

Source: Management information.

Table 6.101: Long-term loans – future maturities as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Within one year	85,294	102,843
Later than one year but not later than five years	837,761	837,746
Later than five years	220,414	200,970
Total	**1,143,469**	**1,141,558**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Long term loans

Long-term loans amounted to SAR 1.1 billion as at 31 March 2024G, and include the following loans:

Loan from SAB Bank - 1

The total facilities used amounted to SAR 350 million as at 31 March 2024G. The loan is repaid in 24 equal quarterly instalments starting from 1 July 2024G. The loan carries an interest rate of 3 months SIBOR + 0.9% and is secured by promissory notes and personal guarantees from Mr. Abdulaziz AlMoosa, Mr. Malek Almoosa and a mortgage on the land of the Rehabilitation Hospital.

Loan from SNB Bank - 2

The total facilities used amounted to SAR 100.0 million as at 31 March 2024G. The loan is repaid in 16 equal quarterly instalments. The loan carries an interest rate of 3 months SIBOR + 1.0% and is secured by promissory notes and personal guarantees from Mr. Abdulaziz AlMoosa and Mr. Malek AlMoosa. It is secured by promissory notes and personal guarantees from Mr. Malek Abdulaziz Almoosa and Mr. Abdulaziz AlMoosa, including a mortgage on the land of the main building (two plots of land the main building).

Loan from Al Rajhi Bank - 3

The total facilities used amounted to SAR 399.5 million as at 31 March 2024G. The loan will be repaid in 20 equal quarterly instalments starting from 1 June 2025G. The loan carries an interest rate of 3 months SIBOR + 0.95%. The loan is secured by a personal guarantee from Mr. Abdulaziz AlMoosa and Malek AlMoosa and a real estate mortgage on the North Tower land.

Loan from Saudi Fransi - 4

The total facilities used amounted to SAR 175.0 million as at 31 March 2024G. The loan is repaid in 10 equal quarterly instalments starting from 31 July 2025G. The loan carries an interest rate of 3 months SIBOR + 1.0% and is guaranteed by promissory notes and a personal guarantee from Mr. Abdulaziz AlMoosa and Mr. Malek AlMoosa.

Loan from Ministry of Finance (MoF)

The total balance of loans from the Ministry of Finance amounted to SAR 17.0 million as at 31 March 2024G, out of which the non-current portion amounted to SAR 14.2 million, and the current portion amounted to SAR 2.8 million of the total.

Current portion of long term loans

Current portion of long-term loans increased from SAR 93.1 million as at 31 December 2023G to SAR 110.6 million as at 31 March 2024G, on the back of the increase in annual payments in parallel with the increase in long-term loans balance.

B. Short term borrowings

Table 6.102: Short term borrowings as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Short term borrowings	65,000	90,000
Total	**65,000**	**90,000**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G. The Company obtained a short-term loan of SAR 90.0 million from a commercial bank to be repaid in 2024G to finance working capital requirements.

C. Current Liabilities

Table 6.103: Current liabilities as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Accounts payable	210,722	220,236
Accruals and other current liabilities	44,014	45,504
Derivative financial instruments	271	267
Refund liabilities	67,741	77,060
Long-term loans – current portion	93,102	110,601
Short term borrowings	65,000	90,000
Lease liabilities – current portion	3,190	3,190
Zakat payable	3,630	6,230
Total current liabilities	**487,670**	**553,089**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

D. Accounts Payable

Table 6.104: Accounts payable as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Accounts payable	159,079	166,605
Payable to contractors	51,643	53,631
Total	**210,722**	**220,236**
Average days payables outstanding (Day)	188	171

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Accounts payable

Accounts payable amounted to SAR 220.2 million as at 31 March 2024G, and mainly consisted of (1) accounts payable (SAR 166.6 million) related to various types of disposables, consumables, and medical supplies used in the main clinic operations, which are obtained from multiple suppliers. and (2) payables to contractors (SAR 53.6 million) primarily related to the hospital's capital expenditures and ongoing business expansion initiatives, specifically the Rehabilitation Hospital. Credit terms with major suppliers range from 90 to 120 days and depend on the specific agreements and relationships established with each supplier.

Total accounts payable increased by SAR 9.5 million from SAR 210.7 million as at 31 December 2023G to SAR 220.2 million as at 31 March 2024G mainly due to the increase in accounts payable by SAR 7.5 million in line with the increase in the hospital's activity, and the increase in payables to contractors by SAR 2.0 million, reaching SAR 53.6 million as at 31 March 2024G.

E. Accruals and Other Current Liabilities

Table 6.105: Accruals and other current liabilities as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Value added tax (VAT) payable	22,705	19,507
Accrued employees' benefits	11,467	13,424
Goods received but not invoiced	6,031	7,497
Advances from patients	7	45
Rent payable	-	991
Others	3,804	4,040
Total	**44,014**	**45,504**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Value added tax (VAT) payable

Value added tax payable decreased from SAR 22.7 million as at 31 December 2023G to SAR 19.5 million as at 31 March 2024G.

Accrued employees' benefits

Accrued employees' benefits amounted to SAR 13.4 million as at 31 March 2024G and primarily consisted of (1) employee vacation payments, (2) employee commissions and incentives, (3) employee social insurance, and (iv) vacation tickets. Accrued employees' benefits increased from SAR 11.5 million as at 31 December 2023G to SAR 13.4 million as at 31 March 2024G due to the increase in staff vacation pay due to the difference in the accrual cycle between the full year and quarter periods.

Goods received but invoices not received

Goods received but not invoiced amounted to SAR 7.5 million as at 31 March 2024G, and related to pharmaceutical products, including medicines and consumables. This amount represents cases where goods have been received from suppliers, but corresponding invoices are expected at a later date. Goods received but not invoiced increased from SAR 6.0 million as at 31 December 2023G to SAR 7.5 million as at 31 March 2024G, in line with the increase in purchases.

Advances from patients

Advance from patients amounted to SAR 45 thousand as at 31 March 2024G. These advance payments are usually taken in form of deposits made by patients in anticipation of medical procedures. Payments made by patients increased from SAR 7 thousand as at 31 December 2023G to SAR45 thousand as at 31 March 2024G.

Rent payable

Rent payable amounted to SAR 991 thousand as at 31 March 2024G and related to the Company's employee's accommodation. Rent payable increased from nil as at 31 December 2023G to SAR 991 thousand as at 31 March 2024G, mainly due to the difference in the accrual cycle between the full period and the quarterly period.

Others

Others amounted to SAR 4.0 million as at 31 March 2024G, and mainly related to public service bills. Others increased from SAR 3.8 million as at 31 December 2023G to SAR 4.0 million as at 31 March 2024G, due to higher accruals attributable to the opening of the North Tower and the Rehabilitation Hospital.

F. Derivatives financial instruments

Table 6.106: Derivatives financial instruments as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Balance at 1 January	2,234	271
Change in fair value	(1,963)	(4)
Balance at 31 December	**271**	**267**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Derivatives financial instruments

Derivative financial instruments amounted to SAR 267 thousand as at 31 March 2024G, and mainly related to the cash flow hedging reserve in respect of interest rate swaps with various commercial banks. Derivative financial instruments decreased from SAR 271 thousand as at 31 December 2023G to SAR 267 thousand as at 31 March 2024G due to the change in fair value by SAR 4 thousand.

G. Refund Liabilities

Table 6.107: Refund liabilities as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Management)
Balance at 1 January	36,775	67,741
Addition during the year	30,966	9,319
Balance at 31 December	**67,741**	**77,060**

Source: Audited financial statements for the financial year ended 31 December 2023G and Management information.

Refund liability

Return liability amounted to SAR 77.1 million as at 31 March 2024G. Refund liabilities increased from SAR 67.7 million as at 31 December 2023G to SAR 77.1 million in parallel with the in revenue over the same period.

H. Zakat Payable

Table 6.108: Movement of zakat provision as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Balance at 1 January	4,586	3,630
Provision during the year	3,630	2,600
Provision for prior years	-	-
Payments during the year	(4,586)	-
Balance at 31 December	**3,630**	**6,230**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

The Company has submitted its zakat returns up to year 2023G and has obtained the required certificates and official receipts, however, all returns since inception are still under ZATCA review.

Zakat payable

Zakat payable increased from SAR 3.6 million as at 31 December 2023G to SAR 6.2 million as at 31 March 2024G, due to the zakat provision related to recovery obligations (SAR 2.6 million).

6.11.2.4 Shareholders' Equity

Table 6.109: Shareholders' equity as at 31 December 2023G and 31 March 2024G

SAR in 000s	As at 31 December 2023G (Audited)	As at 31 March 2024G (Reviewed)
Share capital	1,000	350,000
Proposed share capital	349,000	-
Statutory reserve	300	-
Retained earnings	305,703	292,818
Total equity	**656,003**	**642,818**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Table 6.110: Share capital as at three-month period ended 31 March 2024G

SAR in 000s	Ownership percentage	No. of shares	SAR in 000s
Abdulaziz bin Abdullah Al Moosa Investment Company	95%	33,250,000	332,500
Abdulaziz AlMoosa Charity Company	5%	1,750,000	17,500
Total	**100%**	**35,000,000**	**350,000**

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Share capital is divided into 100,000 shares with a value of SAR 10 per share. In its meeting held on 14 September 2023G, the Company's Board of Directors recommended increasing the capital by issuing SAR 34.9 million of new shares (SAR 10 per share) to the company's current shareholders, which was approved by the Company's shareholders at the extra ordinary general assembly meeting held. On 24 December 2023G. It was proposed to increase the capital by capitalizing an amount of SAR 349.0 million from the contribution of a shareholder. The proposed capital increase was approved by the Ministry of Commerce on 10 January 2024G.

Based on the shareholders' resolution dated 14 February 2024G, the Company's shareholder, Abdulaziz Abdullah AlMoosa, transferred 1,750,000 of his shares in the company with a total nominal value of SAR 17,500,000 to the Abdulaziz Abdullah AlMoosa Charitable Company. In addition, pursuant to the stock transfer decisions issued by each shareholder on 26 March 2024G, the company's shareholders transferred all of their shares in the company, amounting to 33,250,000 shares, to the Abdulaziz Abdullah AlMoosa Investment Company, in exchange for obtaining shares in the Abdulaziz Abdullah AlMoosa Investment Company. The company's updated ownership structure was issued on 31 March 2024G.

Statutory Reserve

According to the provisions of the Saudi Companies Law, 10% of the year's profit must be transferred to a statutory reserve until the balance of this reserve reaches 30% of the capital. This reserve is not distributable except in specific circumstances.

In the year 2024G, the Company decided not to transfer any specific percentage of the net profits to the statutory reserve balance in accordance with Article 177 of the new Companies Law, which does not include any requirement to transfer a specific percentage to form a reserve.

Retained Earnings

Retained Earnings decreased from SAR 305.7 million as at 31 December 2023G to SAR 292.8 million as at 31 March 2024G due to dividend distributions (amounting to SAR 26.9 million), out of which SAR 22.9 million are in-kind profits related to the transfer of ownership of affiliated non-operating lands of the Company to shareholders, which was partially offset by the net profits for the year (SAR 12.4 million) during the period.

Contingent Liabilities and commitments

Letter of Guarantees

As at 31 March 2024G, the Company's bankers have given letter of guarantees, on behalf of the Company, amounting to SAR 10.93 million (31 December 2023G: SAR 10.93 million) mainly in respect of performance guarantees to customers and others.

Letter of Credits

As at 31 March 2024G, the Company's bankers have given letter of credits, on behalf of the Company, amounting to SAR 8.97 million (31 December 2023G: SAR 17.80 million).

Capital commitments

As at 31 March 2024G, the Company's capital commitments amounted to SAR 71.11 million (31 December 2023G: SAR 106.28 million) relating to certain expansion projects.

6.11.3 Capitalization of the company’s capital and debt

The selling shareholder owns 95% of the company’s shares before the offering. After completing the offering process, he will own 66.05% of the company’s shares.

The following table shows the company's capitalization as it appears in the company's audited financial statements for the fiscal years ending on 31 December 2021G, 2022G, and 2023G, and the financial statements for the three-month period ended on 31 March 2024G. Note that the following table must be read with the relevant financial statements, including the clarifications attached to them and contained in Section 19 “**Financial Statements and Auditor’s Report**” of this prospectus.

Table 6.111: The company’s capitalization and debt for the financial years ended 31 December 2021G, 2022G, 2023G, and the Three-month period ended 31 March 2024G

SAR in 000s	2021G	2022G	2023G	Three-month period ended 31 March 2024G
Total loans	494,719	786,735	1,213,055	1,236,414
Shareholders’ equity				
Share capital	1,000	1,000	1,000	350,000
Proposed share capital	-	-	349,000	-
Statutory reserve	300	300	300	-
Contribution from shareholder	200,939	251,099	305,703	292,818
Total shareholder contribution	395,743	395,743	-	-
Total equity	597,982	648,142	656,003	642,818
Total Capitalization (Total Loans + Total Equity)	1,092,701	1,434,877	1,869,058	1,879,232
Total Loans/Total Capitalization	**45%**	**55%**	**65%**	**66%**

Source: Audited financial statements for the financial years ended 31 December 2022G, 2023G, and the reviewed financial statements for the three-month period ended 31 March 2024G.

The members of the Board of Directors acknowledge the following:

1. None of the company’s shares are subject to any option rights.
2. The company does not have any debt instruments as of the date of this prospectus.
3. That the company’s balance and cash flows are sufficient to cover its expected cash needs for working capital and capital expenditures for a period of at least twelve (12) months from the date of publication of this prospectus, taking into account any negative and material change in the company’s business.

6.11.4 Cash Flow Statements

Table 6.112: Cash flow statement for the three-month period ended 31 March 2023G and 2024G

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)
Cash flows from operating activities:		
Profit before zakat	26,997	16,327
Adjustments for:		
Depreciation on property and equipment	13,913	18,195
Amortization on intangibles	346	629
Depreciation on right-of-use assets	1,528	1,206
Gain on disposal of property and equipment	-	(43)
Property and equipment/ intangibles write-off	2,265	-
Interest expense on long term loans	15,145	22,037
Impact of unwinding on interest free loan from government	550	256
Amortization of transaction cost	64	64
Interest expenses on lease liability	105	47
Employees' defined benefit expense	4,759	7,256
Changes in fair value of derivative financial instruments	(2,918)	(3)
(Reversal) / provision for doubtful debts	869	1,344
Doubtful debts written off	-	(2,664)
Share of profit of equity-accounted investees	-	(288)
Borrowing cost capitalized	(9,607)	(5,099)
Total adjustments	**54,015**	**59,265**
Changes in:		
Accounts receivable	(94,628)	(14,178)
Inventories	(6,034)	(5,894)
Advances, prepayments and other current assets	(29,915)	(8,233)
Accounts payable	32,507	9,514
Accruals and other current liabilities	561	1,490
Refund liabilities	6,816	9,319
Cash generated from operations	**(36,679)**	**51,282**
Interest paid	(15,640)	(22,087)
Zakat paid	(4,586)	-
Employees benefits paid	(2,074)	(1,549)
Net cash used in operating activities	**(58,980)**	**27,646**
Cash flows from investing activities:		
Additions to property and equipment	(91,397)	(54,191)
Additions to intangible assets	(36)	(215)
Proceeds from disposal of property and equipment	-	51

SAR in 000s	Three-month period ended 31 March 2023G (Reviewed)	Three-month period ended 31 March 2024G (Reviewed)
Due from a shareholder	(12)	-
Net cash used in investing activities	**(91,446)**	**(54,355)**
Cash flows from financing activities:		
Proceeds from long-term loans	301,911	35,589
Repayment of long-term loans	(6,250)	(12,500)
Dividend paid	-	(4,009)
Net cash generated from financing activities	**295,661**	**19,081**
Increase / (decrease) in cash and cash equivalents	145,235	(7,628)
Cash and cash equivalents at beginning of the year	15,240	15,839
Cash and cash equivalents at end of the year	**160,475**	**8,211**
Non-cash transactions		
Dividend in kind	-	22,904

Source: Reviewed financial statements for the three-month period ended 31 March 2024G.

Net cash used in operating activities

Net cash used in operating activities increased from -SAR 59.0 million in the three-month period ended 31 March 2023G to SAR 27.7 million in the three-month period ended 31 March 2024G, primarily due to (1) positive working capital impact (+SAR 82.7 million) driven by the decrease in the negative impact from accounts receivable, as the balance increased significantly between 31 December 2022G and 31 March 2023G due to the new contract with one of the corporate clients. This was partially offset by the decrease in profit before zakat (-SAR 10.7 million) due to higher financing costs.

Net cash used in investing activities

Net cash used in investing activities decreased from -SAR 91.4 million in the three-month period ended 31 March 2023G to -SAR 54.4 million in the three-month period ended 31 March 2024G mainly due to additions made for the construction of the Rehabilitation Hospital.

Net cash generated from financing activities

Net cash generated from financing activities decreased from SAR 295.7 million in the three-month period ended 31 March 2023G to SAR 19.1 million in the three-month period ended 31 March 2024G due to lower financing for capital expenditures required during the historical period.

7. Dividend Distribution Policy

Pursuant to Article 107 of the Companies Law, each Shareholder shall be equally vested with all rights and obligations associated with the Shares, in particular the right to a portion of the dividends to be distributed. The Board of Directors shall recommend, in its annual report, the distribution of any dividends prior to their approval by the Shareholders at the General Assembly meeting. However, there are no guarantees of actual dividend distribution. Any resolution to distribute dividends depends on a number of factors, including the Company's past and expected profits, cash flows, financing and capital requirements, market data, general economic factors and Zakat, in addition to other factors deemed important by the Board, as well as other legal and regulatory considerations. The Company's expectations with respect to these factors are subject to numerous assumptions, risks and uncertainties that may be beyond the Company's control. For a discussion of the risks associated with dividend distribution, please refer to Section 2.3.4 "**Risks Related to the Company's Ability to Distribute Dividends**" of this Prospectus.

The Company intends to distribute annual dividends to its Shareholders to enhance the value of their investments in it based on the profits achieved by the Company in proportion to its financial position, capital expenses, investment requirements, the restrictions applicable to dividend distribution under financing and debt agreements, the results of the Company's activities, the Company's current and future cash needs and expansion plans, as well as other factors including market conditions, analysis of investment opportunities, requirements to reinvest such dividends, cash and capital requirements, business expectations, and the impact of any such distributions on any legal and regulatory considerations.

In addition, investors wishing to invest in the Offer Shares should be aware that the Dividend Distribution Policy may change from time to time.

Although the Company intends to distribute dividends to its Shareholders, there are no guarantees of an actual dividend distribution, nor is there any guarantee regarding the amounts that shall be paid in any given year.

According to the Company's Dividend Distribution Policy, the General Assembly shall determine the percentage of net profits to be distributed to Shareholders after the deduction of reserves, if any. Shareholders shall be entitled to their share of the dividends in accordance with the General Assembly resolution issued in this regard, which shall indicate the maturity date and the distribution date. At the end of the day on the specified maturity date, Shareholders registered in the Shareholders' registers shall be entitled to dividends.

Shareholders shall be entitled to their portion of dividends, whether in the form of cash or stock dividends, in accordance with the General Assembly's resolution issued in this regard. The General Assembly resolution shall indicate the maturity date and the distribution date. At the end of the day on the specified maturity date, Shareholders registered in the Shareholders' registers shall be entitled to dividends.

The following table sets out a summary of the dividends the Company distributed during the previous three years and the three-month period ended 31 March 2024G:

Table 7.1: Dividend Distributions for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Three-Month Period Ended 31 March 2024G

SAR	FY 2021G	FY 2022G	FY 2023G	Three-Month Period Ended 31 March 2024G
Net income	62,419,568	51,015,616	98,146,131	13,726,718
Dividends declared during the period	48,087,575(1)	0	93,497,881(2)	26,912,203(3)
Dividends distributed during the period	15,663,216	0	0	4,008,629
Proportion of declared profits to net income	25%	0%	0%	29%

(1) Including in-kind distributions amounting to SAR 32,424,359.

(2) Including in-kind distributions amounting to SAR 93,497,881.

(3) Including in-kind distributions amounting to SAR 22,903,574.

Source: The Company

The following table summarizes the cash and in-kind dividends declared and distributed by the Company during the preceding three years and the three-month period ended 31 March 2024G.

Table 7.2: Cash and In-Kind Dividend Declared and Distributed by the Company During the Preceding Three Years and the Three-Month Period Ended 31 March 2024G

SAR	FY 2021G	FY 2022G	FY 2023G	Three-Month Period Ended 31 March 2024G
Cash dividend distributions	15,663,216	0	0	4,008,629
In-kind dividend distributions	32,424,359[1]	0	93,497,881[2]	22,903,574[3]
Total	**48,087,575**	**0**	**93,497,881**	**26,912,203**

[1] The Company declared an amount of SAR 32,424,359 as in-kind distributions for the financial year 2021G. The Company settled the declared in-kind dividend distributions against an amount due from Almoosa College of Health Sciences (which is a related party).

[2] The Company declared an amount of SAR 1,255,065 as in-kind distributions for the financial year 2023G to settle an amount due from Al-Moussa Real Estate Co. (which is a related party). The Company also declared an amount of SAR 60,050,000 as in-kind distributions for the financial year 2023G as an advance amount in exchange for plots and which was paid to the owners of such land on behalf of Chairman Abdulaziz bin Abdullah Almoosa (who is a related party) on the following basis: (1) SAR 20,000,000 in favor of land owner 1; (2) SAR 1,000,000 in favor of land owner 1; (3) SAR 1,300,000 in favor of land owner 2; (4) SAR 875,000 in favor of land owner 2; (5) SAR 10,000,000 in favor of land owner 2; (6) SAR 875,000 in favor of land owner 2; (7) SAR 10,00,000 in favor of lans owner 2; (8) SAR 875,000 in favor of land owner 2; (9) SAR 15,000,000 in favor of land owner 3; and (10) SAR 11,000,000 in favor of land owner 3. Such plots of land represent non-healthcare properties which were transferred under the name of Chairman Abdulaziz bin Abdullah Almoosa (who is a related party) and declared as in-kind dividends for the financial year 2023G. The Company also declared an amount of SAR 32,192,816 as in-kind distributions for the financial year 2023G to settle an amount due from shareholders.

[3] The Company declared an amount of SAR 22,903,574 as in-kind distributions for the three-month period ended 31 March 2024G, as the Company distributed unused plots among its shareholders.

Source: The Company

The Company's dividends for the financial year ended 31 December 2021G were distributed pursuant to the Board of Directors' resolution dated 12/08/1443H (corresponding to 15/03/2022G). The dividends for the financial year ended 31 December 2023G were distributed pursuant to the resolution of the Board of Directors and the Extraordinary General Assembly dated 12/06/1445H (corresponding to 25/12/2023G). The dividends for the three-month period ended 31 March 2024G were distributed pursuant to the Extraordinary General Assembly resolution dated 25/11/1445H (corresponding to 02/06/2024G) and the Board of Directors' resolution dated 27/11/1445H (corresponding to 04/06/2024G).

Shares grant their holders the right to receive the dividends declared by the Company as of the date of this Prospectus and for subsequent financial years. The Offer Shares shall not be entitled to any dividends declared prior to the date of this Prospectus. The first entitlement for the Offer Shares shall be for dividends declared by the Company as of the date of this Prospectus and for subsequent financial years.

8. Use of the Offering Proceeds

8.1 Introduction

The total Offering proceeds are estimated at approximately (SAR 1,687,966,398), of which approximately SAR 52.4 million will be used to settle all expenses related to the Offering, including the fees of the Financial Advisor, Lead Manager, Bookrunners, Underwriters, , the Exchange, the Legal Advisors to the Company, the legal advisors to the Underwriters, the Auditor, the Receiving Agents, the Market Consultant and the Financial Due Diligence Advisor, as well as marketing, printing, distribution and translation costs and other fees and expenses related to the Offering.

The Offering expenses will be deducted from the Offering proceeds and will be divided between the Company and the Selling Shareholders on a pro-rata basis according to the number of the Offer Shares sold by each Selling Shareholder and the New Offer Shares.

8.2 Use of the Offering Proceeds

The Net Offering Proceeds of approximately (SAR 1,635,566,398) will be distributed (net of the Offering Expenses) as follows:

1. Approximately (SAR 490,691,061) will be distributed to the Selling Shareholder on a pro-rata basis based on each Selling Shareholder's percentage of ownership in the Sale Shares being sold in the Offering.
2. The IPO Proceeds amounting to (SAR 1,144,875,337) will be distributed to the Company. In addition to other financing sources, such as cash flows from operating activities and bank financing, the Company intends to use the Net Offering Proceeds to finance the following activities:
   - Debt repayment.
   - Financing the Company's expansion plans, including financing capital expenditures, working capital requirements and general corporate purposes.

The following table summarizes the expected use of the Company's share of the Net Offering Proceeds:

Table 8.1: Expected Use of the Company's Share of the Net Offering Proceeds

Item	Expected Use of the Company's Share of the Net Offering Proceeds (%)(1)(2)(3)	Expected Timeframe for Use of the Offering Proceeds	Summary Timeline for Use of the Offering Proceeds
Debt repayment	50%-60%	2-12 months	Q4 2024G – Q4 2025G
Financing the Company's expansion plans, including financing capital expenditures, working capital requirements and general corporate purposes	40%-50%	2-24 months	Q4 2024G – Q4 2026G

(1) For further information regarding potential changes to the expected use of the Company's share of the Net Offering Proceeds as mentioned above, please refer to Section 8.3 "**Timeline for Expected Use of the Net Offering Proceeds and Potential Changes Thereto**" of this Prospectus.

(2) Subject to Note 1 above, Section 8 "**Use of the Offering Proceeds**", and Section 8.3 "**Timeline for Expected Use of the Net Offering Proceeds and Potential Changes Thereto**" of this Prospectus, the uses of the Company's share of the Net Offering Proceeds, as outlined in the items listed in the table above, will not in aggregate exceed 100% of the Company's share of the Net Offering Proceeds.

(3) If there is a surplus of Net Offering Proceeds, the Company will use such surplus to accelerate the launch of new projects and develop existing services. If there is a deficit in the Net Offering Proceeds, the Company intends to use its financial resources and borrowings to cover such deficit.

8.2.1 Debt Repayment

The Company intends to use between 50% and 60% of the Net Offering Proceeds for debt repayment (for further information regarding the debt and facilities, please refer to Section 11.4.7 "**Financing Agreements**" of this Prospectus).

8.2.2 Financing the Company's Expansion Plans

The Company intends to use between 40% and 50% of the Net Offering Proceeds to invest in its current and future projects in alignment with its corporate strategy and business plan, including financing the general corporate purposes of the Company, especially with regard to the Company's strategic initiatives and working capital requirements. Future projects include the Al Moosa Specialist Hospital in Al Khobar, which is scheduled to open in the first quarter of 2028G. The total built-up area of the project is 300,000 square meters with a capacity of up to 400 beds and several centers of excellence, including 300 clinics and 1 pharmacy. Also among the future projects is Al Moosa Specialist Hospital in Al Hofuf, which is scheduled to open during the second quarter of 2027G. The total built-up area of the project is 140,000 square meters and it is designed with a capacity of 300 beds, 200 clinics and one pharmacy to serve the people of Al Hofuf. Driven by its commitment to providing comprehensive healthcare services, the Company is establishing five primary care centers in the Eastern Province, specifically in Al Ahsa, Al Khobar and Dammam, to deliver reliable medical services more conveniently to a broader segment of the community. The Company intends to open primary care centers during the interim period between the second quarter of 2025G and the fourth quarter of 2027G. The following table sets out the schedule for the Company's future projects and the percentage of the cost of each project relative to the total amount allocated for future project costs.

Table 8.2: Schedule for Future Projects

Project Name	Estimated Cost of the Project to be Funded through the Offering (SAR)	Percentage Allocated to Each Project from the Total Offer Proceeds Allocated to Finance Future Projects	Expected Start of Project Expenditure	Expected Project Completion
Al Khobar Hospital	372,189,718	63%	Q4 2024G	Q1 2028G
Al Hofuf Hospital	177,233,199	30%	Q4 2024G	Q1 2027G
Primary care centers (5)	41,354,413	7%	Q4 2024G	Q3 2025G – Q4 2027G

Source: The Company

8.3 Timeline for Expected Use of the Net Offering Proceeds and Potential Changes Thereto

The Company intends to use its entire share of the Net Offering Proceeds for the purpose of covering some or all of the above-mentioned uses within five years of the date of this Prospectus. The expected use plans for the Company's share of the Net Offering Proceeds reflect the Company's business plan and market conditions as of the date of this Prospectus. The expected use of the Company's share of the Net Offering Proceeds is subject to change depending on any economic, social or political developments as well as any potential changes in the Company's business plan.

9. Expert Statements

All of the Advisors, whose names are listed on pages (vii) and (viii) of this Prospectus, have given and, as of the date of this Prospectus, not withdrawn their written consent to the publication of their names, addresses, logos and statements attributed to each of them in this Prospectus, and do not, themselves, nor their employees who form part of the team serving the Company, or any of their relatives, have any shareholding or interest of any kind in the Company as of the date of this Prospectus which would impair their independence.

10. Declarations

The Directors declare that:

1. The Offering does not violate the relevant laws and regulations in the Kingdom.
2. The Offering does not prejudice any contracts or agreements to which the Company is a party.
3. All material legal information relating to the Company has been disclosed in the Prospectus.
4. Other than as disclosed in Section 11.9 "**Lawsuits and Claims**" of this Prospectus, the Company is not subject to any lawsuits or legal proceedings that could, either individually or in aggregate, have a material adverse effect on the Company's business or financial position.
5. All material facts relating to the Company and its financial performance have been disclosed in this Prospectus and that there is no other information, documents or facts the omission of which would render any statement contained in this Prospectus misleading;
6. They are not subject to any lawsuits or legal proceedings that could, either individually or in aggregate, have a material adverse effect on the Company's business or financial position.
7. The Company has not experienced any disruptions or interruptions to its operations that could have or have had a material adverse effect on its financial position during the past 12 months.
8. No commissions, discounts, brokerage fees or any other non-cash compensation have been granted by the Company during the three years immediately preceding the date of submitting the application for the registration and offer of securities subject to this Prospectus in connection with the issuance or offering of any securities.
9. Other than as set forth in Section 6 "**Management's Discussion and Analysis of Financial Position and Results of Operations (MD&A)**" of this Prospectus, there has been no material adverse change in the financial or business condition of the Company during the three years immediately preceding the date of submitting the application for registration and offer of securities subject to this Prospectus, as well as the period covered by the Auditor's report up to the approval of this Prospectus.
10. Other than as stated in Section 5.7 "**Direct and Indirect Interests of Directors and Executive Management**" of this Prospectus, neither the Directors nor any of their relatives have any Shares or interest of any kind in the Company.
11. The Company has sufficient working capital for at least 12 months immediately following the date of publication of the Prospectus.
12. Except as described in Section 2 "**Risk Factors**" of this Prospectus, and to the best of their knowledge and belief, there are no other material risks as of the date of this Prospectus that may affect investors' decisions to invest in the Offer Shares other as described in this section. All prospective investors wishing to subscribe to the Offer Shares must conduct an evaluation of the merits and risks of such investment and the Offer Shares in general, as well as the economic and regulatory environment in which the Group operates in particular.
13. To the best of their knowledge and belief, after conducting all possible enquiries and to a reasonable extent, there are no other facts the omission of which would make any statement herein misleading.
14. None of the Company's Shares are under option.
15. The Company's balance is sufficient to cover its expected cash needs for working capital and capital expenditures for at least 12 months from the date of publication of this Prospectus, taking into account any material adverse change in the Company's business.
16. Except as disclosed in Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus, the Directors declare that the Company does not have any dealings, agreements, business relationships or real estate deals with a Related Party.
17. Except as disclosed in Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus, there are no transactions or contracts with Related Parties that were not concluded on an arm's length basis. The Company further declares that, as of the date of this Prospectus, all existing transactions and contracts with Related Parties have been concluded on an arm's length basis.

18. They will comply with the restrictions and requirements of Articles 27 and 71 of the Companies Law and with the directives of Articles 42 and 44 of the Corporate Governance Regulations issued by the CMA with respect to transactions with Related Parties.
19. They will refrain from participating in any business that competes with the Company and all transactions with Related Parties in the future will be conducted on an arm's length basis in accordance with Article 72 of the Companies Law and Chapter 6 of Part 3 of the Corporate Governance Regulations.
20. They will refrain from voting on contracts entered into with Related Parties at General Assemblies if they have a direct or indirect interest therein.
21. The Company's insurance policies provide insurance coverage with sufficient limits for the Company to conduct its business, and the Company periodically renews its insurance policies and contracts to ensure continuous insurance coverage.
22. There is no intention to make any material change in the nature of the Company's business as of the date of this Prospectus.
23. As of the date of this Prospectus, the Company does not have any business activities outside the Kingdom and no assets of the Company are located outside the Kingdom.
24. There is no real estate owned by the Company other than as stated in Section 11.6 "**Real Estate**" of this Prospectus.
25. None of the Directors, Executive Management members or Board Secretary have ever been declared bankrupt or subject to bankruptcy proceedings. In addition, there have been no cases of bankruptcy in the last 5 years of a company in which any of the Directors, Executive Management members or Board Secretary was appointed by the bankrupt company to an administrative or supervisory position.
26. Except as disclosed in Section 5.3 "**Board of Directors**", Section 5.5.2 "**Members of the Executive Management**" and Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus, none of the Directors, Executive Management members, Board Secretary or any of their relatives have any direct or indirect interest in the Shares or debt instruments of the Company or any interest in any other matter that could affect the business of the Company.
27. Except as disclosed in Section 11.5 "**Transactions and Contracts with Related Parties**," no director, senior executive, Company Secretary, or any of their relatives or associates has any interest, direct or indirect, in any existing, pending or proposed contract or arrangement with the Company as of the date of this Prospectus.
28. The Directors declare that the financial information contained in this Prospectus has been extracted without material change and is presented in accordance with the special purpose audited financial statements of the Company for the financial years ended 31 December 2021G and the audited financial statements of the Company for the financial years ended 31 December 2022G and 2023G, and the reviewed financial statement for the three-month period ended 31 March 2024G (which include the comparative period ended 31 March 2023G) which were prepared by the Company in accordance with IFRS as endorsed in KSA.
29. The Directors declare that there have been no material adverse changes to the financial or business position of the Company during the 3 financial years immediately preceding the date of the application for the registration and offer of securities subject to this Prospectus, in addition to the end of the period covered by the Auditors' report up to the date of this Prospectus. Furthermore, the Directors declare that all material facts relating to the Company and its financial performance have been disclosed in this Prospectus and that there are no other information, documents or facts the omission of which would render any statement contained in this Prospectus misleading.
30. The Board of Directors declares that there are no reservations in the Auditors' Report on the financial statements of the Issuer for any of the three financial years immediately preceding the date of submitting the application for the registration and offer of securities included in this Prospectus;
31. The Directors declare that there have been no structural changes in the Issuer during the 3 financial years immediately preceding the date of submitting the application for the registration and offer of securities subject to this Prospectus.
32. Except as disclosed in Section 6.9.1 "**Statement of Profit or Loss**" and Section 6.11.2 "**Statement of financial position**" of this Prospectus, the Directors declare that the Company does not have any property, including contractual securities or other assets whose value is subject to fluctuations or is difficult to ascertain, which would significantly affect the assessment of its financial position.

33. The Directors declare that, except as disclosed in Section 11.4.7 "**Financing Agreements**" of this Prospectus, the Company has not issued any debt instruments, term loans or mortgages, whether secured or unsecured, current or approved but not issued, and the Company does not have any loans or other debt, including overdrafts from bank accounts. The Board of Directors further declares that there are no guarantee obligations (including those covered by a personal guarantee, not covered by a personal guarantee, secured by a mortgage or not secured by a mortgage), commitments pending approval, acceptance credits or lease purchase commitments.
34. The Directors declare that other than as stated in Section 11 "**Legal Information**" and in other sections of this Prospectus, the property of the Company and its subsidiaries are not subject to any liens, rights or encumbrances as of the date of this Prospectus.
35. The Board of Directors declare that the Company does not have any contingent liabilities, guarantees or any significant fixed assets to be purchased or leased, other than as disclosed in Section 2.1.40 "**Risks Related to Capital and Contingent Liabilities**" of this Prospectus.
36. The Directors declare that, except as disclosed in Section 6.9.2.5 "**Shareholders' Equity**" of this Prospectus, the Company has not made any amendments to its share capital during the 3 financial years immediately preceding the date of the application for the registration and offer of securities subject to this Prospectus.
37. The Directors declare that, except as disclosed in Section 2 "**Risk Factors**", the Company has no information about any governmental, economic, financial, monetary or political policies or any other factors that have materially affected or could materially affect its operations (directly or indirectly).
38. The Directors declare that the Company is not aware of any seasonal factors or economic cycles associated with its activities that may have an impact on the Company's business or financial position.
39. The Directors declare that there has been no material change in the accounting policies of the Issuer during the 3 financial years immediately preceding the date of the application for the registration and offer of securities subject to this Prospectus as well as the period covered by the Auditor's report up to the date of issue of this Prospectus.
40. All necessary approvals have been obtained for the Company's shares to be offered on the Stock Exchange and for it to become a public joint-stock company.
41. The Company is compliant with all of the terms and conditions under the agreements concluded with entities providing all loans, facilities and financing as of the date of this Prospectus.
42. As of the date of this Prospectus, there has been no breach of the contractual terms and conditions under the agreements with entities providing all loans, facilities and financing, and the Company is compliant with all such terms and conditions.
43. All terms and conditions that may affect the decisions of Subscribers to the Company's shares have been disclosed.
44. Neither the Directors nor the CEO have the right to vote on a contract or proposal in which they have an interest.
45. Neither the Directors nor the CEO have the right to vote on the remuneration granted to them.
46. Neither the Directors nor the Senior Executives have the right to borrow from the Issuer.
47. The Company is capable of preparing the necessary reports in a timely manner as per the Implementing Regulations issued by the CMA.
48. The Company does not hold any financial instruments (contractual or otherwise) or assets whose value is subject to fluctuations that could materially adversely affect the assessment of its financial position.
49. The statistical information used in Section 3 "**Market and Industry Information**," obtained from external sources, represents the most recent data available from the relevant source.
50. All contracts and agreements that the Company believes to be of significance and materiality, or that could influence investors' decisions to invest in the Offer Shares, have been disclosed. There are no other material contracts or agreements that have not been disclosed.
51. As of the date of this Prospectus, there are no material contracts or transactions with Related Parties that have a significant impact on the Company's business. The Company does not intend to enter into any new agreements with Related Parties, except as disclosed in Section 11.5 "**Transactions and Contracts with Related Parties**".

52. They have put procedures, controls, and systems designed to enable the Company to comply with all applicable laws, regulations and rules, including the Companies Law, the Capital Market Law, its executive regulations, the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules;
53. All employees of the Company are under its sponsorship.
54. The legal and beneficial ownership, both direct and indirect, of the Company's Shares as of the date of this Prospectus belongs to the persons named in Section 11.2.1 "**Shareholder Structure**".
55. All increases in the Company's capital do not conflict with the laws and regulations in force in the Kingdom.
56. Except as disclosed in Section 2.1.32 "**Risks Related to Government Licenses, Certifications, Permits and Approvals**" the Company holds all necessary licenses and approvals required to conduct its business;
57. Except as disclosed in Section 11.9 "**Lawsuits and Claims**" the Company is not a party to any pending disputes, lawsuits, cases or investigations that could have a material adverse effect on the Company's operations or its financial position;
58. As of the date of this Prospectus, the Company does not have a research and development policy, nor does it produce any products.

In addition to the above-mentioned declarations, the Directors acknowledge the following:

59. The information and data contained in this Prospectus that have been obtained from third parties, including the information obtained from the Market Research Report prepared by the Market Consultant, can be relied upon and the Company has no reason to believe that such information is materially inaccurate;
60. This Prospectus contains all information required to be included pursuant to the Rules on the Offer of Securities and Continuing Obligations, and there are no other facts that could affect the application for registration and offering of the securities that have not been included in this Prospectus;
61. They have submitted and will submit to the Authority all documents required pursuant to the Capital Market Law and the Rules on the Offer of Securities and Continuing Obligations;
62. The Company has established sound internal control systems and procedures, including a written policy addressing conflicts of interest and potential conflicts, such as the misuse of Company assets and misconduct arising from dealings with Related Parties. In addition, the Company has ensured the soundness of its financial and operational systems and has implemented appropriate control systems for risk management in accordance with the requirements of Part 5 of the Corporate Governance Regulations. Directors also conduct an annual review of the Company's internal control procedures;
63. Internal control, accounting and IT systems are adequate and appropriate;
64. Except as disclosed in Section 11.5 "**Transactions and Contracts with Related Parties**" there are no conflicts of interest involving Directors with respect to any contracts or transactions entered into with the Company;
65. No Director shall have a direct or indirect interest in any business or contract carried out on behalf of the Company except with the approval of the General Assembly;
66. Directors shall be committed to disclose to the Board any direct or indirect personal interest they may have in any business or contract carried out on behalf of the Company. Such disclosures shall be recorded in the minutes of the Board Meeting;
67. All transactions with Related Parties shall be conducted on a commercial basis and all business and contracts with Related Parties will be voted on at Board of Directors' meetings and, if required by law, by the General Assembly of the Company. A director shall abstain from voting on any resolution relating to any business or contract carried out on behalf of the Company in which the director has a direct or indirect interest, whether at a meeting of the Board of Directors or the General Assembly, in accordance with Article 71 of the Companies Law and Part 3, Chapter 6 of the Corporate Governance Regulations;
68. No director or any senior executive shall borrow from the Company, nor shall the Company guarantee any loan obtained by any director;
69. All decisions and deliberations of the Board shall be recorded in written minutes, which shall be signed by the Directors;

70. Except as described in Section 5.12 "**Shares Allocated for Subscription by the Company's Employees**" the Company does not have any employee stock plans in place prior to the filing of the registration statement for the securities covered by this Prospectus.
71. The Company undertakes to submit the latest preliminary financial statements to the CMA, to be included in the initial Prospectus before starting the Offer of the Company's shares or within the final Prospectus before listing the Company's shares (as applicable), in accordance with the periods stipulated in Article 81 of the Rules on the Offer of Securities and Continuing Obligations (Disclosure of Financial Information), and in accordance with the related continuing obligations of listed companies.

11. Legal Information

11.1 Legal Declarations

The Directors declare that:

1. The Offering does not violate the relevant laws and regulations in the Kingdom.
2. The Offering does not prejudice any contracts or agreements to which the Company is a party.
3. All material legal information relating to the Company has been disclosed in the Prospectus.
4. Other than as disclosed in Section 11.9 "**Lawsuits and Claims**" of this Prospectus, the Company is not subject to any litigation or legal proceedings that, individually or in aggregate, could materially affect the Company's business or financial position.
5. The Directors are not subject to any litigation or legal proceedings that, individually or in aggregate, may materially affect the Company's business or financial position.

11.2 The Company

Almoosa Health Company is a closed Saudi joint-stock company established pursuant to Ministry of Commerce Resolution No. 59, dated 18/03/1442H (corresponding to 04/11/2020G) and registered under Commercial Registration No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G), with its registered address at 3256 Dhahran Road, Al Khars District, P.O. Box 5098, Postal Code 31982, Al Mubarraz City, Kingdom of Saudi Arabia.

In 1994G, the Company commenced its operations as a branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship under the name "Al Moosa Specialist Hospital (Al Ahsa)," which is registered in the Commercial Register of the city of Al Mubarraz under No. 2252022248, dated 06/09/1414H (corresponding to 17/02/1994G). Pursuant to the Company's Articles of Association reviewed by the Ministry of Commerce and registered with the notary public by the Partners under No. 391474381, dated 22/09/1439H (corresponding to 06/06/2018G), the branch of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship was transformed into a limited liability company under the name "Al Moosa Specialist Hospital" with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) cash shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. In accordance with the Partners' resolution approved by the Ministry of Commerce under No. 100002504, dated 04/03/1442H (corresponding to 21/10/2020G), Abdulaziz Abdullah Almoosa, who owns one hundred thousand (100,000) Shares of the Company's share capital, transferred ten thousand (10,000) Company Shares through the assignment of one thousand (1,000) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Sara Abdulaziz Almoosa, (5) Zainab Abdulaziz Almoosa, (6) Omaima Abdulaziz Almoosa, (7) Yaser Abdulaziz Almoosa, (8) Yousef Abdulaziz Almoosa, (9) Lama Abdulaziz Almoosa and (10) Ahmed Abdulaziz Almoosa without consideration. Pursuant to the Partners' resolution dated 04/03/1442H (corresponding to 21/10/2020G) and Ministry of Commerce resolution No. 47, dated 04/03/1442H (corresponding to 21/10/2020G), the Company was transformed from a limited liability company into a closed joint-stock company under the name "Al Moosa Specialist Hospital" with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred thousand (100,000) ordinary Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. In accordance with the decision of Abdulaziz Abdullah Almoosa dated 24/02/1444H (corresponding to 21/09/2022G), Abdulaziz Abdullah Almoosa, who owns ninety thousand (90,000) Shares of the Company's share capital, transferred ten thousand (10,000) Shares in the Company through the assignment of (i) one thousand, five hundred (1,500) Shares to each of the following: (1) Habiba Abdulrahman Almoosa, (2) Mohammad Abdulaziz Almoosa, (3) Malek Abdulaziz Almoosa, (4) Ahmed Abdulaziz Almoosa, (5) Yousef Abdulaziz Almoosa and (6) Yaser Abdulaziz Almoosa; and (ii) two hundred and fifty (250) Shares to each of: (1) Sara Abdulaziz Almoosa, (2) Zainab Abdulaziz Almoosa, (3) Lama Abdulaziz Almoosa and (4) Omaima Abdulaziz Almoosa without consideration. Pursuant to the Extraordinary General Assembly resolution dated 11/06/1445H (corresponding to 24/12/2023G), the Company's share capital was increased from one million Saudi Riyals (SAR 1,000,000) to three hundred and fifty million Saudi Riyals (SAR 350,000,000), divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. The increase, amounting to three hundred and forty-nine million Saudi Riyals (SAR 349,000,000), was satisfied through the capitalization of three hundred and forty-nine million Saudi Riyals (SAR 349,000,000) from a Shareholder's contribution account (resulting from: (1) the net assets transferred upon the conversion of Abdulaziz Abdullah Abdulwahab Almoosa Commercial Sole Proprietorship into a limited liability company, and (2) a contribution of land valued at SAR 53.7 million Saudi Riyals by one of the Company's Shareholders). On 04/08/1445H (corresponding to 14/02/2024G), Abdulaziz Abdullah Almoosa, who owns twenty-eight million (28,000,000) Shares of the Company's share capital, assigned one million, seven hundred and fifty thousand (1,750,000) of the Company Shares to Abdulaziz bin Abdullah Almoosa Charity Company. On 04/08/1445H (corresponding to 14/02/2024G), the Extraordinary General Assembly approved changing the name of the Company from "Al Moosa Specialist Hospital" to "Almoosa Health Company." On 16/09/1445H (corresponding to 26/03/2024G), (1) Abdulaziz Abdullah Almoosa, (2) Habiba Abdulrahman Almoosa, (3) Mohammad Abdulaziz Almoosa, (4) Malek Abdulaziz Almoosa, (5) Sara Abdulaziz Almoosa, (6) Zainab Abdulaziz Almoosa, (7) Omaima Abdulaziz Almoosa, (8) Yaser Abdulaziz Almoosa, (9) Yousef Abdulaziz Almoosa, (10) Lama Abdulaziz Almoosa and (11) Ahmed Abdulaziz Almoosa assigned all their Shares in the Company, totaling thirty-three million, two hundred and fifty thousand (33,250,000) Shares to Abdulaziz bin Abdullah Almoosa Investment Company in exchange for granting them Shares therein. On 16/10/1445H (corresponding to 25/04/2024G), the Company's Extraordinary General Assembly approved the Company's capital increase from three hundred and fifty million Saudi Riyals (SAR 350,000,000) divided into thirty-five million (35,000,000) fully paid ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share to four hundred and forty-three million, thirty-five thousand, eight hundred Saudi Riyals (SAR 443,035,800), divided into forty-four million, three hundred and three thousand, five hundred and eighty (44,303,580) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share through the public offering of nine million, three hundred and three thousand, five hundred and eighty (9,303,580) New Shares (for further information regarding the Company's history, please refer to Section 4.1.2 "**The Company's History and Evolution of its Ownership and Capital Structure**" of this Prospectus).

11.2.1 Shareholder Structure

As of the date of this Prospectus, the Company's share capital is SAR 350,000,000, divided into 35,000,000 fully paid ordinary Shares with a nominal value of SAR 10 per Share. The Company's share capital after the Offering will SAR 443,035,800, divided into 44,303,580 ordinary Shares with a nominal value of SAR 10 per Share, as a result of the Company's capital increase through the issuance and public offering of 9,303,580 New Shares (representing 21% of the Company's share capital after the Offering).

The following table sets out the Company's ownership structure pre- and post-Offering:

Table 11.1: The Company's Ownership Structure Pre- and Post-Offering

No.	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Ownership (%)	Number of Shares	Total Nominal Value (SAR)	Ownership (%)
1.	Abdulaziz Bin Abdullah Almoosa Investment Company	33,250,000	332,500,000	95%	29,131,256	291,312,560	65.75%
2.	Abdulaziz Bin Abdullah Almoosa Charity	1,750,000	17,500,000	5%	1,750,000	17,500,000	3.95%
3.	Shares allocated to the Employee Investment Fund	-	-	-	131,250	1,312,500	0.30%
4.	Public	-	-	-	13,291,074	132,910,740	30%
Total		**35,000,000**	**350,000,000**	**100%**	**44,303,580**	**443,035,800**	**100%**

Source: The Company

11.2.2 Company Branches

The Company has 7 branches in the Eastern Province in the Kingdom. The following table details the registered branches of the Company as of the date of this Prospectus:

Table 11.2: Company Branches as of the Date of this Prospectus

No.	Branch Location	Commercial Activity	Commercial Registration Number	Date of Commercial Registration Certificate	Expiry Date of the Commercial Registration Certificate
1.	Al Mubarraz	Pharmacies	2252023498	09/08/1415H (corresponding to 09/01/1995G)	07/08/1448H (corresponding to 15/01/2027G)
2.	Al Mubarraz	Medical supplies warehouse	2252069957	25/04/1439H (corresponding to 12/01/2018G)	25/04/1449H (corresponding to 26/09/2027G)
3.	Al Ahsa	Home health care services	2031111737	28/10/1444H (corresponding to 18/05/2023G)	28/10/1449H (corresponding to 24/03/2028G)
4.	Al Ahsa	Rehabilitation centers	2031110416	04/02/1444H (corresponding to 31/08/2022G)	04/02/1449H (corresponding to 08/07/2027G)
5.	Al Mubarraz	Restaurants	2252106494	08/10/1443H (corresponding to 09/05/2022G)	29/10/1447H (corresponding to 17/04/2026G)
6.	Al Ahsa	Sport clubs	2031112804	05/02/1445H (corresponding to 21/08/2023G)	05/02/1450H (corresponding to 28/06/2028G)
7.	Al Mubarraz	Pharmaceutical warehouse	2252053792	22/09/1434H (corresponding to 29/07/2013G)	24/10/1448H (corresponding to 01/04/2027G)

Source: The Company

11.2.3 Subsidiaries

There are no subsidiaries of the Company as of the date of this Prospectus.

11.2.4 Company Investments

Pursuant to a partnership agreement entered into between the Company and Oryx Isotopes (a limited liability company) dated 02/08/1442H (corresponding to 15/03/2021G), the Company invested in Oryx Isotopes for radiopharmaceutical preparations and related production in Abqaiq and Dammam (for further details regarding the Company's agreement, please refer to Section 11.4 "**Material Agreements**" of this Prospectus). The following table sets out the details of Oryx Isotopes and the Company's ownership therein as of the date of this Prospectus.

Table 11.3: The Company's Investments as of the Date of this Prospectus

No.	Investee	Country of Incorporation	Commercial Registration Number	Date of Registration of the Commercial Registration Certificate	Expiry Date of the Commercial Registration Certificate	Share Capital (SAR)	Company Ownership Percentage	Other Partners (if any)
1.	Oryx Isotopes	Kingdom of Saudi Arabia	2050136929	13/01/1442H (corresponding to 01/09/2020G)	13/01/1446H (corresponding to 19/07/2024G)	500,000	25%	Ion Exchange Trading Co. (55%) and Abdulla Fouad Co., a single-shareholder Saudi closed company (20%)

Source: The Company

11.2.5 Material Licenses

As of the date of this Prospectus, the Company operates 2 healthcare facilities in Al Ahsa. The Company has obtained all the necessary material licenses from the competent authorities that enable it to conduct its business. The following is a summary of the material licenses issued to the Company in the Kingdom:

Table 11.4: Material Licenses Issued to the Company in the Kingdom as of the Date of this Prospectus

No.	Type of License	Issuer	Purpose	License Number	Issuance Date	End Date
The Company						
1.	GOSI certificate	General Organization for Social Insurance (GOSI)	Determining the number of Saudi and non-Saudi employees of the Company registered with GOSI	78500421	25/04/1446H (corresponding to 28/10/2024G)	24/05/1446H (corresponding to 26/11/2024G)
Al Moosa Specialist Hospital (Al Ahsa)						
1.	Final license for healthcare facilities	Ministry of Health	Operating a specialist hospital in Al Mubarraz, Al Ahsa, Eastern Province	3500101001210001	19/07/1415H (corresponding to 22/12/1994G)	19/12/1448H (corresponding to 25/05/2027G)
2.	Certificate of accreditation	The Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI)	Successfully passing the survey visit in accordance with the National Hospital Standards	EST/PVT/HOS/02037	24/02/1443H (corresponding to 01/10/2021G)	03/10/1446H (corresponding to 01/04/2025G)
3.	Accreditation	CHI	Registration with the CHI	1141	07/05/1445H (corresponding to 21/11/2023G)	29/05/1447H (corresponding to 20/11/2025G)
4.	Business license	Al Ahsa Municipality	Operating a hospital with an area of 9,733.1 square meters on Dhahran Road, Al Mubarraz, Al Ahsa, Eastern Province	3909476308	N/A	04/05/1446H (corresponding to 06/11/2024G)
Al Moosa Rehabilitation Hospital (Al Ahsa)						
1.	Final license for healthcare facilities	Ministry of Health	Operating a specialist hospital in Al-Mutairfi, Al Ahsa	3500045182	09/04/1445H (corresponding to 24/10/2023G)	06/06/1450H (corresponding to 24/10/2028G)
2.	Certificate of accreditation	The Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI)	Successfully passing the survey visit in accordance with the National Hospital Standards	N/A	27/10/1445H (corresponding to 06/05/2024G)	28/11/1448H (corresponding to 05/05/2027G)
3.	Accreditation	CHI	Registration with the CHI	1423	27/04/1446H (corresponding to 30/10/2024G)	07/05/1447H (corresponding to 29/10/2025G)
4.	Business license	Al Ahsa Municipality	Operating a hospital with an area of 9,179.1 square meters on Salman Al Farsi Road, Al-Mutairfi, Al Ahsa, Eastern Province	450112853370	N/A	06/02/1448H (corresponding to 20/07/2026G)
Almoosa Pharmacy - Al Ahsa (branch)						
1.	Final license for healthcare facilities	Ministry of Health	Operating a pharmacy in Al-Mutairfi, Al Ahsa.	3500103006110018	10/08/1444H (corresponding to 02/03/2023G)	15/07/1449H (corresponding to 13/12/2027G)
2.	Business license	Al Ahsa Municipality	Pharmaceutical activities	3909474371	N/A	16/06/1446H (corresponding to 17/12/2024G)
3.	Accreditation	CHI	Registration with the CHI	8483	25/12/1445H (corresponding to 01/07/2024G)	06/01/1447H (corresponding to 01/07/2025G)

No.	Type of License	Issuer	Purpose	License Number	Issuance Date	End Date
Gym						
1.	Fitness center and gym	Ministry of Sport	Athletics, bodybuilding, weightlifting and fitness	08554	27/02/1446H (corresponding to 31/08/2024G)	08/05/1447H (corresponding to 31/08/2025G)
2.	Business license	Al Ahsa Municipality	Athletics, bodybuilding, weightlifting and fitness	450213026530	N/A	05/03/1446H (corresponding to 03/09/2024G)
The Leaf Kitchen Restaurant						
1.	Business license	Al Ahsa Municipality	Operation of a restaurant	440110350083	N/A	17/01/1447H (corresponding to 12/07/2025G)
Almoosa Pharmacy Warehouse						
1.	Pharmaceutical and cosmetics warehouse license	Saudi Food and Drug Authority (SFDA)	Supply and wholesale of pharmaceutical and cosmetic products	WL-2023-DR-0212	08/04/1445H (corresponding to 23/10/2023G)	29/05/1450H (corresponding to 18/10/2028G)
2.	Business license	Al Ahsa Municipality	Operating a medical supplies warehouse	3909474428	N/A	14/06/1447H (corresponding to 05/12/2025G)
3.	Business license	Al Ahsa Municipality	Medical warehouse activities	3909442259	N/A	11/09/1447H (corresponding to 28/02/2026G)

Source: The Company

11.3 Summary of the Company's Bylaws

11.3.1 The Company's Purposes, Term and Headquarters

A. The Company's Purposes

1. Transportation and storage – warehousing.
2. Human health and social work activities – hospitals.
3. Human health and social work activities – medical and dental clinic activities.
4. Human health and social work activities – other aspects of human health.
5. Arts, leisure and entertainment – sport club activities.

B. The Company's Headquarters

The Company's headquarters is located in Al Mubarraz. The Company may establish branches within the Kingdom or outside it pursuant to a resolution by the Board of Directors.

C. Participation and Mergers

Subject to the powers of the General Assembly, the Board of Directors may participate in existing companies, purchase shares and sign the Partners' resolution to merge.

11.3.2 Administrative and Supervisory Affairs of the Company and its Oversight Committees

A. Company Management

The Company is managed by a Board of Directors consisting of 9 Directors, who must be natural persons elected by the Ordinary General Assembly of Shareholders for a period not exceeding 4 years.

B. Termination of Board Membership

The General Assembly may terminate the membership of the Board of Directors upon the expiration of its term or the expiration of the Director's eligibility in accordance with the laws and regulations in force in the Kingdom.

The General Assembly may, upon the recommendation of the Board of Directors, terminate the membership of any Director who fails to attend 3 consecutive meetings or 5 separate meetings during their term of membership without a legitimate excuse accepted by the Board of Directors. The General Assembly may also remove all or some of the Directors. In such case, the General Assembly shall elect a new Board of Directors or a replacement for the removed Director (as appropriate) in accordance with the provisions of the Companies Law.

C. Powers of the Board of Directors

Subject to the powers of the General Assembly, the Board of Directors shall have the broadest powers to manage the Company in order to achieve its objectives, including the following: obtaining, renewing and canceling main and subsidiary commercial registrations; purchasing institutions; signing all documents at the Chamber of Commerce; selling institutions; addressing the General Department of Commercial Registration; obtaining and transferring commercial registrations; managing, canceling and supervising commercial registrations; obtaining Chamber of Commerce memberships; authorizing signatures at the Chamber of Commerce; revoking signatures at the Chamber of Commerce; participating in tenders and submitting applications; transferring institution branches; addressing the General Organization for Social Insurance; addressing the Zakat, Tax and Customs Authority; opening subsidiary commercial registrations; managing and canceling commercial registrations; addressing the General Directorate of Civil Defense; amending registrations; adding activities; reserving trade names; renewing the Chamber of Commerce membership; amending and transferring commercial registrations; obtaining replacements for damaged or lost registrations; registration and assignment of trademarks; assigning trade names; obtaining licenses; purchasing boats; obtaining replacements for damaged or lost fishing permits; importing boats; canceling boat licenses; renewing licenses; modifying licenses; adding activities; reserving names; canceling licenses; opening branches; obtaining fishing permits; obtaining boat licenses; transferring boat licenses; selling boats; renewing fishing permits; canceling fishing permits; obtaining replacements for damaged or lost boat licenses; obtaining subsidiary licenses; transferring licenses; incorporating a company; signing and canceling articles of association and annexes of amendments; signing Partner decisions; appointing and dismissing Directors; amending the Company purposes; liquidating the Company; converting the Company from joint-stock to limited liability; converting the Company from limited liability to joint-stock; converting the Company from partnership to limited liability; increasing the share capital; decreasing the share capital; introducing and removing Partners; entering into existing companies; transferring interests, shares and bonds; determining the share capital; receiving allocation surplus; selling interests, shares and bonds; receiving amounts; assigning shares and interests from the share capital; selling Company branches; amending Partner nationalities in contracts; accepting the assignment of shares and interests from the share capital; purchasing interests and shares and paying for the same; closing the Company's bank accounts; opening bank accounts under the Company's name; signing agreements; registering the Company; registering agencies and trademarks; attending General Assemblies; opening Company branches; opening Company files; signing articles of association and annexes of amendments at notaries public; obtaining and renewing commercial registrations for the Company; addressing and signing before the General Investment Authority; addressing the Standards, Metrology and Quality Organization; addressing the Capital Market Authority; obtaining and renewing licenses for the Company; participating in tenders and receiving applications; signing Company contracts with third parties; assigning or canceling trademarks; changing the Company's name; obtaining visas; converting the Company to an institution; receiving visa compensation; updating employee data; opening, renewing and canceling main and subsidiary files, liquidating workforce and canceling employment; reporting workforce abscondment; canceling workforce abscondment reports; transferring sponsorships; modifying occupations; transferring and canceling facility titles; liquidating facilities; addressing expatriate recruitment bureaus; addressing the workforce computing department; obtaining and renewing work permits; obtaining statements of employment (printouts); adding, removing and recruiting Saudis; opening files; activating the Saudi portal; recruiting private labor; completing social insurance procedures for the workforce; converting institutions to companies; converting a Company branch to an institution; converting a Company branch to a company; publishing the Company's Articles of Association, amendments annexes, summaries and Bylaws in the Official Gazette; addressing telecommunications companies; establishing fixed or mobile phone lines under the Company's name; receiving Saudization certificates; canceling visas and obtaining refunds for the same; modification of nationalities; obtaining family visit visas; obtaining residency for families; addressing embassies; extending exit/re-entry visas; extending visit visas; obtaining data extracts (printouts); modifying the port of entry and companies in which the Company enters as a partner; purchasing shares; liquidating the Company; selling shares; representing the Company before companies in which it owns shares; establishing companies under the Company's name; representing before notaries public; signing the Company's contracts; signing Partner resolutions and commercial registrations; canceling, obtaining and renewing residencies; obtaining exit/re-entry and final exit visas; transferring sponsorships; obtaining replacements for lost or damaged residencies; finalizing procedures for deceased employees; reporting wars; canceling abscondment reports; transferring and updating information; reconciling; assigning employees; addressing the Deportation and Expatriates Administration; dismissing employees; managing businesses; transferring employee sponsorships to self; adding newborns; managing port affairs; obtaining re-entry permits; adding dependents; adding/removing children to/from fathers' or mothers' passports; canceling exit/re-entry and final exit visas; obtaining replacements for lost or damaged travel visas; obtaining extensions for visit visas; obtaining Hajj permits; addressing the Housemaid Affairs Department; registering e-services; opening accounts; opening credit lines; depositing and withdrawing; issuing checks; obtaining account statements; applying for facilities; applying for guarantees; signing loan contracts; signing commercial papers; signing promissory notes; submitting any application or providing any service within the scope of the Information and Communication Technology Authority; delegating any person in accordance with the relevant laws to submit any application or provide any service within the scope of the Information and Communication Technology Authority; addressing the Ministry of Agriculture and Directorate of Agriculture regarding addressing notaries public or courts; accepting conveyance; waiving and transferring agricultural decisions; receiving salaries and pensions; receiving end-of-service gratuities, vacation compensations, salary transfers and bonuses; obtaining salary certificates; receiving entitlements; opening sharia-compliant accounts; closing and settling accounts; withdrawing from accounts; obtaining ATM cards; obtaining sharia-compliant credit cards; cashing checks; issuing certified checks; obtaining checkbooks; obtaining transfer statements; applying for sharia-compliant bank loans; opening sharia-compliant accounts and depositing in the same; renewing safe deposit box subscriptions; opening safe deposit boxes; subscribing to safe deposit boxes; applying for loan exemptions; objecting to checks; updating data; activating accounts; receiving checks; recovering safe deposit box units; reviewing the rescheduling of loan installments; applying for point-of-sale terminals; applying for bank credits and guarantees; subscribing for shares in joint-stock companies; receiving share certificates; purchasing and selling sharia-compliant shares; receiving share value; receiving dividends; receiving surplus; opening sharia-compliant investment portfolios; modifying, amending and canceling subscription orders; recovering investment fund units; transferring shares from portfolios; subscribing for Sharia-compliant investment fund units; managing investment portfolios; obtaining indebtedness certificates; liquidating investment portfolios; purchasing, selling and conveying properties; purchasing land and real estate; managing properties; selling vacant lands; selling and conveying shares; selling and mortgaging property; releasing mortgages; receiving payments; opening business establishments; obtaining health cards; converting agricultural lands to residential lands; addressing the Urban Planning General Administration; obtaining, determining, canceling and transferring licenses; obtaining building and renovation and land planning permits; obtaining building completion certificates; obtaining fence permits; obtaining demolition permits; changing the legal form; approving Partner resolutions; modifying company contracts in which the Company enters as a Partner; accepting assignment of shares; signing Partner resolutions for merger; modifying the remaining Articles of Association; liquidating the Company; converting the Company to an institution; signing lease agreements; assigning contracts; partitioning owned land into plots; addressing the secretariat for the conversion of agricultural land to residential land; supervising construction; signing contracts with construction companies and contractors; appointing arbitrators and lawyers; representing before notaries public; hearing claims and addressing them; reconciling; accepting or rejecting arbitration; representing before sharia courts and accepting or rejecting settlements; acknowledging, rejecting, waiving, pleading, defending, claiming and litigating; using and executing all of the Ministry of Justice e-services; delegating/authorizing others to execute the Ministry of Justice e-services; signing loan agreements, the amendments and annexes thereof and all related documents; signing follow-up agreements; signing consultation agreements; signing before notaries public regarding industrial mortgages with respect to mortgaging all Company assets; receiving loans; waiving loans; requesting exemption from loans; repaying loans; signing documentary credit agreements; signing credit guarantees; signing transfer of obligations agreements; amending loan agreements; signing debt settlement agreements for the Company and its Partners; issuing, amending, canceling and announcing assignments; selling and conveying to buyers; purchasing, accepting conveyance, paying prices; receiving deeds; leasing, receiving rent, signing lease agreements, renewing leases, canceling and terminating lease agreements; mortgaging; releasing from mortgage; partitioning, sorting, modifying borders, lengths, area, plot numbers, plans, deeds, dates and neighborhood names; selling with acceptance of mortgage; updating deeds and entering the same into the comprehensive system; selling interests in lease purchases; modifying owners' names and civil registry and ID numbers, gifting, conveying, accepting and conveying gifts; waiving reductions in area; consolidating deeds; waiving and conveying; obtaining replacements for lost or damaged sets of deeds and their data; selling and conveying to heirs; assigning shares in building certificates; obtaining replacements for damaged property deeds; converting agricultural land to residential or industrial land; participating in real estate contributions; purchasing and selling real estate contribution shares; assigning leased land; updating deeds and entering the same into the comprehensive system; obtaining replacements for lost deeds; constructing on lands; leasing lands; changing the Company's legal form; converting the Company from a limited partnership to a limited liability company; dividing shares among heirs and transferring the same to their portfolios; and having the right to delegate third parties.

The Board of Directors is required to obtain the approval of the General Assembly when selling assets whose value exceeds fifty percent of the value of its total assets, whether the sale is through one or several transactions. In this case, the transaction that leads to exceeding fifty percent of the value of the assets is considered the transaction for which the General Assembly's approval is required, and this percentage is calculated from the date of the first transaction made during the previous twelve months. Within the limits of its competence, the Board of Directors may authorize one or more of its members or third parties to carry out certain work(s).

D. Powers of the Chairman, Vice Chairman, Managing Director and Secretary

The Chairman is responsible for the following: obtaining, renewing and canceling commercial registrations; purchasing institutions; signing all documents at the Chamber of Commerce; selling institutions; addressing the General Department of Commercial Registration; obtaining and transferring commercial registrations; managing, canceling and supervising commercial registrations; obtaining Chamber of Commerce memberships; authorizing signatures at the Chamber of Commerce; revoking signatures at the Chamber of Commerce; participating in tenders and submitting applications; transferring institution branches; addressing the General Organization for Social Insurance; addressing the Zakat, Tax and Customs Authority; opening subsidiary commercial registrations; managing and canceling commercial registrations; addressing the General Directorate of Civil Defense; amending registrations; adding activities; reserving trade names; renewing the Chamber of Commerce membership; amending and transferring commercial registrations; obtaining replacements for damaged or lost registrations; registration and assignment of trademarks; assigning trade names; obtaining licenses; purchasing boats; obtaining replacements for damaged or lost fishing permits; importing boats; canceling boat licenses; renewing licenses; modifying licenses; adding activities; reserving names; canceling licenses; opening branches; obtaining fishing permits; obtaining boat licenses; transferring boat licenses; selling boats; renewing fishing permits; canceling fishing permits; obtaining replacements for damaged or lost boat licenses; obtaining subsidiary licenses; transferring licenses; incorporating companies; signing and canceling articles of association and annexes of amendments; signing Partner decisions; appointing and dismissing Directors; amending the Company’s purposes; liquidating the Company; converting the Company from joint-stock to limited liability; converting the Company from limited liability to joint-stock; converting the Company from a partnership to limited liability company; increasing the share capital; decreasing the share capital; introducing and removing Partners; entering into existing companies; transferring interests, shares and bonds; determining the share capital; receiving allocation surplus; selling interests, shares and bonds; receiving amounts; assigning shares and interests in the share capital; selling Company branches; amending Partner nationalities in contracts; accepting the assignment of shares and interests from the share capital; purchasing interests and shares and paying for the same; closing the Company’s bank accounts; opening bank accounts under the Company’s name; signing agreements; registering the Company; registering agencies and trademarks; attending General Assemblies; opening Company branches; opening Company files; signing articles of association and annexes of amendments at notaries public; obtaining and renewing commercial registrations for the Company; addressing and signing before the General Investment Authority; addressing the Standards, Metrology and Quality Organization; addressing the Capital Market Authority; obtaining and renewing licenses for the Company; participating in tenders and receiving applications; signing Company contracts with third parties; assigning or canceling trademarks; changing the Company’s name; obtaining visas; converting the Company to an institution; receiving visa compensation; updating employee data; opening, renewing and canceling main and subsidiary files, liquidating workforce and canceling employment; reporting workforce abscondment; canceling workforce abscondment reports; transferring sponsorships; modifying occupations; transferring and canceling facility titles; liquidating facilities; addressing expatriate recruitment bureaus; addressing the workforce computing department; obtaining and renewing work permits; obtaining statements of employment (printouts); adding, removing and recruiting Saudis; opening files; activating the Saudi portal; recruiting private labor; completing social insurance procedures for the workforce; converting institutions to companies; converting a Company branch to an institution; converting a Company branch to a company; publishing the Company’s Articles of Association, amendment annexes, summaries and Bylaws in the Official Gazette; addressing telecommunications companies; establishing fixed or mobile phone lines under the Company’s name; receiving Saudization certificates; canceling visas and obtaining refunds for the same; modification of nationalities; obtaining family visit visas; obtaining residency for families; addressing embassies; extending exit/re-entry visas; extending visit visas; obtaining data extracts (printouts); modifying the port of entry and companies in which the Company enters as a Partner; purchasing shares; liquidating the Company; selling shares; representing the Company before companies in which it owns shares; establishing companies under the Company’s name; representing before notaries public; signing the Company’s contracts; signing Partner resolutions and commercial registrations; canceling, obtaining and renewing residencies; obtaining exit/re-entry and final exit visas; transferring sponsorships; obtaining replacements for lost or damaged residencies; finalizing procedures for deceased employees; reporting wars; canceling abscondment reports; transferring and updating information; reconciling; assigning employees; addressing the Deportation and Expatriates Administration; dismissing employees; managing businesses; transferring employee sponsorships to self; adding newborns; managing port affairs; obtaining re-entry permits; adding dependents; adding/removing children to/from fathers’ or mothers’ passports; canceling exit/re-entry and final exit visas; obtaining replacements for lost or damaged travel visas; obtaining extensions for visit visas; obtaining Hajj permits; addressing the Housemaid Affairs department; registering e-services; opening accounts; opening credit lines; depositing and withdrawing; issuing checks; obtaining account statements; applying for facilities; applying for guarantees; signing loan contracts; signing commercial papers; signing promissory notes; submitting any application or providing any service within the scope of the Information and Communication Technology Authority; delegating any person in accordance with the relevant laws to submit any application or provide any service within the scope of the Information and Communication Technology Authority; addressing the Ministry of Agriculture and Directorate of Agriculture regarding addressing notaries public or courts; accepting conveyance; waiving and transferring agricultural decisions; receiving salaries and pensions; receiving end-of-service gratuities, vacation compensations, salary transfers and bonuses; obtaining salary certificates; receiving entitlements; opening sharia-compliant accounts; closing and settling accounts; withdrawing from accounts; obtaining ATM cards; obtaining sharia-compliant credit cards; cashing checks; issuing certified checks; obtaining checkbooks; obtaining transfer statements; applying for sharia-compliant bank loans; opening sharia-compliant accounts and depositing in the same; renewing safe deposit box subscriptions; opening safe deposit boxes; subscribing to safe deposit boxes; applying for loan exemptions; objecting to checks; updating data; activating accounts; receiving checks; recovering safe deposit box units; reviewing the rescheduling of loan installments; applying for point-of-sale terminals; applying for bank credits and guarantees; subscribing for shares in joint-stock companies; receiving share certificates; purchasing and selling sharia-compliant shares; receiving the value of shares; receiving dividends; receiving surplus; opening sharia-compliant investment portfolios; modifying, amending and canceling subscription orders; recovering investment fund units; transferring shares from portfolios; subscribing for Sharia-compliant investment fund units; managing investment portfolios; obtaining indebtedness certificates; liquidating investment portfolio; purchasing, selling and conveying properties; purchasing land and real estate; managing properties; selling vacant lands; selling and conveying shares; selling and mortgaging property; releasing mortgages; receiving payments; opening business establishments; obtaining health cards; converting agricultural lands to residential lands; addressing the Urban Planning General Administration; obtaining, determining, canceling and transferring licenses; obtaining building and renovation and land planning permits; obtaining building completion certificates; obtaining fence permits; obtaining demolition permits; changing the legal form; approving Partner resolutions; modifying Company contracts in which the Company enters as a Partner; accepting assignment of shares; signing Partner resolutions for merger; modifying the remaining Articles of Association; liquidating the Company; converting the Company to an institution; signing lease agreements; assigning contracts; partitioning owned land into plots; addressing the secretariat for the conversion of agricultural land to residential land; supervising construction; signing contracts with construction companies and contractors; appointing arbitrators and lawyers; representing before notaries public; hearing claims and addressing them; reconciling; accepting or rejecting arbitration; representing before sharia courts and accepting or rejecting settlements; acknowledging, rejecting, waiving, pleading, defending, claiming and litigating; using and executing all of the Ministry of Justice e-services; delegating/authorizing others to execute the Ministry of Justice e-services; signing loan agreements, amendments and annexes thereof and all related documents; signing follow-up agreements; signing consultation agreements; signing before notaries public regarding industrial mortgages with respect to mortgaging all company assets; receiving loans; waiving loans; requesting exemption from loans; repaying loans; signing documentary credit agreements; signing credit guarantees; signing transfer of obligations agreements; amending loan agreements; signing debt settlement agreements for the Company and its Partners; issuing, amending, canceling and announcing assignments; selling and conveying to buyers; purchasing, accepting conveyance, paying prices; receiving deeds; leasing, receiving rent, signing lease agreements, renewing leases, canceling and terminating lease agreements; mortgaging; releasing from mortgage; partitioning, sorting, modifying borders, lengths, area, plot numbers, plans, deeds, dates and neighborhood names; selling with acceptance of mortgage; updating deeds and entering the same into the comprehensive system; selling interests in lease purchases; modifying owners' names and civil registry and ID numbers, gifting, conveying, accepting and conveying gifts; waiving reductions in area; consolidating deeds; waiving and conveying; obtaining replacements for lost or damaged sets of deeds and their data; selling and conveying to heirs; assigning shares in the building certificates; obtaining replacements for damaged property deeds; converting agricultural land to residential or industrial land; participating in real estate contributions; purchasing and selling real estate contribution shares; assigning leased land; updating deeds and entering the same into the comprehensive system; obtaining replacements for lost deeds; constructing on lands; leasing lands; changing the Company's legal form; converting the Company from a limited partnership to a limited liability company; dividing shares among heirs and transferring the same to their portfolios; and having the right to delegate third parties.

The Board of Directors shall appoint a Secretary from among its members or from outside the Board. The Chairman may, by written decision, delegate some of their powers to other members of the Board or to non-members to perform a specific task(s). In cases where the Board of Directors has a Vice Chairman, the Vice Chairman shall replace the Chairman in their absence.

E. Remuneration of Directors

1. The remuneration of the Board of Directors shall consist of a percentage of the net profits, meeting attendance allowance, in-kind benefits, set amounts or whatever is determined by the Ordinary Assembly.
2. The report of the Board of Directors to the Ordinary General Assembly, at its annual meeting, shall include a comprehensive statement of all the bonuses, meeting attendance allowances, expense allowances and other benefits each Director received or was entitled to receive during the financial year.
3. The report must also include a statement of what Directors receive as employees or administrators or what they receive for technical, administrative or consultancy work, as well as a statement of the number of Board meetings and the number of sessions attended by each Director.

F. Board Meetings

1. The Board of Directors shall meet at least 4 times a year at the invitation of the Chairman. The Chairman shall call a meeting whenever requested in writing by any Director to discuss any one or more topics.
2. The Board of Directors shall determine the location where its meetings are held and may hold such meetings using modern technology.

G. Quorum of Board Meetings

1. The quorum shall be deemed valid if attended by 50% of the Directors. The quorum for resolutions shall be deemed valid if approved by 51% of the Directors.
2. Directors may delegate others to attend the meetings.

H. Financial Year

The Company's financial year shall be twelve Gregorian months, starting on 1 January and ending on 31 December.

11.3.3 Rights and Restrictions Related to Securities

A. The Company's Share Capital

The Company's share capital is set at SAR 350,000,000 divided into 35,000,000 nominal Shares of equal value, each with a value of SAR 10, all of which are ordinary cash Shares, of which the amount paid in cash is SAR 350,000,000.

B. Subscription to Shares

The Founders have subscribed and paid for the entire 35,000,000 Shares of the Issuer's share capital amounting to SAR 350,000,000. The cash paid from the issued share capital has been deposited with a licensed bank in the name of the Company under incorporation.

11.3.4 Amendment of Share Rights or Classes

A. Capital Increase

1. By resolution of the Board of Directors, the issued share capital may be increased within the authorized limits, provided that it has been paid in full.
2. The Extraordinary General Assembly may decide to increase the Company's share capital, provided that the share capital has been fully paid up. However, it is not a condition that the share capital has been fully paid up if the unpaid portion of the share capital is attributable to Shares issued in consideration of the conversion of debt instruments or financing instruments into Shares, and the period for their conversion has not yet expired.
3. In all cases, the Extraordinary General Assembly may allocate the Shares issued upon the capital increase or a part thereof to the employees of the Company and its subsidiaries or some of them, or any thereof.
4. Shareholders who own Shares at the time of the Extraordinary General Assembly's resolution approving a capital increase shall have the priority right to subscribe to the new Shares issued in exchange for cash contributions. These Shareholders shall be notified of their priority by being informed, through registered mail to the address recorded in the Shareholders' register or through modern technological means, of the capital increase resolution, the subscription conditions, procedures, duration, start and end dates, taking into account the type and class of the Shares they own.

5. The Extraordinary General Assembly may, at its discretion, suspend the preemptive right of Shareholders to subscribe to the capital increase in exchange for cash contributions or grant priority to non-Shareholders in cases it deems appropriate in the interest of the Company.
6. Shareholders shall have the right to sell or assign their preemptive rights during the period from the date of the Extraordinary General Assembly resolution approving the capital increase until the closing day for subscription to the new Shares associated with such rights, in accordance with the regulations set by the competent authority.
7. Subject to the provisions of Paragraph 6 above, the new Shares shall be distributed among the holders of preemptive rights who have requested subscription, based on the proportion of their ownership of preemptive rights to the total preemptive rights arising from the capital increase, provided that the number of Shares they receive does not exceed the number of new Shares they have requested. The remaining new Shares shall be distributed among the holders of preemptive rights who have requested more than their share, based on the proportion of their ownership of preemptive rights to the total preemptive rights arising from the capital increase, provided that the number of Shares they receive does not exceed the number of new Shares they have requested. Any remaining Shares shall be offered to non-Shareholders, unless the Extraordinary General Assembly decides otherwise or the Capital Market Law provides otherwise.

11.3.5 General Assemblies

A. Convening of General Assemblies

1. The General or Special Shareholder Assemblies shall be convened at the invitation of the Board of Directors, and the Board of Directors shall convene the Ordinary General Assembly within 30 days from the date of the Auditor's request or the request of one or more Shareholders representing at least 10% of the Company's voting shares. The Auditor may convene the Assembly if the Board fails to convene it within thirty days from the date of the Auditor's request.
2. The request referred to in Paragraph 1 above must set out the matters on which the Shareholders are required to vote.
3. The invitation to the Assembly shall be made at least 21 days in advance in accordance with the provisions of the Companies Law, subject to the following:
    a. notification of the Shareholders via registered mail to their addresses in the Shareholders register or announcement of the invitation through modern technological means; and
    b. a copy of the invitation and agenda shall be sent to the commercial register, as well as to the CMA if the Company is listed on the Exchange, on the date of the invitation announcement.
4. The invitation to the meeting must include the following as a minimum:
    a. a statement of the person entitled to attend the meeting of the General Assembly and their right to delegate whomever they choose other than the Directors, along with a statement of the right of the Shareholder to discuss the items on the agenda of the Assembly, ask questions and how to exercise the right to vote;
    b. the location, date and time of the meeting;
    c. the type of the assembly, whether general or special; and
    d. the agenda of the meeting, including the items on which the Shareholders are required to vote.

B. Voting in Assemblies

1. The election of Directors shall be by cumulative voting.
2. Directors may not participate in voting on Assembly resolutions that relate to businesses and contracts in which they have a direct or indirect interest or that involve a conflict of interest.

C. Chairmanship of Assemblies and Preparation of Minutes

1. Minutes shall be kept for Assembly meetings, stating the number of Shareholders present in person or by proxy, the number of Shares held by them in person or by proxy, the number of votes cast, the resolutions adopted, the number of consenting and dissenting votes, and a clear summary of the discussions that took place at the meeting.
2. Minutes shall be recorded regularly after each meeting in a dedicated register signed by the chairman of the Assembly, its secretary and the vote collectors.

11.4 Material Agreements

The Company has entered into a number of material agreements and contracts with various parties. This section provides a summary of the agreements and contracts that the Board of Directors believes are material to the Company's operations or may have an impact on the investment decisions of prospective investors in the Offer Shares. The summary of the agreements and contracts described below does not include all the terms and conditions and cannot be considered a substitute for the terms and conditions contained in those agreements.

11.4.1 Agreements with Insurance Companies

The Company has entered into 10 agreements with insurance companies whereby the Company provides medical services to insured customers in accordance with the insurance policies concluded between the insurance companies and the customers. Under all the agreements listed in the table below, dispute resolution falls under the jurisdiction of the Health Insurance Dispute Resolution Center of the Council of Health Insurance. If the dispute cannot be resolved thereunder, either party has the right to take the matter to the competent court. Below is a summary of the Company's agreements with insurance companies:

Table 11.5: Insurance Company Agreements Entered Into by the Company

No.	Parties	Effective Date	Term	Value and Payment Terms	Applicable Law
1.	The Company and Al Rajhi Cooperative Insurance Company	02/11/1443H (corresponding to 01/06/2022G)	One year, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims to Al Rajhi Takaful within 30 days from the date the claim is due. If the Company delays in submitting a claim without a reasonable excuse, Al Rajhi Takaful shall have the right to reject the claim after 30 business days from the due date of the claim. Al Rajhi Takaful shall settle and pay completed and accepted claims within a maximum of 30 business days from the date of receipt of the claims. In the event that claims are rejected, Al Rajhi Takaful shall be obligated to provide a statement of the rejected claims and the reasons for their rejection. In the event that Al Rajhi Takaful rejects the claim, the Company shall review the rejections and provide Al Rajhi Takaful with supporting documentation within a maximum of 15 business days from the date of receipt of the rejection. If the Company delays in submitting supporting documents for a rejected claim, Al Rajhi Takaful shall have the right to reject the claim definitively after 15 business days from the due date of the claim.	The laws in force in the Kingdom.
2.	The Company and Nextcare KSA	28/05/1443H (corresponding to 01/01/2022G)	One year, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims within a period not exceeding 30 days from the due date of the claim. Otherwise, Nextcare KSA shall have the right to reject such claims if they are delayed without a valid excuse.	The laws in force in the Kingdom.

No.	Parties	Effective Date	Term	Value and Payment Terms	Applicable Law
3.	The Company and Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (hereinafter referred to as "MedGulf")	05/02/1444H (corresponding to 01/09/2022G)	4 years, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims to MedGulf within 30 days of the date the claim is due. If the Company delays in submitting a claim without a reasonable excuse, MedGulf shall have the right to reject the claim after 30 business days from the due date thereof. MedGulf shall settle and pay completed and accepted claims to the Company within a maximum of 30 business days from the date of receipt of the claims. In the event that claims are rejected, MedGulf shall send a statement of the rejected claims and the reasons for rejection. In the event that MedGulf rejects any claim, the Company shall review the rejections and provide MedGulf with supporting documentation within a maximum of 15 business days from the date of receipt of the rejection. If the Company delays in submitting supporting documents for a rejected claim, MedGulf shall have the right to definitively reject the claim after 15 business days from the due date of the claim.	The laws in force in the Kingdom.
4.	The Company and The Company for Cooperative Insurance (Tawuniya)	17/07/1442H (corresponding to 01/03/2021G)	Three years, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims within a period not exceeding 30 days from the due date of the claim. Otherwise, Tawuniya shall be entitled to reject such claims if they are delayed without a valid reason.	The laws in force in the Kingdom.
5.	The Company and AXA Cooperative Insurance	20/10/1442H (corresponding to 01/06/2021G)	Two years, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims to AXA within 30 days of the date the claim is due. If the Company delays in submitting a claim without a reasonable excuse, AXA shall have the right to reject the claim after 30 business days from the due date of the claim. AXA shall settle and pay completed and accepted claims to the Company within a maximum of 30 business days of receipt of the claims. In the event that claims are rejected, AXA shall send a statement of the rejected claims and the reasons for rejection. When AXA rejects a claim, the Company shall review the rejections and provide AXA with supporting documentation within a maximum of 15 business days from the date of receipt of the rejection. If the Company fails to provide supporting documentation for a rejected claim, AXA shall have the right to reject claims after 15 business days from the due date of the claims.	The laws in force in the Kingdom.

No.	Parties	Effective Date	Term	Value and Payment Terms	Applicable Law
6.	The Company and Bupa Arabia	19/03/1442H (corresponding to 01/05/2021G)	3 years, automatically renewable for similar periods unless either Party notifies the other Party in writing of its intention not to renew the Agreement at least 60 days prior to the termination of the initial term of the Agreement or any renewal period thereof.	The Company shall submit claims to Bupa within thirty (30) days of the due date of the claim. If the Company delays in submitting a claim without a reasonable excuse, Bupa shall have the right to reject the claim after 30 business days from the due date of the claim. Bupa shall settle and pay the Company's completed and accepted claims within a maximum of 30 business days from the date of receipt of the claims. In the event that claims are rejected, Bupa shall provide a statement outlining the rejected claims and the reasons for their rejection. In the event that Bupa rejects a claim, the Company shall review the rejections and provide Bupa with supporting documentation within a maximum of 15 business days from the date of receipt of the rejection. If the Company delays in submitting supporting documents for a rejected claim, Bupa shall have the right to definitively reject the claim after 15 business days from the due date of the claim.	The laws in force in the Kingdom.
7.	The Company and GlobeMed Saudi	03/02/1443H (corresponding to 10/09/2021G)	One year, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims within a period not exceeding 30 days from the due date of the claim. Failure to do so without a valid reason will entitle GlobeMed Saudi to reject such claims. GlobeMed Saudi shall settle and pay completed and accepted claims to the Company within a maximum of 30 business days from the date of receipt of the claims. In the event that claims are rejected, GlobeMed Saudi shall send a statement of the rejected claims and the reasons for their rejection. Where GlobeMed Saudi rejects a claim, the Company shall review the rejections and provide Bupa with supporting documentation within a maximum of 15 business days from the date of receipt of the rejection. If the Company fails to provide supporting documentation for a rejected claim, GlobeMed Saudi has the right to reject the claim after 15 business days from the date the claim became due.	The laws in force in the Kingdom.

No.	Parties	Effective Date	Term	Value and Payment Terms	Applicable Law
8.	The Company and Gulf Union Al Ahlia Cooperative Insurance Company(1)	23/01/1443H (corresponding to 01/09/2021G)	One year, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims within a period not exceeding 30 days from the due date of the claim; otherwise, Gulf Union Al Ahlia Cooperative Insurance Company shall be entitled to reject such claims if delayed without a valid reason. Gulf Union Al Ahlia Cooperative Insurance Company shall settle and pay completed and accepted claims to the Company within a maximum of 30 business days from the date of receipt of the claims. In the event that claims are rejected, Gulf Union Al Ahlia Cooperative Insurance Company shall send a statement of the rejected claims and the reasons for rejection. When Gulf Union Al Ahlia Cooperative Insurance Company rejects a claim, the Company shall review the rejections and provide Gulf Union Al Ahlia Cooperative Insurance Company with supporting documentation within a maximum of 15 business days from the date of receipt of the rejection. If the Company fails to provide supporting documentation for a rejected claim, Gulf Union Al Ahlia Cooperative Insurance Company shall have the right to reject claims after 15 business days from the date the claims are due.	The laws in force in the Kingdom.
9.	The Company and Malath Cooperative Insurance Co.(1)	24/01/1443H (corresponding to 01/09/2021G)	One year, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims within a period not exceeding 30 days from the due date of the claim; otherwise, Malath Cooperative Insurance Co. shall be entitled to reject such claims if delayed without a valid reason. Malath Cooperative Insurance Co. shall settle and pay completed and accepted claims to the Company within a maximum of 30 working days from the date of receipt of the claims. In the event that claims are rejected, Malath Cooperative Insurance Co. shall send a statement of the rejected claims and the reasons for rejection. When Malath Cooperative Insurance Co. rejects a claim, the Company shall review the rejections and provide Bupa with supporting documentation within a maximum of 15 business days from the date of receipt of the rejection. If the Company delays in submitting the supporting documentation for the rejected claims, Malath Cooperative Insurance Co. shall have the right to reject such claims after 15 working days have passed from the due date of the claims.	The laws in force in the Kingdom.

No.	Parties	Effective Date	Term	Value and Payment Terms	Applicable Law
10.	The Company and Total Care Saudi[1]	04/03/1443H (corresponding to 10/10/2021G)	One year, automatically renewable for a similar term unless either Party notifies the other Party of its intention not to renew the Agreement in writing at least 60 days prior to the expiration of the initial term of the Agreement or any renewal term thereof.	The Company shall submit claims within a period not exceeding 30 days from the due date of the claim; otherwise, Total Care Saudi shall be entitled to reject such claims if delayed without a valid reason. Total Care Saudi shall settle and pay completed and accepted claims to the Company within a maximum of 30 working days from the date of receipt of the claims. In the event that claims are rejected, Total Care Saudi shall send a statement of the rejected claims and the reasons for rejection. When Total Care Saudi rejects a claim, the Company shall review the rejections and provide Bupa with supporting documentation within a maximum of 15 business days from the date of receipt of the rejection. If the Company delays in submitting the supporting documentation for the rejected claims, Total Care Saudi shall have the right to reject such claims after 15 working days have passed from the due date of the claims.	The laws in force in the Kingdom.

(1) The proceeds from this Agreement represent collateral under the Financing Agreement with Banque Saudi Fransi. For further information, please refer to Section 11.4.7(B) "**Financing Agreement with Banque Saudi Fransi**" of this Prospectus.

Source: The Company

11.4.2 Agreements with Corporate Clients

The Company has entered into 5 service agreements with corporate clients. Under these agreements, the Company provides medical services to the staff and employees of these clients. The following is a summary of the key terms of the corporate service agreements entered into by the Company:

A. Service Provider Agreements with a Corporate Client

The Company entered into a service provider agreement with a corporate client on 07/05/1444H (corresponding to 01/12/2022G). Under the Agreement, the Company provides non-exclusive healthcare services to all employees and retirees of the company which owns the client and their dependents, in addition to all employees of the client and their dependents.

The initial term of the Agreement is 2 years, renewable for an additional 1 year. If one of the parties does not wish to renew the Agreement, they shall provide written notice thereof at least 60 days prior to the expiration of the initial term.

The Company shall submit claims to the client within 60 days from the date of service provision. If the Company delays in submitting a claim without a reasonable excuse, the client shall have the right to reject any claim 60 days after the date of service provision.

The revenues generated from this agreement amounted to approximately SAR 261.0 million, SAR 306.2 million, SAR 445.7 million and SAR 118.2 million in the financial years ended 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. For more information on the risks related to this agreement, please refer to Section 2.1.1 "**Risks Related to the Concentration of the Company's Revenue on Patients of One of its Corporate Clients**" of this Prospectus.

The proceeds from this agreement represent collateral under the Financing Agreement with Saudi Awwal Bank. For further information, please refer to Section 11.4.7(C) "**Financing Agreement with Saudi Awwal Bank**" of this Prospectus

As per the Agreement, the client has the right to terminate the Agreement at any time by providing written notice to the Company at least 90 days prior to the intended termination date.

Compensation for services provided under the Agreement is subject to discounts based on the volume of transactions and claims processing operations, as detailed in the Agreement.

The Agreement shall be governed by the laws in force in the Kingdom and any dispute arising from it that is not settled amicably will be settled under the arbitration rules of the International Chamber of Commerce.

B. Medical Services Agreement with SICIM Saudi Arabia (hereinafter referred to as "SICIM")

The Company entered into a medical services agreement with SICIM, dated 13/11/1443H (corresponding to 12/06/2022G), whereby the Company provides medical services to SICIM employees.

The Agreement has no fixed term.

Under the Agreement, the Company will issue invoices to SICIM for all services provided on a monthly basis. SICIM shall settle all outstanding invoice amounts within 15 days from the date of receipt of such invoices. The Company shall also pay a deposit of SAR 30,000 as a down payment guarantee.

The Company shall provide SICIM with medical services based on the agreed price list and shall provide SICIM with a 10% discount on the medical services provided. All consultations, medications and surgical packages are excluded from any discounts as per the SICIM Services Agreement.

The Agreement does not provide for the governing law or competent courts.

C. Service Provider Agreement with Tafaul

The Company entered into a service provider agreement with Tafaul on 08/06/1444H (corresponding to 01/01/2023G), under which the Company provides medical services to patients referred by Tafaul, including radiation therapy, nuclear medicine diagnosis and treatment, chemotherapy, biotherapy, surgical oncology, palliative care and treatment centers.

The term of the Service Delivery Agreement with Tafaul is one year, automatically renewable unless terminated by either Party.

The Company shall grant Tafaul a 40% discount on all services provided to patients referred by Tafaul and a 5% discount on all medications provided to patients referred by Tafaul. All amounts due to the Company shall be settled within 2 weeks from the beginning of each calendar month.

Either Party may terminate the Agreement at any time without cause by providing the other Party with 30 days' written notice.

The Agreement shall be governed by the laws of the Kingdom, and all disputes arising therefrom shall be referred to the competent courts in Al Ahsa.

D. Community Services Agreement with Al Ahsa Association Charity for Genetic Blood Diseases

The Company entered into a Community Services Agreement with Al Ahsa Association Charity for Genetic Blood Diseases on 16/02/1445H (corresponding to 01/09/2023G), under which the Company provides access to medical services for patients referred by Al Ahsa Association Charity for Genetic Blood Diseases, including medical tests and diagnosis, access to CT and ECG scans, and surgical procedures.

The term of the Agreement is one year, automatically renewable unless terminated by either Party.

The Company is committed to providing Al Ahsa Association Charity for Genetic Blood Diseases with a 40% discount on all services provided to patients referred by it. All amounts are paid to the Company in advance against the agreed quote for each patient.

Either Party may terminate the Agreement at any time without cause by providing 30 days written notice to the other Party.

The Agreement is subject to the laws of the Kingdom, and all disputes resulting from it shall be referred to the competent courts in Al Ahsa.

E. MoU with the Charitable Association for Rheumatic Diseases (hereinafter referred to as the "Rheumatism Association")

The Company entered into a memorandum of understanding with the Rheumatism Association, which was concluded on 25/06/1444H (corresponding to 18/01/2023G) under which the Company shall provide medical examinations, diagnoses, medical laboratory tests, X-rays of various forms and types, and samples of patients with rheumatism referred by the Rheumatism Association on a case-by-case basis. The Rheumatism Association undertakes to refer all patients who require medical tests or treatment to the Company's hospital.

The term of the MoU starts on 25/06/1444H (corresponding to 18/01/2023G) until 04/02/1446H (corresponding to 08/08/2024G), and is automatically renewable unless terminated in writing by either Party upon 60 days written notice.

The Company shall invoice the Rheumatism Association for the services provided to all patients referred to the Company, provided that the amounts invoiced are in accordance with the agreed terms stipulated for each case. The Rheumatism Association shall pay all amounts due to the Company at the end of each calendar month.

The MoU shall be governed by the laws of the Kingdom, which shall apply in the event of any dispute between the Parties.

11.4.3 Supply Agreements

The Company enters into short-term purchase orders with its suppliers for various medical supplies, under which the supplier must provide the Company with the medical supplies purchased by the Company. The Company also entered into 16 long-term supply agreements for the supply of certain pharmaceutical and consumable products. The following is a summary of the long-term supply agreements entered into by the Company:

Table 11.6: Supply Agreements Entered into by the Company

No.	Parties	Term	Value and Payment Terms	Type of Products	Competent Court	Applicable Law
1.	The Company and Medical Supplies & Services Co. Ltd	5 years starting from 06/10/1444H (corresponding to 26/04/2023G) and ending on 06/10/1449H (corresponding to 02/03/2028G)	SAR 3,927,000 Receipts are payable within 90 days of receipt thereof.	Medical devices	The competent courts in the Kingdom	The laws in force in the Kingdom.
2.	The Company and Farouk, Maamoun Tamer & Co. (FMT)	5 years starting from 16/09/1443H (corresponding to 17/04/2022G) and ending on 16/09/1448H (corresponding to 23/02/2027G)	SAR 4,275,600 Value is exclusive of VAT. Receipts are payable within 90 days of receipt thereof.	Medical devices	The courts of Jeddah, Makkah Al Mukarramah Region, KSA	The laws in force in the Kingdom.
3.	The Company and Farouk, Maamoun Tamer & Co. (FMT)	5 years starting from 25/09/1444H (corresponding to 16/04/2023G) and ending on 25/09/1449H (corresponding to 21/02/2028G)	SAR 1,425,200 Value is exclusive of VAT. Receipts are payable within 90 days of receipt thereof.	Medical devices	The courts of Jeddah, Makkah Al Mukarramah Region, KSA	The laws in force in the Kingdom.
4.	The Company and Comate LTD Commercial & Maintenance Co.	3 years starting from 27/06/1444H (corresponding to 20/01/2023G) and ending on 27/06/1447H (corresponding to 18/12/2025G)	SAR 150,000 to be paid within two weeks of signing the contract. Receipts are payable within 90 days of receipt thereof.	Medical devices and consumables	The competent courts in the Kingdom	The laws in force in the Kingdom.

No.	Parties	Term	Value and Payment Terms	Type of Products	Competent Court	Applicable Law
5.	The Company and Medical Supplies & Services Co. Ltd	5 years and 6 months starting from 23/10/1443H (corresponding to 25/05/2022G) and ending on 23/04/1449H (corresponding to 24/09/2027G)	SAR 10,015,265 Receipts are payable within 90 days of receipt thereof.	Medical devices and consumables	The competent courts in the Kingdom	The laws in force in the Kingdom.
6.	The Company and Farouk, Maamoun Tamer & Co. (FMT)	5 years starting from 24/09/1443H (corresponding to 25/05/2022G) and ending on 24/09/1448H (corresponding to 03/03/2027G)	SAR 4,434,690 Value is exclusive of 15% VAT. Receipts are payable within 90 days of receipt thereof.	Medical devices and consumables	The courts of Jeddah, Makkah Al Mukarramah Region, KSA	The laws in force in the Kingdom.
7.	The Company and Comprehensive Equipment Trading Establishment	3 years starting from 14/05/1444H (corresponding to 08/12/2022G) and ending on 14/05/1447H (corresponding to 05/11/2025G)	SAR 572,102 Receipts are payable within 90 days of receipt thereof.	Patient ID wristbands and thermal printers	Unspecified	N/A
8.	The Company and Abdulrehman Algosaibi G.T.C	5 years starting from 15/10/1444H (corresponding to 05/05/2023G) and ending on 15/10/1449H (corresponding to 11/03/2028G)	SAR 3,016,360 Receipts are payable within 60 days of receipt thereof.	Medical devices and consumables	Unspecified	N/A
9.	The Company and Roche Diagnostics Saudi Arabia L.L.C	5 years starting from 05/04/1445H (corresponding to 20/10/2023G) and ending on 05/04/1450H (corresponding to 26/08/2028G)	SAR 3,750,000 Receipts are payable within 90 days of receipt thereof.	Laboratory equipment and consumables	The competent courts in the Kingdom	The laws in force in the Kingdom.
10.	The Company and Roche Diagnostics Saudi Arabia L.L.C	5 years starting from 17/03/1445H (corresponding to 02/10/2023G) and ending on 17/03/1450H (corresponding to 08/08/2028G)	SAR 561,435.59 Receipts are payable within 90 days of receipt thereof.	Laboratory equipment and consumables	The competent courts in the Kingdom	The laws in force in the Kingdom.
11.	The Company and Medical Innovations Trading Est.	3 years starting from 19/08/1445H (corresponding to 29/02/2024G) and ending on 19/08/1448H (corresponding to 27/01/2027G)	SAR 622,500 Receipts are payable within 60 days of receipt thereof.	Laboratory equipment and consumables	Local arbitration committees in the Kingdom	The laws in force in the Kingdom.
12.	The Company and Sameer Trading & Marketing	3 years starting from 04/12/1444H (corresponding to 22/06/2023G) and ending on 04/12/1447H (corresponding to 21/05/2026G)	SAR 146,649 for the purchase of allergy screening tools at a cost of SAR 145 and SAR 163 per unit.	Laboratory equipment and consumables	The competent courts in the Kingdom	The laws in force in the Kingdom.

No.	Parties	Term	Value and Payment Terms	Type of Products	Competent Court	Applicable Law
13.	The Company and Medical Supplies & Services Co. Ltd	4 years starting from 26/10/1444H (corresponding to 16/05/2023G) and ending on 26/10/1448H (corresponding to 03/04/2027G)	The Company must commit to purchasing products with a minimum value of SAR 5,901,501.	Laboratory equipment and consumables	The competent courts in the Kingdom	The laws in force in the Kingdom.
14.	The Company and Abdulla Fouad For Medical Supplies & Services (AFMS)	3 years starting from 19/10/1442H (corresponding to 01/04/2021G) and ending on 19/10/1445H (corresponding to 28/04/2024G)	Total transactions amounting to SAR 274,000 with a value of SAR 6 per unit of analysis.	Laboratory equipment and consumables	Local arbitration committees in the Kingdom	The laws in force in the Kingdom.
15.	The Company and Medical Supplies & Services Co. Ltd	5 years starting from 26/01/1442H (corresponding to 15/09/2020G), as amended on 28/06/1443H (corresponding to 31/01/2022G), and ending on 26/01/1447H (corresponding to 21/07/2025G)	SAR 8,601,714 Receipts are payable within 90 days of receipt thereof.	Medical devices and consumables	The competent courts in the Kingdom	The laws in force in the Kingdom.
16.	The Company and Aljeel Medical	5 years starting from 11/03/1445H (corresponding to 26/09/2023G) and ending on 11/03/1450H (corresponding to 02/08/2028G)	SAR 4,611,000 Value is exclusive of 15% VAT. Receipts are payable within 90 days of receipt thereof.	Medical devices and consumables	Unspecified	N/A

Source: The Company

11.4.4 Partnership Agreement with Oryx Isotopes

On 02/08/1442H (corresponding to 15/03/2021G), the Company entered into a partnership agreement with Oryx Isotopes. Under the Agreement, the Company and Oryx Isotopes agree to become partners in Oryx Isotopes for radiopharmaceutical preparations and related production in Buqayq and Dammam. This will be achieved through the Company's purchase of a 25% stake in Oryx Isotopes (hereinafter referred to as the "Oryx Isotopes Partnership").

The term of the Partnership Agreement continues until the Agreement is terminated upon notice by either Party to terminate the Agreement.

Pursuant to the Partnership Agreement with Oryx Isotopes, the Parties' ownership interest in the Oryx Isotopes Partnership will be as follows: Oryx Isotopes shall own a 75% ownership share in Oryx Isotopes Partnership (55% of this share was subsequently transferred to Tabadul Al-Oyoun Trading Company and 20% to Abdulla Fouad Co., a single-shareholder joint-stock company, after the Agreement date), and the Company shall own a 25% ownership interest in the Oryx Isotopes Partnership.

According to the Partnership Agreement, the profits generated from the Oryx Isotopes Partnership will be divided between the two Parties as follows: Oryx Isotopes shall receive 75% of profits (55% of this share was subsequently transferred to Tabadul Al-Oyoun Trading Company and 20% to Abdulla Fouad Co., a single-shareholder joint-stock company, after the Agreement date) and the Company shall receive 25% of profits. In addition, the Company is entitled to a special 35% discount on radiopharmaceutical doses starting in its first year of operations.

According to the Agreement, the Parties shall attempt to resolve disputes through amicable negotiations. If the matter is not resolved through negotiation, the Parties shall resolve the dispute using mediation. If mediation is unsuccessful in resolving the dispute or is not available to the Parties, the Parties may request an alternative form of resolution.

11.4.5 Construction Agreement with Kasktas Arabia Ltd (referred to hereinafter as “Kasktas”)

The Company entered into a construction agreement with Kasktas Arabia Ltd on 22/02/1446H (corresponding to 26/08/2024G), to carry out construction works in relation to the Almoosa Specialist Hospital Project (Al Khobar), including the construction, completion, testing and operation of the hospital. Kasktas undertakes to the Company to construct and complete the construction works and rectify any defects therein in accordance with the agreement. The Company shall provide reasonable assistance to Kasktas to obtain any permits, licenses or approvals required by applicable laws upon the request of Kasktas and if the Company is in a position to do so.

In order to perform the services stipulated in this agreement, the Company shall appoint a project manager (referred to hereinafter as the “Project Manager of Construction Agreement with Kasktas”) and a consulting engineer (referred to hereinafter as the “Consulting Engineer of Construction Agreement with Kasktas”), who shall carry out the tasks assigned to him under the Construction Agreement with Kasktas. The Project Manager of the Construction Agreement with Kasktas and the Consulting Engineer of the Construction Agreement with Kasktas may give instructions to Kasktas (at any time) that may be necessary to carry out works and rectify any defects. The Consulting Engineer team of the Construction Agreement with Kasktas shall include suitably qualified engineers and other specialists qualified to carry out tasks.

The completion period of this agreement shall be 580 days starting from the date of concluding the agreement.

Kasktas shall have the right to extend the term of this agreement in the event of a delay for any of the following reasons: The occurrence of a change in this agreement or there is a reason for delay granting the right to extend the term of this agreement, the occurrence of exceptionally negative climatic conditions or any unexpected shortage in the availability of employees due to epidemics or governmental measures and the occurrence of any delay, obstacle or impediment caused by or attributable to the Company or its employees or other contractors in the site.

The Company shall pay to Kasktas a deductible amount as specified in the agreement. Kasktas shall pay all zakat and income tax payments required under applicable laws to the competent authorities immediately. Kasktas’ liability to pay zakat and income tax is included in the value of this agreement and Kasktas shall not be entitled to any additional cost whatsoever in relation thereto.

Kasktas shall undertake to obtain a performance bond in an amount equal to a specified percentage of the value of the agreement. In addition, the Company shall pay an advance payment in the event that Kasktas submits an advance payment bond as approved by the Saudi Central Bank (SAMA).

Kasktas shall pay to the Company contractual penalties as specified in the agreement in the event that it exceeds the time required for completion or in the event of failure to perform any of the progress stages specified in the agreement.

In the event that Kasktas delays the completion of any of the essential stages beyond the specified date, the Company shall withhold part of the payment amounts as follows:

1. In the event of delay in completing the membrane wall works stage - the Company shall withhold a deductible amount specified in the agreement.
2. In the event of delay in completing the rotary drilling machinery works - the Company shall withhold a deductible amount specified in the agreement.
3. In the event of delay in completing the connection works - the Company shall withhold a deductible amount specified in the agreement.
4. In the event of delay in completing the drilling works up to the final drilling level - the Company shall withhold a deductible amount specified in the agreement.
5. In the event of delay in completing the dewatering works - the Company shall withhold a deductible amount specified in the agreement.

The maximum liability of Kasktas towards the Company for delay penalties under this agreement shall not exceed a specified percentage of the value of the agreement. Notwithstanding the above, if Kasktas completes all works within the term of this agreement, Kasktas shall be entitled to recover all amounts deducted resulting from delay in meeting the completion dates of the progress stage. In any event, the amounts withheld by Company during the interim deadlines shall be refunded based on the final interim payment certificate and/or in the event of the application of delay penalties.

This agreement shall be subject to and interpreted in accordance with the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably in accordance with its provisions shall be referred to arbitration under the Saudi Arbitration Laws in force at the time of the arbitration. The seat of arbitration shall be the city of Al Khobar and shall be handled as per the Saudi Arbitration Rules.

11.4.6 Information Technology Agreements

A. Mobile Application Development Agreement with DevBatch Ltd (hereinafter referred to as "DevBatch")

The Company entered into a mobile application development agreement with DevBatch on 09/09/1443H (corresponding to 10/05/2022G), under which DevBatch develops mobile application program interfaces (APIs), web application program interfaces and management portals for the Company.

The term of the Agreement shall continue for a period of 5 main phases, with the first phase commencing at the end of the third month following the date of the Agreement, the second phase ending at the end of the fourth month, the third phase ending at the end of the fifth month and the fourth phase ending at the end of the sixth month. After the completion of the fourth phase, the final phase is the final release of the mobile application to the Company, which concludes the Agreement. As of the date of this Prospectus, the Agreement is still in effect.

In return for providing services under the Agreement, the Company shall pay a fixed fee of SAR 817,500, payable in 5 equal installments of SAR 163,000 due upon completion of each phase of the project. In addition, after completion of the development of the mobile application, the Company shall pay a fixed monthly fee of SAR 7,500 for the purposes of maintaining the application.

The Company retains sole ownership of all intellectual property rights with respect to any original materials it provides to DevBatch for use within the mobile application. In addition, all intellectual property rights with respect to the deliverables are transferred to the Company for full ownership once all payments under the Agreement have been settled. The Company has issued a purchase order for SAR 817,500 in favor of DevBatch.

The Agreement does not provide for the governing law or dispute resolution mechanisms.

11.4.7 Financing Agreements

The Company has entered into 5 financing agreements worth a total of SAR 1,751,144,953.13 with a number of financing entities and commercial banks. The total amounts utilized as of 31 March 2024G amounted to SAR 1,236,413,516. Below is a summary of the Company's financing agreements:

A. Loan Agreement with the Ministry of Finance

Table 11.7: Loan Agreement with the Ministry of Finance

Parties	Abdulaziz Abdullah Almoosa and the Ministry of Finance. The Company entered into a conveyance of land agreement with Abdulaziz Abdullah Almoosa on 09/09/1445H (corresponding to 19/03/2024G), under which the ownership of the plot encompassing the Al Moosa Specialist Hospital (Al Ahsa)-South Tower was conveyed. Under the Agreement, the Company is responsible for repaying the amounts outstanding under the loan provided by the Ministry of Finance in the amount of SAR 17,058,397, which will be considered the purchase price of the property. In addition, pursuant to a letter from the National Centre for Debt Management at the Ministry of Finance dated 01/05/1446H (corresponding to 03/11/2024G), the National Centre for Debt Management at the Ministry of Finance agreed to transfer the right to benefit from the loan from Abdulaziz Abdullah Almoosa to the Company.
Date	26/11/1431H (corresponding to 03/11/2010G).
Total Financing Amount	SAR 42,646,000.
Type of Financing	A loan of SAR 42,646,000.
Amounts Utilized as of 31 March 2024G	SAR 42,646,000.
Term	The term of the Loan Agreement with the Ministry of Finance shall end upon the repayment of the 16 annual installments of the loan with a grace period of 4 years starting from the date of execution of the Agreement.
Purpose	The purpose of the loan is to finance the expansion project of Al Moosa Specialist Hospital (Al Ahsa).
Guarantees	Mortgage deed on the plot encompassing the Al Moosa Specialist Hospital (Al Ahsa)-South Tower.
Termination and Breaches	All loan repayment installments become immediately due in any of the following circumstances: – if Abdulaziz Abdullah Almoosa violates any of the terms of the contract or if any of the facts on which the Ministry of Finance relied in providing the loan turn out to be incorrect; – in the event of late payment of the loan installment or part thereof; – the bankruptcy of Abdulaziz Abdullah Almoosa;

Termination and Breaches	– if Abdulaziz Abdullah Almoosa fails to complete or operate the expansion project; – if Abdulaziz Abdullah Almoosa disposes of, assigns or leases the project without prior written approval from the Ministry of Finance; and/or – if the expansion project permit is revoked, whether based on a court ruling or an administrative order or decision from the competent authorities.
Material Restrictions	Pursuant to the Loan Agreement with the Ministry of Finance, Abdulaziz Abdullah Almoosa may not dispose of the Al Moosa Specialist Hospital (Al Ahsa) expansion project, subject of the Agreement, through sale, assignment or lease without obtaining the prior approval of the Ministry of Finance, otherwise it will be considered a breach under the Agreement, giving the Ministry of Finance the right to demand all outstanding loan payments as due immediately. Pursuant to a letter from the National Centre for Debt Management at the Ministry of Finance dated 01/05/1446H (corresponding to 03/11/2024G), the National Centre for Debt Management at the Ministry of Finance provided its approval to transfer the land on which the Al Moosa Specialist Hospital (Al Ahsa)—South Tower is located from Abdulaziz Abdullah Almoosa to the Company.

Source: The Company

B. Financing Agreement with Banque Saudi Fransi

Table 11.8: Financing Agreement with Banque Saudi Fransi

Parties	The Company and Banque Saudi Fransi
Date	25/11/1444H (corresponding to 14/06/2023G)
Total Financing Amount	SAR 380,000,000.
Type of Financing	The facilities consist of the following: – a multi-purpose Tawarruq facility for an aggregate amount of SAR 50,000,000 for the purpose of Tawarruq financing, financing letters of credit and/or collection facility invoices; – a Tawarruq facility to finance the construction and supply of new medical equipment for the new hospitals for a total amount of SAR 300,000,000; and – a multi-purpose hedging facility for the purpose of capping interest rate options, collars and/or swaps for a total amount of SAR 30,000,000.
Amounts Utilized as of 31 March 2024G	SAR 175,000,000
Term	The facility is provided until 23/11/1445H (corresponding to 31/05/2024G) and Banque Saudi Fransi has the right to extend the Agreement for one or more additional years. The term of the facility has been extended, and the Company and Banque Saudi Fransi are finalizing the procedures for signing the renewed Agreement as of the date of this Prospectus. Pursuant to a letter from Banque Saudi Fransi dated 30/02/1446H (corresponding to 03/09/2024G), Banque Saudi Fransi confirmed that the agreement is still valid and the Company can use the facilities under it until a new agreement is concluded.
Purpose	The purpose of the facility is: (1) financing letters of credit and/or invoices for collection facilities; and (2) financing the construction and supply of new medical equipment for new hospitals and financing interest rate options and/or interest rate swaps.
Guarantees	– A promissory note in the amount of SAR 380,000,000; – a joint and several guarantee issued by Abdulaziz Abdullah Almoosa and Malek Abdulaziz Almoosa in the amount of SAR 380,000,000; and – assignment of medical insurance proceeds from insurance with Malath Cooperative Insurance Co., Gulf Union Al Ahlia Cooperative Insurance Company and Total Care Saudi. The Company obtained a letter of no-objection from Banque Saudi Fransi, dated 24/12/1445H (corresponding to 30/06/2024G), regarding the release of the joint guarantee issued by Abdulaziz Abdullah Almoosa and Malek Abdulaziz Almoosa, and cancellation of the assignment of medical insurance proceeds from insurance with Malath, Gulf Union and Total Care Saudi immediately upon completion of the Offering process.
Termination and Breaches	Banque Saudi Fransi has the right to immediately terminate the Murabaha Agreement and demand payment of the amounts owed by the Company in the following cases: – if the Company fails to pay any amount due under the Financing Agreement with Banque Saudi Fransi; – if any statement or representation given by the other Party under this Agreement, or any document, certificate or statement made by it under this Agreement in respect of any matter is found to be untrue or misleading; – if the Company fails to fulfill any obligation stipulated in the Financing Agreement with Banque Saudi Fransi and does not remedy the situation within three days after the First Party notifies the other Party thereof; – if at any time any debt of the Company loses its priority under the Financing Agreement with Banque Saudi Fransi over all debts of the Company; – if the Company fails to pay its debts as they fall due or is unable to make a general assignment in favor of its creditors; – if the Company takes any corporate action or if other steps or judicial proceedings are taken for its termination, dissolution, reorganization or the appointment of a receiver, trustee or similar officer over any or all of its income and property; – if the Company sells, leases, transfers, or otherwise disposes of, in one or more transactions (whether related or unrelated), all or any of its income and property;

Termination and Breaches	– if the Company ceases or threatens to cease carrying on the business it undertakes as of the date of the Financing Agreement with Banque Saudi Fransi; – if the Company fails to take any action, perform any act, or fulfill any dealing, condition or anything required at any time under the Financing Agreement with Banque Saudi Fransi in order for the Company to be legally able to enter into or perform the obligations it has undertaken, to ensure that the obligations to be borne by the Company under the Financing Agreement with Banque Saudi Fransi are legal, valid and binding, or to make the Financing Agreement with Banque Saudi Fransi permissible as evidence in the Kingdom; – if the Company rejects the Financing Agreement with Banque Saudi Fransi (as the case may be) or engages in conduct that indicates its intention to deny the Agreement; – if the fulfillment of all or any of the Company's obligations under this Agreement becomes unlawful at any time; and/or – if any circumstance arises that may lead Banque Saudi Fransi to believe that the Company may not or may not be able to fulfill its obligations under the Financing Agreement with Banque Saudi Fransi.
Material Restrictions	Pursuant to the Financing Agreement with Banque Saudi Fransi, no change in the Company's ownership exceeding 50% of the Company's issued share capital or voting power is permitted without the prior consent of Banque Saudi Fransi.

Source: The Company

C. Financing Agreement with Saudi Awwal Bank

Table 11.9: Financing Agreement with Saudi Awwal Bank

Parties	The Company and Saudi Awwal Bank
Date	27/01/1445H (corresponding to 14/08/2023G), as amended on 23/01/1446H (corresponding to 29/07/2024G)
Total Financing Amount	SAR 586,250,000.
Type of Financing	– Letters of guarantee facilities for the purpose of importing or purchasing goods locally with a total value of SAR 55,000,000; – a fixed-term financing facility to finance the construction and equipment of Al Moosa Rehabilitation Hospital (Al Ahsa) with a total value of SAR 400,000,000; and – a hedging facility for the purpose of entering into Sharia-compliant profit rate swaps with a total value of SAR 131,250,000.
Amounts Utilized as of 31 March 2024G	SAR 400,000,000 with respect to the long-term facilities. SAR 25,000,000 with respect to the short-term facilities.
Term	The facilities are provided by Saudi Awwal Bank for a period of one year, except for the fixed-term finance facility which will be available until 10/03/1453H (corresponding to 30/06/2031G).
Purpose	The purpose of the facility is: (1) importing or local purchasing of goods; (2) financing of the Company's payment obligations in connection with the Bank's letter of credit or to an import supplier in respect to an import invoice; (3) issuance of guarantees; and (4) financing of construction and equipment for the long-term rehabilitation hospital.
Guarantees	– a promissory note in the amount of SAR 586,250,000 signed by the Company, Abdulaziz Abdullah Abdulwahab Almoosa and Malek Abdulaziz Abdullah Almoosa, as guarantors, which is to be released following the completion of the Offering provided that Saudi Awwal Bank will be in a pari passu position with all other banks; and – proceeds in relation to the Company's Service Provide Agreement with a corporate client dated 25/09/1445H (corresponding to 04/04/2024). In addition, the Financing Agreement with Saudi Awwal Bank, provides that the joint and several guarantees are to be released following the completion of the Offering provided that Saudi Awwal Bank will be in a pari passu position with all other banks.
Termination and Breaches	Saudi Awwal Bank has the right to immediately terminate the Facility Agreement and request payment of amounts due by the Company in the following cases: – if the Company defaults on any amount due under a financing document on the relevant maturity date; – if the Company is in breach of any of its obligations under any financing document that, in the opinion of the Bank, is remediable, and the Company shall be deemed to be in breach of its obligations if it fails to correct the breach within 10 business days after receiving notice from Saudi Awwal Bank of such breach; – if an untrue statement, either in the form of a representation, warranty or statement, is made by the Company in any financing document; – in the event of any cross-default by the Company in announcing any indebtedness for unpaid amounts due to any person that have not been paid upon the due date or within any applicable grace period, or if declared due and payable prior to the specified due date, the Company shall pay such amount, provided that the total amount of indebtedness is lower than the cross-default limit specified in the Facility Agreement; – placement of a lien on any of the Company's assets, the enforceability of such lien or the acquisition of any of the Company's assets by any creditor;

Termination and Breaches	– bankruptcy or rescheduling of payments; – the occurrence of any event that, in the opinion of Saudi Awwal Bank, is expected or reasonably likely to have a material adverse effect; and/or – events of default relating to accounts receivable facilities and invoice accounts receivable facilities. In the event of any of the aforementioned events occurring, Saudi Awwal Bank shall have the right to: (1) cancel all or some of the facilities without a court order; (2) demand payment of all or part of the outstanding amounts; (3) execute on the collateral held by Saudi Awwal Bank; (4) take any legal or other action to establish the default; or (5) demand the deposit of an amount equivalent to all contingent liabilities or outstanding indebtedness.
Material Restrictions	– the Company may not make any material changes in the nature of its business without obtaining the prior written approval of Saudi Awwal Bank; – no change in the legal description or control of the Company may be made without the prior written approval of Saudi Awwal Bank; and – the Agreement provides that the Company undertakes that a minimum of 50% of the Company's annual sales, shall be routed to its Saudi Awwal Bank account.

Source: The Company

D. Financing Agreement with the Saudi National Bank

Table 11.10: Financing Agreement with the Saudi National Bank

Parties	The Company and Saudi National Bank
Date	20/07/1445H (corresponding to 01/02/2024G), as amended on 01/03/1446H (corresponding to 09/09/2024G).
Total Financing Amount	SAR 242,248,953.13
Type of Financing	The facilities consist of the following sub-facility limits: – a facility for capital expenditures and business expansion with a total amount of SAR 65,000,000; – a medium-term facility for a total amount of SAR 127,248,953.13 for the purpose of financing capital expenditures and business expansion; and – a treasury limit facility with a total amount of SAR 50,000,000.
Amounts Utilized as of 31 March 2024G	SAR 215,000,000
Term	The facilities are available until 04/12/1446H (corresponding to 31/05/2025G).
Purpose	The purpose of the facilities is to: (i) deduct 60% from the approved disbursements; (ii) refinance open letters of credit; (iii) fund the Company's purchases; (iv) fund the Company's working capital; (v) issue deferred and at sight letters of credit to import medicine, medical supplies and equipment; and (vi) fund the expansion project of the north tower of Al Moosa Specialist Hospital (Al Ahsa).
Guarantees	– A promissory note issued by the Company and signed by Abdulaziz Abdullah Abdulwahab Almoosa as its representative in the amount of SAR 266,473,848.44
Termination and Breaches	Saudi National Bank may terminate the Agreement and all rights shall fall due. In addition, Saudi National Bank may initiate proceedings to sell the mortgaged properties in the event of the following events of default: – the Company's delay or failure to perform any of its obligations or commitments under the Facility Agreement with the Saudi National Bank; – if the Company breaches the guarantees it has given in favor of the Saudi National Bank or takes an action or procedure that reduces their value which may impact the Saudi National Bank's rights; – if the Company fails to fulfill its obligations to third parties in a manner that may be considered by the Saudi National Bank, in its sole discretion, to have an adverse effect on the Company's financial position; – termination of the Company, or one of its Partners, or its insolvency, bankruptcy or loss of its legal status or legal capacity or the suspension of its commercial activity; and – the dissolution, liquidation, sale, suspension of activity, change of legal entity, merger, withdrawal or alteration of any of the Company's Partners. In addition, Saudi National Bank may at any time (at its sole discretion and without cause) reduce any facility amount or cancel or terminate any or all of the facilities.
Material Restrictions	– Pursuant to the Saudi National Bank Facility Agreement, any change in the Company's Shareholders may be considered a material event, which could lead to termination and acceleration, pursuant to which the Company notified Saudi National Bank on 09/09/1445H (corresponding to 19/03/2024G) with the commencement of the Offering process which includes changes to the Company's shareholding structure and received Saudi National Bank's consent to that regard; and – the Company may announce dividends, provided that the Company is compliant with its financial undertakings under the Financing Agreement with the Saudi National Bank, and in the case where the Company does not become publicly listed, the maximum limit for the distribution of dividends will be restored to not exceed 50%.

Source: The Company

E. Financing Agreement with Al Rajhi Bank

Table 11.11: Financing Agreement with Al Rajhi Bank

Parties	The Company and Al Rajhi Bank.
Date	21/08/1443H (corresponding to 24/03/2022G), as amended on 23/02/1446H (corresponding to 27/08/2024G).
Total Financing Amount	SAR 500,000,000.
Type of Financing	The maximum financing limit is SAR 500,000,000, which can be utilized for any of the sub-limits of the following facilities: – Base Facility Limit 1 in the total amount of SAR 480,000,000, including the following options, of which one may be used: – a capital expenditure and business expansion facility with a sub-limit of the Base Facility Limit 1 for a total amount of SAR 480,000,000; – a forward sale line facility with a sub-limit of the Base Facility Limit 1 for a total amount of SAR 480,000,000; and – a sight letter of credit facility with a sub-limit of the Base Facility Limit 1 for a total amount of SAR 200,000,000. – Base Facility Limit 2 for treasury products, including interest rate swaps for a total amount of SAR 20,000,000.
Amounts Utilized as of 31 March 2024G	SAR 399,500,000.
Term	The annual audit is scheduled to take place on 05/01/1447H (corresponding to 30/06/2025G).
Purpose	The purposes of these facilities are: (1) partial acquisition of the existing obligation towards the Saudi National Bank related to the financing of Al Moosa Rehabilitation Hospital (Al Ahsa); (2) import medical equipment; and (3) mititgate the risk of exposing to profit rate volatility and convert the floating to fix.
Guarantees	– a joint and several guarantee from Abdulaziz Abdullah Abdulwahab Almoosa and Malek Abdulaziz Abdullah Almoosa, which are to be released following completion of the Offering; and – a promissory note in the amount of SAR 500,000,000 signed by the Company and Abdulaziz Abdullah Al Moosa and Malek Abdulaziz Al Moosa as guarantors.
Termination and Breaches	The Financing Agreement identifies the following events of default, upon the occurrence of which Al Rajhi Bank is entitled to demand all unpaid amounts due and payable immediately and terminate the facilities, require the Company to place and maintain a deposit amount Al Rajhi Bank considers in its absolute discretion will be sufficient to meet its liabilities in an account designated for this purpose, and/or exercise any or all of its rights, remedies, powers or discretions against the Company: – failure of any guarantor to pay any amount payable by it to Al Rajhi Bank with respect to any of the Company's obligations when due or otherwise in accordance with the provisions of the Al Rajhi Facilities Agreement and the relevant transaction documents; – failure of any obligor or guarantor to duly perform or comply in a timely manner with any of its obligations under the Al Rajhi Facilities Agreement and related transaction documents; – any representation or warranty made or deemed to be made by any obligor or guarantor, or, as applicable, any of its directors, managers or officers, in or in relation to the Al Rajhi Facilities Agreement and related transaction documents that is found to be untrue or misleading in any way that Al Rajhi Bank deems material; – any indebtedness of any obligor that is payable or declarable becomes payable prior to its stated maturity date or is not paid when due; – any execution, seizure or other legal action against all or any part of the obligor's business or assets and failure to comply with or be released from them within 90 days; – the filing of any petition, or the commencement of any proceeding or the issuance of any order or the passing of any effective resolution or the issuance of a notice of a meeting for the purpose of passing any resolution or taking any other step to wind up, liquidate, bankrupt, reorganize, or restructure the obligor, or to appoint a receiver, judicial manager, trustee, or similar official over the obligor or all or any part of its business or assets;
Termination and Breaches	– the obligor suspends or ceases payments to its creditors or any class of its creditors, or is deemed unable or acknowledges under the applicable law its inability to pay its debts as they become due, or seeks to enter into any settlement or other arrangement with its creditors or commences any debtor relief proceedings, or is declared or becomes insolvent or bankrupt; – the obligor ceases to carry out all or any substantial part of their business; – any of the required authorizations in relation to the entering into, performance, validity, enforceability and contemplated transactions under the Al Rajhi Facilities Agreement and its related transaction documents have not been obtained, have ceased to be or are no longer in full force and effect; – if any law, regulation or order or any change to any law, regulation or order amends, suspends, terminates or permits the non-performance of the Company or any Guarantor of any of their obligations under the Al Rajhi Facilities Agreement or any of the related transaction documents, or it becomes illegal or impossible for the Company or any other debtor to perform any of its obligations under the Al Rajhi Facilities Agreement or any of its transaction documents or for Al Rajhi Bank to exercise all or any of its rights, powers and remedies provided for under this Agreement; – any event occurs that Al Rajhi Bank reasonably believes provides reasonable grounds to believe that a material adverse change in the business, financial position or prospects of any obligor or guarantor has occurred or that the ability of such obligor or any guarantor to perform its obligations has been or will be materially adversely affected;

Termination and Breaches	– the death or mental incapacity of an individual obligor or personal guarantor; and/or – by or under the authority of any government, the management of any obligor is removed in whole or in part, or the authority of the Company or any other obligor to conduct its business is curtailed in whole or in part, or all or a majority of the issued Shares of the Company or any other obligor or any substantial portion of its revenues or assets are confiscated, nationalized, expropriated or compulsorily acquired. Al Rajhi may at any time (at its sole discretion and without cause) reduce any facility amount or cancel or terminate all or any of the facilities.
Material Restrictions	– No change in the ownership of the Company may be made without the prior written approval of Al Rajhi Bank; – the Company must immediately notify Al Rajhi Bank of any changes in the ownership of its share capital; and – the Agreement restricts the announcement and distribution of dividends exceeding 50% of net income until the Company becomes publicly listed. This restriction will be lifted following the completion of the Offering. – the Company must route a minimum of 25% of the Company's annual revenues to its accounts with Al Rajhi Bank.

Source: The Company

11.4.8 Hedging Agreements

The Company has entered into 2 hedging agreements with a number of commercial banks. Below is a summary of the Company's hedging agreements:

A. Hedging Agreement with Saudi National Bank

The Company entered into a master hedging agreement with the Saudi National Bank dated 11/08/1443H (corresponding to 14/03/2022G), which governs any transactions entered into between the Company and the Saudi National Bank that constitute: (1) a foreign exchange swap transaction, a cross-currency swap transaction, a basis rate swap transaction, a forward transaction, a commodity swap transaction, a commodity option transaction, an equity index swap transaction, an equity swap transaction, an equity index option transaction, an equity option transaction, a bond option transaction, an interest rate swap transaction, a foreign exchange spot transaction, a foreign exchange limit order transaction, a foreign exchange stop order transaction, a collar transaction, a currency swap transaction, a cross-currency rate swap transaction, a currency option transaction, a credit protection transaction, a credit swap transaction, a credit default swap transaction, a credit default option transaction, a total return swap transaction, a credit spread transaction, a repurchase agreement (repo), a reverse repurchase agreement (reverse repo), a buy/sell-back transaction, a securities lending transaction, a weather index swap transaction, a forward purchase or sale of a security, commodity, instrument or other financial interest; or (2) any transaction that is similar to any of the foregoing transactions.

Any payments under the Agreement shall be made on the due date for each transaction as specified in the relevant transaction confirmation statement.

The following events constitute events of default entitling the non-defaulting Party to terminate the Agreement, in which case all payments that may become due and payable for any fully delivered transactions shall become immediately due and payable:

1. if the Company delays or fails to perform any of its obligations or undertakings under the Agreement;
2. if the Company rejects, disclaims, rejects or challenges the veracity and validity of the Agreement;
3. if the Company fails to enter into a specific future transaction under the Agreement;
4. in the event of any misrepresentation in any of the declarations set forth in the Company's Statement of Guarantee;
5. if the Company breaches the guarantees provided by it in favor of the Saudi National Bank, or takes or has taken action that diminishes their value;
6. if the Company fails to fulfill its obligations to third parties in a manner that the Saudi National Bank, in its sole discretion, deems to have an adverse effect on the Company's financial position;
7. the death of one of the Company's Partners, the insolvency, bankruptcy, invalidity of legal capacity, suspension of the business activity of the Company or any of its Partners, or suspension of the business activity of the Company or any of its Partners; and/or
8. the dissolution, liquidation, sale, suspension of activity, change of legal entity, merger, withdrawal, or change of any of the Company's Partners.

The Company and the Saudi National Bank entered into two transactions based on the Master Hedging Agreement with the Saudi National Bank. The following is a summary of these transactions.

- **First Hedging Transaction with Saudi National Bank**

The Company entered into a hedging transaction on 21/04/1445H (corresponding to 05/11/2023G) with the Saudi National Bank in accordance with the Master Special Hedging Agreement concluded with the Saudi National Bank regarding the maturity swap of the Sharia-performable range for a principal amount of SAR 225,000,000. The reference rate used for this transaction is the three-month SAIBOR. According to this transaction, interest is paid to the Company if the aforementioned reference rate stays within specific ranges in the transaction that vary from year to year.

The term of this transaction begins on 22/04/1445H (corresponding to 06/11/2023G) and ends on 20/07/1453H (corresponding to 06/11/2031G).

On the termination date of this transaction, when the profit payable by the Saudi National Bank is equal to or greater than the profit payable by the Company, the Saudi National Bank undertakes to pay the Company on the payment date the difference between the two amounts. When the profit payable by the Company is greater than the profit payable by Saudi National Bank, the Company undertakes to pay the Bank on the date of payment the difference between the two amounts.

- **Second Hedging Transaction with Saudi National Bank**

The Company entered into a hedging transaction on 05/09/1443H (corresponding to 06/04/2022G) with Saudi National Bank in accordance with the Master Special Hedging Agreement concluded with Saudi National Bank regarding the maturity swap of the Sharia-performable range for a principal amount of SAR 425,000,000. The reference rate used for this transaction is the three-month SAIBOR. According to this transaction, interest is paid to the Company if the aforementioned reference rate stays within specific ranges in the transaction that vary from year to year.

The term of this transaction begins on 18/09/1444H (corresponding to 09/04/2023G) and ends on 17/12/1452H (corresponding to 09/04/2031G).

On the termination date of this transaction, when the profit payable by the Saudi National Bank is equal to or greater than the profit payable by the Company, the Saudi National Bank undertakes to pay the Company on the payment date the difference between the two amounts. When the profit payable by the Company is greater than the profit payable by Saudi National Bank, the Company undertakes to pay the Bank on the date of payment the difference between the two amounts.

B. First Hedging Agreement with Saudi Awwal Bank

The Company entered into a hedging agreement on 05/02/1444H (corresponding to 01/09/2022G) with Saudi Awwal Bank, which will govern any hedging transactions between the Company and Saudi Awwal Bank. These transactions will constitute the sale and purchase of assets in accordance with the undertakings entered into between the Company and Saudi Awwal Bank.

The Company shall make payments under any undertaking issued on the value maturity date on that date instead of the account specified in any undertaking made in freely convertible funds and in the usual manner for payments in the required currency.

The following events shall be deemed events of default entitling Saudi Awwal Bank to terminate the Hedging Agreement and any purchase commitments thereunder:

1. the Company's failure to make, when due, any payment or deliver any documents required to be provided by it if such failure is not addressed on or before the first business day notice of such failure is given to it;
2. the Company's failure or any transaction support provider thereof to comply with any Agreement or obligation or to perform in accordance with any Transaction Support Document if such failure continues after the expiration of any applicable grace period; and
3. the expiration or termination of the Transaction Support Documents or the non-acceptance or suspension of the Transaction Support Documents, or any security right granted by the Company or the transaction support provider to the Company pursuant to any such Transaction Support Document, or it ceasing to be in effect (in each case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each transaction to which the relevant Transaction Support Document relates, without obtaining the written consent of Saudi Awwal Bank;
4. the Company's or any transaction support provider's rejection, disclaimer, revocation or refusal, in whole or in part, or its challenge to the validity of the relevant Transaction Support Document (or such action is taken by any person or entity appointed or authorized to operate or act on its behalf);

5. a statement made, repeated or deemed to be made or repeated by it in a document that, when made, repeated or deemed to be made or repeated, is found to be untrue or misleading in any material respect;
6. the Company defaults under a specified transaction or any credit support arrangement relating to a specified transaction, and, after giving effect to any applicable notice or grace period, such default results in the liquidation, acceleration or early termination of the obligations under such specified transaction;
7. failure, following the expiration of any grace period or notice period, to fulfill an obligation to make any payment due on the date of the last payment or swap, or any payment upon early termination of a specified transaction (or, if there is no applicable notice requirement or grace period, where such default continues for a period of no less than one business day);
8. default in the performance of any delivery due under (including any delivery due on the last delivery or disbursement date) a specified transaction or any credit support arrangement relating to a specified transaction, and, after giving effect to any applicable notice requirement or grace period, such default results in the liquidation or acceleration of the obligations under, or the early termination of all outstanding transactions under, the documentation applicable to such specified transactions;
9. the occurrence or existence of any mutual default with respect to the Company as set forth in the Agreement;
10. the occurrence of any Company bankruptcy event as provided for in the Agreement; and/or
11. the Company or any transaction support provider of the Company consolidates or merges with, or into, or transfers all or substantially all of its assets to another entity, or reorganizes, re-incorporates or re-forms, and, at the time of such amalgamation, consolidation, merger, transfer, reorganization, re-incorporation or reformation, the surviving or transferee entity fails to assume all obligations of the predecessor entity under the documents or any other agreement related thereto (including any Transaction Support Documents) to which it or the predecessor entity was a party.

The Company has entered into one hedging transaction under the Agreement, which is summarized below:

- **First Hedging Transaction with Saudi Awwal Bank**

The Company entered into a hedging transaction with Saudi Awwal Bank in accordance with the Hedging Agreement concluded with Saudi Awwal Bank dated 01/09/1445H (corresponding to 11/03/2024G), under which the Company and Saudi Awwal Bank undertake to purchase from each other assets for a total principal amount of SAR 300,000,000, on the dates specified in the transaction document and in the amounts specified for each date.

On the transaction settlement date of 02/12/1453H (corresponding to 14/03/2032G), the Company shall pay Saudi Awwal Bank the Murabaha rate specified in the relevant notice issued by Saudi Awwal Bank. The Murabaha rate is calculated as the sum of (1) the cost price related to the purchase date and (2) the profit. “Profit” is determined based on a three-month SAIBOR.

- **Second Hedging Agreement with Saudi Awwal Bank**

The Company entered into a hedging Agreement on 04/08/1442H (corresponding to 17/03/2021G) with Saudi Awwal Bank, which will govern any hedging transactions between the Company and Saudi Awwal Bank. These transactions will constitute the sale and purchase of assets in accordance with the undertakings entered into between the Company and Saudi Awwal Bank.

The Company shall make payments under any undertaking issued on the value maturity date on that date instead of the account specified in any undertaking made in freely convertible funds and in the usual manner for payments in the required currency.

The following events shall be deemed events of default entitling Saudi Awwal Bank to terminate the Hedging Agreement and any purchase commitments thereunder:

1. the Company’s failure to make, when due, any payment or deliver any documents required to be provided by it if such failure is not addressed on or before the first business day notice of such failure is given to it;
2. the Company’s failure to comply with any Agreement (other than any payment obligation under a document entered into under the Agreement) if the failure is not addressed within 15 days;
3. the Company denies, contradicts, rejects in whole or in part or challenges the validity of any document entered into under the Agreement or any other Agreement relating to the document to which it is a party;
4. the Company or its transaction support provider’s failure to comply with any Agreement or obligation under any relevant Transaction Support Document if not addressed within the specified remedy period;

5. the expiration or termination of the Transaction Support Documents or the non-acceptance or suspension of the Transaction Support Documents, or any security right granted by the Company or transaction support provider to the Company pursuant to any such Transaction Support Document, or such Transaction Support Documents ceasing to be effective (in each case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each transaction to which the relevant Transaction Support Document relates, without obtaining the written consent of Saudi Awwal Bank;
6. the Company's or any transaction support provider's rejection, disclaimer, revocation or refusal, in whole or in part, or its challenge to the validity of the relevant Transaction Support Document (or such action is taken by any person or entity appointed or authorized to operate or act on its behalf);
7. a statement made, repeated or deemed to be made or repeated by it in a document that, when made, repeated or deemed to be made or repeated, is found to be untrue or misleading in any material respect;
8. the Company defaults under a specified transaction or any credit support arrangement relating to a specified transaction, and, after giving effect to any applicable notice or grace period, such default results in the liquidation, acceleration or early termination of the obligations under such a specified transaction;
9. failure, after the expiration of any applicable notice period or term, to fulfill obligations related to any payment due on the date of the last instalment or swap date, or any payment upon early termination of a specified transaction (or, if there is no applicable notice requirement or grace period, such default continues for at least one business day);
10. default in the performance of any delivery due under (including any delivery due on the last delivery or disbursement date) a specified transaction or any credit support arrangement relating to a specified transaction, and, after giving effect to any applicable notice requirement or grace period, such default results in the liquidation or acceleration of the obligations under, or the early termination of all outstanding transactions under, the documentation applicable to such specified transactions;
11. the Company's refusal, disclaimer, rescission or denial, in whole or in part, of or challenge to the validity of a specific transaction or any credit support arrangement relating to a specific transaction which, in either case, is confirmed or substantiated by a document or other confirmatory evidence executed and delivered by it (or such action is taken by any person or entity appointed or authorized to operate or act on its behalf);
12. the occurrence or existence of any mutual default with respect to the Company as set forth in the Agreement;
13. the occurrence of any Company bankruptcy event as provided for in the Agreement; and/or
14. the Company or any transaction support provider of the Company consolidates or merges with, or into, or transfers all or substantially all of its assets to another entity, or reorganizes, re-establishes or re-forms itself and at the time of such amalgamation, consolidation, merger, transfer, reorganization, re-incorporation or reformation, the surviving or transferee entity fails to assume all obligations of the predecessor entity under the documents or any other agreement related thereto (including any Transaction Support Documents) to which it or the predecessor entity was a party.

The Company has entered into one hedging transaction under the Agreement, which is summarized below:

- **First Hedging Transaction with Saudi Awwal Bank**

The Company entered into a hedging transaction with Saudi Awwal Bank in accordance with the hedging Agreement concluded with Saudi Awwal Bank dated 05/09/1443H (corresponding to 06/04/2022G), under which the Company and Saudi Awwal Bank undertake to purchase from each other assets for a total principal amount of SAR 300,000,000, on the dates specified in the Transaction Document and in the amounts specified for each date.

On the transaction settlement date of 19/02/1451H (corresponding to 01/07/2029G), the Company and Saudi Awwal Bank shall pay each other the Murabaha rate specified in the relevant notification issued by Saudi Awwal Bank. The Murabaha rate is calculated as the sum of (1) the cost price related to the purchase date and (2) the profit. "Profit" is determined based on a three-month SAIBOR.

11.5 Transactions and Contracts with Related Parties

The total value of transactions with related parties amounted to SAR 56,944,364, SAR 8,409,505, SAR 125,305,922 and SAR 46,282,088 in the financial years ended 31 December2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. Trade balances with Related Parties amounted to SAR 3,000,000, SAR 4,200,000, SAR 3,900,000 and SAR 3,900,000 as of 31 December 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G, respectively. This section provides a summary of material agreements and transactions with Related Parties that the Directors believe are material with respect to the Company's business or may affect investors' decisions to subscribe for the Offer Shares. The summary of the agreements and contracts described below does not include all the terms and conditions and cannot be considered a substitute for the terms and conditions contained in those agreements.

The Directors declare that none of the Related Party agreements described in this section contain any preferential terms and that all such agreements have been concluded in a regular and legal manner and on an arm's length basis. Except as disclosed in this section, the Directors declare that the Company does not have any transactions, agreements, business relationships or real estate deals with a Related Party.

The Directors declare that they shall comply with the restrictions and requirements of Articles 27 and 71 of the Companies Law and with the directives of Articles 42 and 44 of the Corporate Governance Regulations issued by the CMA regarding transactions with Related Parties.

The following is a summary of the Agreements entered into between the Company and Related Parties that require authorization from the General Assembly pursuant to Articles 27 and 71 of the Companies Law, and the Agreements entered into between the Company and Related Parties as per the Rules on the Offer of Securities and Continuing Obligations.

11.5.1 Master Alliance Agreement between the Company, Almoosa College of Health Sciences, Almoosa Automatic Doors and Almoosa Real Estate

The Company entered into a master alliance agreement with Almoosa College of Health Sciences, Almoosa Automatic Doors and Almoosa Real Estate on 24/07/1445H (corresponding to 05/02/2024G) (hereinafter referred to as the "Master Alliance Agreement") which governs the relationship between the parties to the Master Alliance Agreement and further provides for the terms and conditions under which any party may assist any other party or parties in establishing individual initiatives and projects, including training, operations, knowledge transfer, services or manpower.

The Master Alliance Agreement entered into with Almoosa College of Health Sciences, Almoosa Automatic Doors and Almoosa Real Estate is a Related Party transaction as each of Almoosa College of Health Sciences, Almoosa Automatic Doors and Almoosa Real Estate is an affiliate of the Company as per the definition of Related Parties under the Rules on the Offer of Securities and Continuing Obligations. In addition, the Director Abdulaziz Abdullah Almoosa owns more than 5% of each of Almoosa College of Health Sciences, Almoosa Automatic Doors and Almoosa Real Estate. Furthermore, the Director Abdulaziz Abdullah Almoosa is related to the Directors Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa, and Sara Abdulaziz Abdullah Almoosa. This Agreement was presented to the Company's General Assembly whose authorization was obtained on 04/09/1445H (corresponding to 14/03/2024G) pursuant to Articles 27 and 71 of the Companies Law.

A. Transactions with Almoosa College of Health Sciences

On 19/06/1445H (corresponding to 01/01/2024G), the Company entered into 8 statements of work with Almoosa College of Health Sciences, under which each party provides various services for a total amount of SAR 269,215. The following is a summary of the statements of work entered into between the Company and Almoosa College of Health Sciences:

Table 11.12: Statements of Work Entered into Between the Company and Almoosa College of Health Sciences

No.	Scope of Work	Term	Value and Payment Terms
1.	Secondment of a female physician from the Company to Almoosa College of Health Sciences by no more than 50%.	Services shall be provided for 12 months unless the Statement of Work is terminated earlier as set forth in the Master Alliance Agreement or as set forth in the Statement of Work. The Statement of Work shall be automatically renewed for 12 months during physician's employment with the Company, subject to the termination provisions set forth in the Statement of Work or agreed to by the parties in writing.	Almoosa College of Health Sciences is obligated to indemnify the Company in the amount of 50% of all contractual and legal dues of the physician, excluding any current or future incentive or patient-related profits under her employment agreement with the Company.
2.	Upon written request from Almoosa College of Health Sciences, the Company undertakes to provide nursing and clinical rotation opportunities for nursing and health sciences students under the supervision of Almoosa College of Health Sciences professors at the Company's hospitals.	Services shall be provided for 12 months unless the Statement of Work is terminated earlier as set forth in the Master Alliance Agreement or as set forth in the Statement of Work.	Almoosa College of Health Sciences shall pay the Company an administrative fee of SAR 1,000 per student per course for each rotation period, payable on demand in installments.

No.	Scope of Work	Term	Value and Payment Terms
3.	Upon written request from the Company, Almoosa College of Health Sciences shall provide the Company's Research Department with reasonable access to office and instructional space for the Research Department's non-exclusive use for instruction and other activities.	Services shall be provided for 12 months unless the Statement of Work is terminated earlier as set forth in the Master Alliance Agreement or as set forth in the Statement of Work.	The Company shall pay to Almoosa College of Health Sciences an annual fee of SAR 60,000, payable on demand in installments.
4.	The Company may, at its sole discretion, pay 50% of the fees charged by Almoosa College of Health Sciences to highly qualified nursing and allied health students accepted by the Company to support scholarships for such students, provided that such students agree to be employed by the Company after graduation on terms to be agreed upon between the sponsored students and the Company.	Services shall be provided for 12 months unless the Statement of Work is terminated earlier as set forth in the Master Alliance Agreement or as set forth in the Statement of Work.	The Company may, at its sole discretion, pay Almoosa College of Health Sciences 50% of the annual fees charged by Almoosa College of Health Sciences for any students who have agreed to be employed by the Company after graduation.
5.	The Company shall provide its qualified employees to serve as part-time professors by not objecting to such employees working part-time for Almoosa College of Health Sciences without compensation, subject to the Company's right to revoke the same upon reasonable notice to Almoosa College of Health Sciences.	Services shall be provided for 12 months unless the Statement of Work is terminated earlier as set forth in the Master Alliance Agreement or as set forth in the Statement of Work.	N/A
6.	Upon written request from the Company, Almoosa College of Health Sciences shall provide various training and certification services to the Company's employees within a group at a mutually acceptable time and place.	Services shall be provided for 12 months unless the Statement of Work is terminated earlier as set forth in the Master Alliance Agreement or as set forth in the Statement of Work.	The Company shall pay Almoosa College of Health Sciences its standard fee for each participant in accordance with the standard fee schedule in effect at the time, payable quarterly or on another appropriate basis in installments.
7.	The Company may, at its sole discretion and in collaboration with Almoosa College of Health Sciences, host medical and scientific conferences and exchange related services on a reciprocal basis without any charge to Almoosa College of Health Sciences for its mutual benefit and that of its stakeholders, provided their relative contributions and support (including free admission for some of their employees) are mutual and balanced under the circumstances and responsibilities of each party in each of these conferences. These arrangements are between private health sciences education institutions and private hospitals in the Eastern Province, without preference or special treatment for the Parties involved.	Services shall be provided for 12 months unless the Statement of Work is terminated earlier as set forth in the Master Alliance Agreement or as set forth in the Statement of Work.	N/A
8.	Upon the written request of Almoosa College of Health Sciences, the Company shall provide accounting, legal, audit, review, marketing, support and other professional services on a temporary basis to Almoosa College of Health Sciences from time to time.	Services shall be provided for 12 months unless the Statement of Work is terminated earlier as set forth in the Master Alliance Agreement or as set forth in the Statement of Work.	Almoosa College of Health Sciences shall pay to the Company a fee consisting of the cost margin plus 30% on a semi-annual or other appropriate basis in the form of installments.

Source: The Company

The statements of work entered into with Almoosa College of Health Sciences are considered Related Party transactions as Almoosa College of Health Sciences is an affiliate of the Company as per the definition of Related Parties under the Rules on the Offer of Securities and Continuing Obligations. In addition, the Director Abdulaziz Abdullah Abdulwahab Almoosa owns more than 5% of the share capital of Almoosa College of Health Sciences and is related to the Directors Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa, and Sara Abdulaziz Abdullah Almoosa. These Agreements were presented to the Company's General Assembly whose authorization was obtained on 16/10/1445H (corresponding to 25/04/2024G) pursuant to Articles 27 and 71 of the Companies Law.

The Company has also concluded additional transactions with Almoosa College of Health Sciences since 16/10/1445H (corresponding to 25/04/2024G) under the aforementioned statements of work in the amount of SAR 1,166,129. These additional transactions were presented to and authorized by the General Assembly of the Company on 27/04/1446H (corresponding to 30/10/2024G) in accordance with Articles 27 and 71 of the Companies Law.

B. Transactions with Almoosa Automatic Doors

The Company concluded 10 purchase orders with Almoosa Automatic Doors for the provision of goods and services to the Company for a total amount of SAR 412,050. The Agreements with Almoosa Automatic Doors are considered Related Party transactions as Almoosa Automatic Doors is an affiliate of the Company as per the definition of Related Parties under the Rules on the Offer of Securities and Continuing Obligations. In addition, the Director Abdulaziz Abdullah Abdulwahab Almoosa owns more than 5% of the share capital of Almoosa Automatic Doors and is related to the Directors Zainab Abdulaziz Abdullah Almoosa, Malek Abdulaziz Abdullah Almoosa, and Sara Abdulaziz Abdullah Almoosa. These Agreements were presented to the Company's General Assembly whose authorization was obtained on 16/10/1445H (corresponding to 25/04/2024G) pursuant to Articles 27 and 71 of the Companies Law. As of the date of this Prospectus, there are no amounts owed by or to Almoosa Automatic Doors.

The Company has also concluded a purchase order with Almoosa Automatic Doors on 21/02/1446H (corresponding to 25/08/2024G) for a total amount of SAR 24,771 of which SAR 12,386 was paid by the Company to Almoosa Automatic Doors as of the date of this Prospectus for the purchase of goods from Almoosa Automatic Doors. This purchase order was presented to and authorized by the General Assembly of the Company on 27/04/1446H (corresponding to 30/10/2024G) in accordance with Article 27 and 71 of the Companies Law.

C. Transactions with Abdulaziz Abdullah Almoosa

1. Personal Transactions

The Company incurred amounts on behalf of the Chairman of the Board, Abdulaziz bin Abdullah Almoosa, representing personal expenses, in addition to payments to Abdulaziz Almoosa Real Estate Company (a company owned by the Chairman of the Board, Abdulaziz bin Abdullah Almoosa), with a total amount of SAR 93.5 million as of 31 December 2023G. Such amounts consisted of: (1) approximately SAR 32.2 million, representing personal expenses due from the Chairman of the Board, Abdulaziz bin Abdullah Almoosa; and (2) approximately SAR 61.3 million, representing payments due from Abdulaziz Almoosa Company in relation to real estate for the benefit of Abdulaziz Almoosa Real Estate Company. As of the date of this Prospectus, all these amounts have been settled against the dividends due to Shareholders, as the Company distributed the previously mentioned due amounts as in-kind dividends to Shareholders in accordance with the Board Resolution dated 12/06/1445H (corresponding to 25/12/2023G) and the Extraordinary General Assembly Resolution dated 12/06/1445H (corresponding to 25/12/2023G). Such dividends were distributed based on the Company's retained profits as of 31/12/2022G. The Company also distributed in-kind dividends to Shareholders represented in real estate assets amounting to SAR 22.9 million and cash dividends to Shareholders of SAR 4 million in accordance with the Board Resolution dated 13/07/1445H (corresponding to 25/01/2024G) based on the Extraordinary General Assembly Resolution dated 12/06/1445H (corresponding to 25/12/2023G). These dividends were distributed based on the Company's retained earnings as of 31/12/2023G.

The Chairman of the Board, Abdulaziz Abdullah Almoosa, submitted an acknowledgment to the Company on 23/09/1445H (corresponding to 02/04/2024G) that all amounts owed to the Company had been settled by him and recorded in the Company's books as of the date of this Prospectus as stated above. He also undertook, in accordance with the declaration, to bear any obligations arising from the above or that may arise in the future on behalf of the Company as a result of any previous practices that do not comply with the relevant laws.

The aforementioned transactions are considered Related Party transactions as Abdulaziz Abdullah Almoosa is a Director pursuant to the definition of Related Parties under the Rules on the Offer of Securities and Continuing Obligations. In addition, the Director Abdulaziz Abdullah Almoosa has a direct interest in these transactions. Furthermore, the Directors Malek Abdulaziz Abdullah Almoosa, Zainab Abdulaziz Abdullah Almoosa and Sara Abdulaziz Abdullah Almoosa have an indirect interest in the transactions due to the fact that such transactions were concluded with their relative. These transactions were presented to the Company's General Assembly whose authorization was obtained on 16/10/1445H (corresponding to 25/04/2024G) pursuant to Articles 27 and 71 of the Companies Law.

2. Agreement for the Conveyance of Land Encompassing Al Moosa Specialist Hospital (Al Ahsa)-South Tower

The Company entered into a conveyance of land agreement with Director Abdulaziz Abdullah Almoosa on 09/09/1445H (corresponding to 19/03/2024G), pursuant to which the ownership of the plot encompassing Al Moosa Specialist Hospital (Al Ahsa)-South Tower was conveyed. Under the Agreement, the Company is responsible for repaying the amounts outstanding under the loan provided by the Ministry of Finance totaling SAR 17,058,397, which constitutes the purchase price of the property (for further information regarding the Loan Agreement with the Ministry of Finance, please refer to Section 11.4.7 "**Financing Agreements**" of this Prospectus). The Conveyance of Land Agreement is a Related Party transaction as Abdulaziz Abdullah Almoosa is a Director in the Company as defined by the definition of Related Parties under the Rules on the Offer of Securities and Continuing Obligations. In addition, the Director Abdulaziz Abdullah Almoosa has a direct interest in the Agreement and the Directors Malek Abdulaziz Abdullah Almoosa, Zainab Abdulaziz Abdullah Almoosa and Sara Abdulaziz Abdullah Almoosa also have an indirect interest in the Conveyance of Land Agreement as it was entered into with one of their relatives. This Agreement was presented to the Company's General Assembly whose authorization was obtained on 16/10/1445H (corresponding to 25/04/2024G) pursuant to Articles 27 and 71 of the Companies Law.

11.6 Real Estate

11.6.1 Real Estate Owned by the Company

The Company owns 32 plots under title deeds. The following table details the real estate owned by the Company:

Table 11.13: Real Estate Owned by the Company

No.	Title Deed Number and Date	Property Owner	Property Location	Purpose	Area (square meters)	Book Value as of 31 March 2024G (SAR)	Mortgage Status
1.	960001515710 dated 24/04/1446H (corresponding to 27/10/2024G)	The Company	Plot No. 1, located in Al-Mutairfi Village, Al Mubarraz, Al Ahsa, Eastern Province.	Al Moosa Rehabilitation Hospital (Al Ahsa)	25,582.4	53,725,000	Not mortgaged
2.	660001510349 dated 19/04/1446H (corresponding to 22/10/2024G)	The Company	Plot No. 265, located in Al Faisal District, Al Mubarraz, Al Ahsa, Eastern Province.	Al Moosa Specialist Hospital (Al Ahsa) Main Building, Section I	2,250	1,522,000	Not mortgaged
3.	360001510355 dated 19/04/1446H (corresponding to 22/10/2024G)	The Company	Plot No. 266, located in Al Faisal District, Al Mubarraz, Al Ahsa, Eastern Province.	Al Moosa Specialist Hospital (Al Ahsa) Main Building, Section II	2,250	1,620,000	Not mortgaged
4.	330801019787 dated 22/06/1440H (corresponding to 27/02/2019G)	The Company	Plot No. 229, located in Al Faisal District, Al Mubarraz, Al Ahsa, Eastern Province.	Al Moosa Specialist Hospital (Al Ahsa) parking lot	861.2	1,973,770.04	Not mortgaged
5.	460001515084 dated 24/04/1446H (corresponding to 27/10/2024G)	The Company	Plot No. 267, located in Al Faisal District, Al Mubarraz, Al Ahsa.	Al Moosa Specialist Hospital (Al Ahsa)-North Tower	2,250	24,000,000	Not mortgaged
6.	36000151439 dated 23/04/1446H (corresponding to 26/10/2024G)	The Company	Plot No. 268, located in Al Khars and Al Yahya District, Al Mubarraz, Al Ahsa.	Al Moosa Specialist Hospital (Al Ahsa)-North Tower	2,250	4,605,000	Not mortgaged
7.	319884000303 dated 12/05/1446H (corresponding to 14/11/2024G)	The Company	Land No. 136 of Plot 110/4 in Al Ahsa	Al Moosa Specialist Hospital (Al Ahsa)—South Tower	2,031.7	0	Property is mortgaged in favor of the Ministry of Finance(1)
8.	794747000326 dated 23/10/1441H (corresponding to 15/06/2020G)	The Company	Plots No. 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22, located in Al Sadafa District, Al Khobar.	Al Moosa Specialist Hospital (Al Khobar)	44,882.59	102,708,000	Not mortgaged
9.	230817005102 dated 12/03/1445H (corresponding to 27/09/2023G)	The Company	Plot No. 1, located in Ar Rawdah District, Al Hofuf, Al Ahsa, Eastern Province.	Al Moosa Specialist Hospital (Al Hofuf)	11,471.42	32,054,077	Not mortgaged

No.	Title Deed Number and Date	Property Owner	Property Location	Purpose	Area (square meters)	Book Value as of 31 March 2024G (SAR)	Mortgage Status
10.	930801019785 dated 22/06/1440H (corresponding to 27/02/2019G)	The Company	Plot No. 105, Al Faisal District, Al Mubarraz, Al Ahsa.	Labor accommodation	500	1,000,000	Not mortgaged
11.	630801018593 dated 11/05/1440H (corresponding to 17/01/2019G)	The Company	Plot No. 98, Al Faisal District, Al Mubarraz, Al Ahsa.	Nurses accommodation	550	750,000	Not mortgaged
12.	43080108594 dated 11/05/1440H (corresponding to 17/01/2019G)	The Company	Plot No. 96, Al Faisal District, Al Mubarraz, Al Ahsa.	Nurses accommodation	500	750,000	Not mortgaged
13.	994060000187 dated 02/11/1441H (corresponding to 23/06/2020G)	The Company	Plot No. 95, Al Faisal District, Al Mubarraz, Al Ahsa.	Leased to a restaurant	500	2,500,000	Not mortgaged
14.	594060000188 dated 02/11/1441H (corresponding to 23/06/2020G)	The Company	Plot No. 97, in Al Faisal District, Al Mubarraz, Al Ahsa.	Leased to a restaurant	550	2,500,000	Not mortgaged
15.	995535000945 dated 24/04/1446H (corresponding to 27/10/2024G)	The Company	Plot No. 106, in Al Faisal District, Al Mubarraz, Al Ahsa.	Parking space	500	1,550,000(2)	Not mortgaged
16.	994060003433 dated 30/08/1442H (corresponding to 12/04/2021G)	The Company	Plot No. 124, located in Al-Mutairfi Village, Al Mubarraz, Al Ahsa, Eastern Province.	Not used	594.95	639,572	Not mortgaged
17.	294060003432 dated 30/08/1442H (corresponding to 12/04/2021G)	The Company	Plot No. 122, located in Al-Mutairfi Village, Al Mubarraz, Al Ahsa, Eastern Province.	Not used	519.87	558,861	Not mortgaged
18.	230801019789 dated 22/06/1440H (corresponding to 27/02/2019G)	The Company	Plot No. 230, located in Al Khars and Al Yahya District, Al Ahsa.	Not used	961.1	2,191,574.77	Not mortgaged
19.	330801019788 dated 22/06/1440H (corresponding to 27/02/2019G)	The Company	Plot No. 228, located in Al Khars and Al Yahya District, Al Ahsa.	Not used	500	1,625,000	Not mortgaged
20.	394060001493 dated 29/03/1442H (corresponding to 15/11/2020G)	The Company	Plot No. 112, located in Durrat Al-Mutairfi, Al Ahsa.	Not used	575	589,677.50	Not mortgaged
21.	794060001492 dated 29/03/1442H (corresponding to 15/11/2020G)	The Company	Plot No. 113, located in Durrat Al-Mutairfi, Al Ahsa.	Not used	542.67	557,347.50	Not mortgaged
22.	794060001495 dated 29/03/1442H (corresponding to 15/11/2020G)	The Company	Plot No. 110, located in Durrat Al-Mutairfi, Al Ahsa.	Not used	575	589,677.50	Not mortgaged
23.	794060001497 dated 29/03/1442H (corresponding to 15/11/2020G)	The Company	Plot No. 108, located in Durrat Al-Mutairfi, Al Ahsa.	Not used	575.56	590,177.50	Not mortgaged
24.	794060009578 dated 03/03/1444H (corresponding to 29/09/2022G)	The Company	Plot No. 242, located in Al Faisal District, Al Ahsa.	Not used	721.25	1,644,650.19	Not mortgaged

No.	Title Deed Number and Date	Property Owner	Property Location	Purpose	Area (square meters)	Book Value as of 31 March 2024G (SAR)	Mortgage Status
25.	794060009581 dated 03/03/1444H (corresponding to 29/09/2022G)	The Company	Plot No. 108, located in Al Khars and Al Yahya District, Al Ahsa.	Not used	500	1,537,000	Not mortgaged
26.	894060001494 dated 29/03/1442H (corresponding to 15/11/2020G)	The Company	Plot No. 111, located in Durrat Al-Mutairfi, Al Ahsa.	Not used	575	589,677.50	Not mortgaged
27.	894060001498 dated 29/03/1442H (corresponding to 15/11/2020G)	The Company	Plot No. 107, located in Durrat Al-Mutairfi, Al Ahsa.	Not used	643.3	657,977.50	Not mortgaged
28.	994060001496 dated 29/03/1442H (corresponding to 15/11/2020G)	The Company	Plot No. 109, located in Durrat Al-Mutairfi, Al Ahsa.	Not used	575	657,977.50	Not mortgaged
29.	39406001491 dated 29/03/1442H (corresponding to 15/11/2020G)	The Company	Plot No. 114, located in Durrat Al-Mutairfi, Al Ahsa.	Not used	631.94	646,617.50	Not mortgaged
30.	295535000682 dated 13/11/1445H (corresponding to 21/05/2024G)	The Company	Plot No. 1309, located in Sulaymaniyah North District, Al Hofuf, Al Ahsa.	Not used	1,600	4,200,000(2)	Not mortgaged
31.	595535000684 dated 14/11/1445H (corresponding to 22/05/2024G)	The Company	Plot No. 1306, located in Sulaymaniyah North District, Al Hofuf, Al Ahsa.	Not used	1,600	4,200,000(2)	Not mortgaged
32.	695535000685 dated 14/11/1445H (corresponding to 22/05/2024G)	The Company	Plot No. 1303, located in Sulaymaniyah North District, Al Hofuf, Al Ahsa.	Not used	1,600	4,200,000(2)	Not mortgaged
Total					**110,219.95**	**256,923,640**	

(1) This property is mortgaged in favor of the Ministry of Finance under the Loan Agreement with the Ministry of Finance. For further information, please refer to Section 11.4.7(A) "**Loan Agreement with the Ministry of Finance**" of this Prospectus.

(2) The book value of this property has not been included in the Company's financial statements for the three-month period ended 31 March 2024G due to the Company's acquisition thereof after 31 March 2024G

Source: The Company

The Directors confirm that there is no other real estate owned by the Company other than as disclosed above.

11.6.2 Real Estate Leased by the Company

The Company has 44 leases as a lessee, primarily related to employee accommodation. The Company also has two leases as a lessee, mainly related to the establishment of a primary health care center, and one lease as a lessee, primarily related to the establishment of a warehouse for the Company. The following table shows the details of the real estate leased by the Company:

Table 11.14: Real Estate Leased by the Company

No.	Lessee	Lessor	Location	Effective Date of Lease	Lease Term
Employee Accommodation					
1.	The Company	Individual	Al Faisal District, Al Mubarraz, Al Ahsa	20/07/1445H (corresponding to 01/02/2024G), automatically renewable. The current term expires on 20/07/1446H (corresponding to 20/01/2025G).	1 year, automatically renewable
2.	The Company	Individual	Al Faisal District, Al Mubarraz, Al Ahsa	07/11/1445H (corresponding to 15/05/2024G), automatically renewable. The current term expires on 07/11/1446H (corresponding to 05/05/2025G).	1 year, automatically renewable
3.	The Company	Individual	Al Mubarraz, Al Ahsa	16/07/1445H (corresponding to 28/01/2024G) until 16/07/1448H (corresponding to 25/12/2026G).	3 years
4.	The Company	Company	Ali bin Abi Talib St., Al Hofuf, Al Ahsa	08/06/1444H (corresponding to 01/01/2023G), automatically renewable. The current term expires on 08/06/1446H (corresponding to 09/12/2024G).	2 years, automatically renewable
5.	The Company	Individual	Al Hofuf, Al Ahsa	08/09/1441H (corresponding to 01/05/2020G) until 08/08/1446H (corresponding to 07/02/2025G).	5 years
6.	The Company	Individual	Al Mubarraz, Al Ahsa	19/06/1445H (corresponding to 01/01/2024G) until 19/06/1448H (corresponding to 29/11/2026G).	3 years
7.	The Company	Individual	King Faisal Road, Al Rashidiya, Al Mubarraz, Al Ahsa	08/09/1445H (corresponding to 18/03/2024G) until 08/09/1446H (corresponding to 07/02/2025G).	1 year
8.	The Company	Individual	Al Faisal District, Al Ahsa	20/08/1445H (corresponding to 01/03/2024G) automatically renewable. The current term expires on 20/08/1446H (corresponding to 19/02/2025G).	1 year, automatically renewable
9.	The Company	Individual	Ibn Majah Road, Al Fateh, Al Mubarraz, Al Ahsa	01/07/1445H (corresponding to 13/01/2024G), automatically renewable. The current term expires on 01/07/1446H (corresponding to 01/01/2025G).	1 year, automatically renewable
10.	The Company	Individual	Al Khalid Road, Alhazm Al Junubi, Al Mubarraz, Al Ahsa	15/03/1446H (corresponding to 18/09/2024G), until 25/03/1447H (corresponding to 17/09/2025G).	1 year
11.	The Company	Company	Makkah Road, Al-Qadisiyah, Al Mubarraz, Al Ahsa	14/01/1445H (corresponding to 01/08/2023G), automatically renewable. The current term expires on 14/01/1446H (corresponding to 20/07/2024G).	1 year, automatically renewable
12.	The Company	Company	Makkah Road, Al-Qadisiyah, Al Mubarraz, Al Ahsa	17/05/1445H (corresponding to 01/12/2023G), automatically renewable. The current term expires on 17/05/1446H (corresponding to 19/11/2024G).	1 year, automatically renewable
13.	The Company	Company	Makkah Road, Al-Qadisiyah, Al Mubarraz, Al Ahsa	05/08/1445H (corresponding to 15/02/2024G), automatically renewable. The current term expires on 05/08/1446H (corresponding to 04/02/2025G).	1 year, automatically renewable
14.	The Company	Individual	King Faisal Road, Al Rashidiya, Al Mubarraz, Al Ahsa	16/12/1445H (corresponding to 22/06/2024G) until 25/12/1446H (corresponding to 21/06/2025G).	1 year
15.	The Company	Individual	Al Mubarraz, Al Ahsa	17/05/1442H (corresponding to 01/01/2021G), automatically renewable. The current period expires on 17/05/1446H (corresponding to 19/11/2024G).	4 years, automatically renewable

No.	Lessee	Lessor	Location	Effective Date of Lease	Lease Term
16.	The Company	Individual	Abdulrahman Al-Razi Road, Al Faisal District, Al Mubarraz, Al Ahsa	22/10/1445H (corresponding to 01/05/2024G) until 02/11/1446H (corresponding to 30/04/2025G).	1 year
17.	The Company	Company	Umair bin Auf Road, Al Salam II District, Al Mubarraz, Al Ahsa	02/03/1442H (corresponding to 19/10/2020G) until 02/03/1447H (corresponding to 25/08/2025G).	5 years
18.	The Company	Individual	Al Fateh, Al Mubarraz, Al Ahsa	05/12/1445H (corresponding to 11/06/2024G) until 14/12/1446H (corresponding to 10/06/2025G).	1 year
19.	The Company	Individual	Al Ahsa	19/06/1445H (corresponding to 01/01/2024G) until 19/06/1446H (corresponding to 20/12/2024G).	1 year
20.	The Company	Individual	Al Faisal District, Al Mubarraz, Al Ahsa	26/05/1445H (corresponding to 10/12/2023G), automatically renewable. The current term expires on 26/05/1446H (corresponding to 28/11/2024G).	1 year, automatically renewable
21.	The Company	Individual	Al Faisal District, Al Mubarraz, Al Ahsa	16/03/1445H (corresponding to 01/10/2023G), automatically renewable. The current term expires on 16/03/1446H (corresponding to 19/09/2024G).	1 year, automatically renewable
22.	The Company	Individual	Al Faisal District, Al Mubarraz, Al Ahsa	11/05/1445H (corresponding to 25/11/2023G), automatically renewable. The current term expires on 11/05/1446H (corresponding to 13/11/2024G).	1 year, automatically renewable
23.	The Company	Individual	Dhahran, Eastern Province	17/05/1445H (corresponding to 01/12/2023G), automatically renewable. The current term expires on 11/05/1446H (corresponding to 13/11/2024G).	1 year, automatically renewable
24.	The Company	Individual	Al Ahsa	18/05/1443H (corresponding to 22/12/2021G) until 18/05/1446H (corresponding to 22/12/2021G).	3 years
25.	The Company	Individual	Omar Ibn Abdulaziz Road, Al Rashidiya, Al Mubarraz, Al Ahsa	28/07/1443H (corresponding to 01/03/2022G) until 28/07/1448H (corresponding to 06/01/2027G).	5 years
26.	The Company	Individual	King Saud Road, Al Salam I District, Al Mubarraz, Al Ahsa	17/04/1445H (corresponding to 01/11/2023G) until 17/04/1446H (corresponding to 20/10/2024G).	1 year
27.	The Company	Individual	Ibn Shubrima Road, Mahasen Al Awwal, Al Mubarraz, Al Ahsa	19/06/1445H (corresponding to 01/01/2024G) until 19/06/1446H (corresponding to 20/12/2024G).	1 year
28.	The Company	Individual	Al Mubarraz, Al Ahsa	09/11/1441H (corresponding to 30/06/2020G), automatically renewable. The current term expires on 09/11/1442H (corresponding to 19/06/2021G).	1 year, automatically renewable
29.	The Company	Individual	Madina Road, Al Fateh, Al Mubarraz, Al Ahsa	17/05/1445H (corresponding to 01/12/2023G), automatically renewable. The current term expires on 17/05/1446H (corresponding to 19/11/2024G).	1 year, automatically renewable
30.	The Company	Individual	Dhahran Road, Al-Sharoufiya, Al Mubarraz, Al Ahsa	03/06/1445H (corresponding to 16/12/2023G) until 03/06/1446H (corresponding to 04/12/2024G).	1 year
31.	The Company	Individual	Dhahran Road, Al Ali Tower, Al Mubarraz, Al Ahsa	03/06/1445H (corresponding to 16/12/2023G) until 03/06/1446H (corresponding to 04/12/2024G).	1 year
32.	The Company	Individual	Khalid bin Al-Walid Road, Al Faisal District, Al Mubarraz, Al Ahsa	26/09/1444H (corresponding to 17/04/2023G), automatically renewable. The current term expires on 26/09/1445H (corresponding to 05/04/2024G).	1 year, automatically renewable
33.	The Company	Individual	Zafer Al-Azdi Road, Alhazm Al Shamali, Al Mubarraz, Al Ahsa	17/03/1445H (corresponding to 02/10/2023G), automatically renewable. The current term expires on 17/03/1446H (corresponding to 20/09/2024G).	1 year, automatically renewable

No.	Lessee	Lessor	Location	Effective Date of Lease	Lease Term
34.	The Company	Individual	Al Mubarraz, Al Ahsa	25/11/1445H (corresponding to 02/06/2024G), automatically renewable. The current term expires on 25/11/1446H (corresponding to 23/05/2025G).	1 year, automatically renewable
35.	The Company	Individual	Al Mubarraz, Al Ahsa	09/01/1446H (corresponding to 15/07/2024G) until 19/01/1447H (corresponding to 14/07/2025G).	1 year
36.	The Company	Individual	Al Mubarraz, Al Ahsa	11/02/1446H (corresponding to 15/08/2024G), automatically renewable. The current term expires on 11/02/1447H (corresponding to 05/08/2025G).	1 year, automatically renewable
37.	The Company	Individual	Al Mubarraz, Al Ahsa	06/05/1441H (corresponding to 01/01/2020G), automatically renewable. The current term expires on 06/05/1446H (corresponding to 08/11/2024G).	5 years, automatically renewable
38.	The Company	Individual	Al Hizam Al Zahabi, Al Mubarraz	16/02/1445H (corresponding to 01/09/2023G), automatically renewable. The current term expires on 16/02/1446H (corresponding to 20/08/2025G).	1 year, automatically renewable
39.	The Company	Individual	Al Mubarraz, Al Ahsa	02/06/1445H (corresponding to 15/12/2023G) until 02/06/1446H (corresponding to 03/12/2024G).	1 year
40.	The Company	Individual	Al Mubarraz, Al Ahsa	20/07/1445H (corresponding to 01/02/2024G) until 20/07/1446H (corresponding to 20/01/2025G).	1 year
41.	The Company	Individual	Al Mubarraz, Al Ahsa	22/09/1445H (corresponding to 01/04/2024G) until 02/10/1446H (corresponding to 31/03/2025G).	1 year
42.	The Company	Individual	Al Fateh, Eastern Province	16/08/1445H (corresponding to 26/02/2024G) until 16/08/1446H (corresponding to 15/02/2025G).	1 year
43.	The Company	Individual	Al Fateh, Eastern Province	23/08/1445H (corresponding to 04/03/2024G) until 23/08/1446H (corresponding to 22/02/2025G).	1 year
44.	The Company	Individual	Al Mubarraz, Al Ahsa	24/11/1445H (corresponding to 01/06/2024G) until 04/12/1446H (corresponding to 31/05/2025G).	1 year
Medical Centers					
1.	The Company	Individual	Al Fardous District, Al Hofuf	05/12/1446H (corresponding to 01/06/2025G) until 08/05/1461H (corresponding to 31/05/2039G)	14 years
2.	The Company	Individual	Al Buhaira District, Khobar	02/10/1446H (corresponding to 31/03/2025G) until 08/08/1470H (corresponding to 31/03/2050G)	25 years
Warehouse					
1.	The Company	Individual	Al Diwan District, Al Hofuf	26/01/1446H (corresponding to 01/08/2024G) until 16/05/1456H (corresponding to 01/08/2034G)	10 years

Source: The Company

11.6.3 Real Estate Leased from the Company

The Company has 10 lease Agreements as a lessor, having leased some of its properties for use as restaurants and commercial spaces by other parties. The following table shows the details of the properties leased from the Company:

Table 11.15: Real Estate Leased from the Company

No.	Lessee	Lessor	Location	Effective Date of Lease	Annual Lease Amount (SAR)	Lease Term
1.	Establishment	The Company	Al Madinah Al Munawwarah Rd, Al Ahsa	26/03/1443H (corresponding to 01/11/2021G) until 26/03/1448H (corresponding to 08/09/2026G).	220,000	5 years
2.	Establishment	The Company	Al Madinah Al Munawwarah Rd, Al Ahsa	19/06/1445H (corresponding to 01/01/2024G) until 30/06/1446H (corresponding to 31/12/2024G).	46,000	1 year
3.	Establishment	The Company	Al Madinah Al Munawwarah Rd, Al Ahsa	26/03/1443H (corresponding to 01/11/2021G) until 26/03/1448H (corresponding to 08/09/2026G).	100,000	5 years
4.	Establishment	The Company	Dhahran Street, Al Ahsa	19/06/1445H (corresponding to 01/01/2024G) until 19/06/1446H (corresponding to 20/12/2024G).	34,500	1 year
5.	Establishment	The Company	Dhahran Street, Al Ahsa	01/10/1444H (corresponding to 21/04/2023G) until 01/10/1447H (corresponding to 20/03/2026G).	115,000	3 years
6.	Establishment	The Company	King Abdullah Street, Al Mubarraz, Al Ahsa	25/12/1445H (corresponding to 01/07/2024G) until 25/12/1448H (corresponding to 31/05/2027G).	30,000	3 years
7.	Company	The Company	Al Moosa Specialist Hospital (Al Ahsa)	04/07/1444H (corresponding to 26/01/2023G), automatically renewable. The current term expires on 04/07/1445H (corresponding to 16/01/2024G).	9,000	1 year, automatically renewable
8.	Company	The Company	Al Mubarraz, Al Ahsa	02/08/1445H (corresponding to 12/02/2024G) until 02/08/1446H (corresponding to 01/02/2025G).	6,900	1 year
9.	Establishment	The Company	Al Moosa Specialist Hospital (Al Ahsa)	22/10/1445H (corresponding to 01/05/2024G) until 09/04/1447H (corresponding to 01/10/2025G).	85,166	1 year and 5 months
10.	Establishment	The Company	Al Moosa Rehabilitation Hospital (Al Ahsa)	20/06/1445H (corresponding to 02/01/2024G) until 24/07/1448H (corresponding to 02/01/2027G).	78,270	3 years
Total Lease Amount					**SAR 1,044,836**	

Source: The Company

11.7 Intangible Assets

11.7.1 Trademarks

The Company has registered one trademark in the Kingdom on which it relies in its business and the marketing of its services. The Company's inability to protect its trademark or the need to take legal action to protect it may materially and adversely affect its ability to use such trademark, which will affect its business and results of operations (for further information regarding the risks associated with the same, please refer to Section 2.1.16 "**Risks Related to Protection of the Company's Trademarks and Intellectual Property Rights**" of this Prospectus). The following table sets out the key details of the Company's registered trademark:

Table 11.16: Key Details of the Trademarks Registered by the Company

No.	Trademark	Country of Registration	Owner	Registration Number	Protection Start Date	Protection Expiration Date	Category
1.		The Kingdom	The Company	1445006922	20/02/1445H (corresponding to 05/09/2023G)	19/02/1455H (corresponding to 18/05/2033G)	44

Source: The Company

11.7.2 Artworks

The Company has registered one artwork in the Kingdom (for further information regarding the risks associated with the same, please refer to Section 2.1.16 "**Risks Related to Protection of the Company's Trademarks and Intellectual Property Rights**" of this Prospectus). The following table sets out the key details of the artwork registered by the Company:

Table 11.17: Key Details of the Artwork Registered by the Company

No.	Artwork	Country of Registration	Owner	Registration Number	Protection Start Date	Protection Expiration Date	Category
1.	The Company's Strategic Map	The Kingdom	The Company	23-12-6014489	15/06/1445H (corresponding to 28/12/2023G)	N/A	N/A

Source: The Company

11.8 Insurance

The Company maintains insurance policies that cover various types of risks associated with its business. The following table sets out the key details of the Company's insurance policies:

Table 11.18: Company Insurance Policies

No.	Type of Coverage	Insurer	Insured	Policy Number	Coverage Expiration Date	Insured Value/ Maximum Compensation (SAR)
1.	Property damage and business interruption insurance	Tawuniya	The Company	620510	17/06/1446H (corresponding to 18/12/2024G)	4,217,355,829
2.	Group medical insurance	Malath Cooperative Insurance Co.	The Company	9013669	20/11/1446H (corresponding to 18/05/2025G)	1,000,000 total annual maximum limit
3.	Medical malpractice insurance	Gulf Union Al Ahlia Cooperative Insurance Company	The Company	P/100/3507/22/000090	12/07/1446H (corresponding to 12/01/2025G)	160,700,000

No.	Type of Coverage	Insurer	Insured	Policy Number	Coverage Expiration Date	Insured Value/ Maximum Compensation (SAR)
4.	Compulsory car insurance	Allianz Saudi Fransi Cooperative Insurance Company	The Company	MFT/3962305	16/12/1446H (corresponding to 12/06/2025G)	Third party liability: 10,000,000 Personal accident insurance payout: 100,000 per person

Source: The Company

11.9 Lawsuits and Claims

11.9.1 Lawsuits and Claims Under Enforcement

The following table provides a summary of lawsuits and claims filed by or against the Company that are still pending in the Enforcement Court as of the date of this Prospectus.

Table 11.19: Summary of Lawsuits and Claims Filed by or Against the Company and Pending in the Enforcement Court as of the Date of this Prospectus

No.	Claimant	Defendant	Dispute Summary	Status	Claim Value (SAR)
Commercial Lawsuits Filed by the Company					
1.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	32,992
2.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	90,450
3.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	29,448
4.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	405,022
5.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	402,536
6.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	24,209
7.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	1,076
8.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	62,678
9.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	An amount of SAR 1,138.5 has been paid and the outstanding amount is SAR 20,680.5
10.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	139,911

No.	Claimant	Defendant	Dispute Summary	Status	Claim Value (SAR)
11.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	32,474
12.	The Company	Natural person	The Defendant rented one of the Company's plots and did not pay the required amount.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	170,000
13.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	225,188
14.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company and the Defendant was given time to pay.	51,540
15.	The Company	Natural person	The Defendant received treatment at the Company's hospital and did not pay the amount due.	The Court ruled in favor of the Company; however the Defendant does not have enough money to pay.	90,450
Total Commercial Lawsuits Filed by the Company					**SAR 1,778,655**
Labor Lawsuits Filed by the Company					
16.	The Company	Former employee	A claim in which the Company requests the Defendant to repay a salary advance that was granted to the Defendant but has not been repaid.	The Court ruled in favor of the Company but no payment has been made.	16,500
17.	The Company	Former employee	A claim in which the Company requests the Defendant to repay a salary advance that was granted to the Defendant but has not been repaid.	The Labor Court in Al Ahsa ruled in favor of the Company but no payment has been made.	10,000
18.	The Company	Former employee	A claim in which the Company requests that the Defendant pay for training expenses that the Defendant received but did not pay for.	The Labor Court in Al Ahsa ruled in favor of the Company but no payment has been made.	50,167
Total Labor Lawsuits Filed by the Company					**SAR 76,667**

Source: The Company

11.9.2 Ongoing Lawsuits and Legal Claims

The following table sets out a summary of the ongoing lawsuits and legal claims filed by or against the Company as of the date of this Prospectus.

Table 11.20: Summary of Ongoing Lawsuits and Legal Claims Filed by or Against the Company as of the Date of this Prospectus

No.	Plaintiff	Defendant	Dispute Summary	Status	Claim Value (SAR)
Financial and Administrative Lawsuits Filed by the Company					
1.	The Company	Establishment	The Defendant Company is claiming payment of the costs of treating its sponsored person.	The dispute is under review by the competent court.	162,334.30
Total Financial and Administrative Lawsuits Filed by the Company					**SAR 162,334.30**
Financial Lawsuits Filed Against the Company					
1.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	150,000
2.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	14,000
3.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	55,000
4.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	45,000
5.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The lawsuit was dismissed by the preliminary court, and is now with the appeals court.	200,000
6.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	500,000
7.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	30,000
8.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	1,500,000
9.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	50,000
10.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	400,000
11.	Individual	The Company	The Claimant is seeking compensation due to a medical error.	The dispute is under review by the competent court.	110,000
12.	Individual	The Company	The Claimant is seeking compensation of SAR 801,000 for the termination of an agreement, as well as litigation fees of SAR 81,000.	The dispute is under review by the competent court.	882,000
Total Financial Lawsuits Filed Against the Company					**SAR 3,936,000**
Labor Lawsuits Filed Against the Company					
1.	Natural person	The Company	The Claimant is seeking compensation for unpaid vacation days and overtime hours.	The dispute is under review by the competent court.	3,968
2.	Natural person	The Company	The Claimant is claiming compensation for end of service payment, allowance payment, raise payment and vacation payment.	The dispute is under review by the competent court.	147,557
Total Labor Lawsuits Filed Against the Company					**SAR 151,525**

Source: The Company

Except as disclosed above, the Directors declare that, as of the date of this Prospectus, the Company is not a party to any litigation, arbitration, administrative proceeding or investigation that, individually or in aggregate, would have a material adverse effect on its financial position and results of operations, nor are they aware of any threatened litigation or claims.

11.10 Zakat and Tax Status of the Company

The Company is subject to Zakat and tax requirements in the Kingdom. The Company has submitted Zakat and tax returns for the financial years up to 2023G and has paid the Zakat and tax dues within the required deadlines. The Company obtained the final Zakat assessments from ZATCA for all years until 2023G and also received a final Zakat certificate. However, there is a risk that ZATCA may revert to any year within the previous 5 years in the event that there is no Zakat assessment and ZATCA challenges the submitted returns, requiring the Company to pay additional Zakat amounts. Any differences in ZATCA's assessment of the Company's Zakat will negatively affect the Company's business, results of operations, financial position and prospects.

11.11 Description of Shareholder Rights

11.11.1 Voting Rights

Each Shareholder shall have one vote for each Share they represent in General Assembly meetings. Cumulative voting shall be used in the election of the Board of Directors.

11.11.2 Rights to Dividends

Shareholders shall be entitled to their share of the profits in accordance with the General Assembly resolution issued in this regard. Such resolution shall specify the due date and the date of distribution. Entitlement to dividends shall be for Shareholders registered in the Shareholder Register at the end of the maturity date.

11.11.3 Redemption or Repurchase Rights

Article 114 of the Companies Law allows a company to purchase, pledge or sell its own ordinary, preferred or redeemable shares in accordance with regulations established by the competent authority. Shares purchased by the Company do not have voting rights in Shareholder Assemblies. The Company may repurchase its Shares for the purpose of allocating them to its employees under an employee share scheme, in accordance with the regulations issued by the competent authority.

11.11.4 Rights to Surplus Assets upon Liquidation or Dissolution

Based on the provisions of Article 255 of the Companies Law, the surplus shall be distributed to the Shareholders in proportion to their shares in the share capital, unless otherwise stipulated in the Company's Bylaws.

11.11.5 Approvals Necessary to Amend Voting Rights

The Company's Bylaws should be amended to modify the voting rights and mechanism at the Company's General Assemblies. The Extraordinary General Assembly is authorized to amend the Bylaws in accordance with the provisions of Article 85 of the Companies Law. An Extraordinary General Assembly shall not be held unless Shareholders representing at least half of the share capital are present. If this quorum is not met at the first assembly, a second assembly shall be held one hour after the end of the time specified for the first assembly, provided that the invitation to the first assembly mentions the possibility of holding such a second assembly. If the first invitation does not include the possibility of holding a second assembly, an invitation shall be issued for a second assembly, which shall be held under the same conditions as those stipulated in Article 30 of the Company's Bylaws. In all cases, the second assembly shall be valid if attended by a number of Shareholders representing at least one quarter of the Company's voting shares.

12. Underwriting

The Selling Shareholder and the Company entered into an Underwriting Agreement with the Underwriters (Saudi Fransi Capital and EFG Hermes KSA) on 14/06/1446H (corresponding to 15/12/2024G) (hereinafter referred to as the "**Underwriting Agreement**"), pursuant to which the Underwriters agreed to underwrite the entire Offer Shares, consisting of 13,291,074 Shares, subject to certain terms and conditions set forth in the Underwriting Agreement:

12.1 Underwriters

Banque Saudi Fransi Capital
King Fahd Road
Al Olaya 8092
P.O. Box 23454, Riyadh 11426
Kingdom of Saudi Arabia
Phone: +966 11 2826666
Fax: +966 11 2826823
Website: www.bsfcapital.sa
Email: Almoosa.IPO@bsfcapital.sa

EFG Hermes KSA
Third Floor, Northern Tower, Sky Towers,
King Fahd Road, Al Olaya, Riyadh
P.O. Box 300189, Riyadh 11372
Kingdom of Saudi Arabia
Tel: +966 11 2938048
Fax: +966 11 2938032
Website: www.efghermesksa.com
Email: contact-ksa@efg-hermes.com

12.2 Summary of the Underwriting Agreement

In accordance with the terms and conditions of the Underwriting Agreement:

a. The Selling Shareholder and the Company undertake to the Underwriters to do the following on the first business day following the completion of the allocation of the Offer Shares after the expiration of the Offering Period:

    1. Sell and allocate the Offer Shares to Individual Subscribers or Participating Parties whose subscription applications were accepted according to the final allocation.
    2. Sell and allocate the Offer Shares not purchased by Individual Subscribers or Participating Parties in the Offering to the Underwriters.

The Underwriters undertake to the Selling Shareholder and the Company to purchase any Offer Shares not subscribed for by the Individual Subscribers or Participating Parties, as described below:

Table 12.1: Underwritten Shares

Underwriter	Number of Offer Shares Underwritten	Percentage of Offer Shares Underwritten
Saudi Fransi Capital	9,303,752	70%
EFG Hermes KSA	3,987,322	30%

Source: The Company

The Company undertakes to comply with all provisions of the Underwriting Agreement.

12.3 Underwriting Costs

The Selling Shareholder and the Company shall pay the Underwriters an underwriting fee based on the total value of the Offering, in addition to the expenses and costs of the Offering, on a pro-rata basis based on the number of shares sold.

13. Offering Expenses

The Selling Shareholder and the Company will bear all expenses and costs related to the Offering on a pro-rata basis according to the number of Offer Shares that will be sold or issued by each of them. The estimated expenses and costs related to the Offering are approximately SAR 52.4 million. These expenses include the fees of the Financial Advisor, the Underwriters, the Exchange, the Lead Manager, the Bookrunners, the Legal Advisors to the Company, the legal advisors to the Underwriters, the Auditor, the Market Consultant, the Financial Due Diligence Advisor, as well as the fees of the Receiving Agents, marketing, printing, distribution and translation costs and other related fees. The Offering expenses will be deducted from the Offering proceeds on a pro rata basis according to the number of New Shares and Sale Shares out of the total number of Offer Shares.

14. Post-listing Undertakings

Upon listing, the Company undertakes to:

- Notify the CMA of the date of the first General Assembly after listing, so that a representative thereof can attend.
- Submit transactions and contracts in which any of the Directors has a direct or indirect interest to the General Assembly for authorization (in accordance with the Companies Law, the Corporate Governance Regulations and the Implementing Regulations of the Companies Law), provided that the interested Director shall refrain from voting on the resolution issued in this regard by the Board of Directors and the General Assembly.
- Comply with all mandatory articles of the Corporate Governance Regulations immediately upon listing.
- Complete Form 8 related to compliance with the Corporate Governance Regulations. In the event that the Company does not comply with any of the requirements of the Corporate Governance Regulations, it shall be required to provide the relevant justifications for such non-compliance.
- Comply with the provisions of the Listing Rules with respect to the continuing obligations of the Company immediately upon listing.
- Convene a General Assembly to update the Company's Bylaws immediately after listing.

Accordingly, following the listing, the Directors undertake to:

- Record all resolutions and deliberations in the form of written minutes signed by the Chairman and Board Secretary.
- Disclose the details of any Related Party transactions as per the requirements of the Companies Law and the Corporate Governance Regulations.

15. Waivers

The Company has not applied to the CMA for any waivers from any regulatory requirements in connection with the Offering.

16. Subscription Terms and Conditions

An application for the registration and offering of securities has been submitted to the CMA and an application for listing of the Shares has been submitted to the Exchange in accordance with the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules. All Subscribers must carefully read the terms and conditions of the subscription before completing the Subscription Application Form. Signing and submitting the Subscription Application Form to any of the Receiving Agents or the Bookrunners shall be deemed as an acknowledgment of acceptance and agreement to the aforementioned subscription terms and conditions.

16.1 Subscription to the Offer Shares

The Offering consists of 13,291,074 ordinary Shares at an Offer Price of SAR (127) per Share, with a fully paid nominal value of SAR 10 per Share. On 08/05/1446H. (corresponding to 10/11/2024G), the Company and the Selling Shareholder obtained a binding undertaking to subscribe to two-million, nine-hundred and twenty-four thousand and thirty six (2,924,036) Shares representing 22% of the Offer Shares, from the Company for Cooperative Insurance (Tawuniya) and Alfozan Holding Company, pursuant to which the Company for Cooperative Insurance (Tawuniya) and Alfozan Holding Company committed to subscribe as Cornerstone Investors to one-million, eight-hundred and seventeen thousand and three-hundred and ninety-seven (1,817,397) Shares and one-million, one-hundred and six thousand and six-hundred and thirty-nine (1,106,639) Shares, each, respectively, of the Offer Shares (representing approximately 4.1% and 2.5%, respectively, of the Company's capital post-completion of the Offering) and the Company agreed to allocate the Cornerstone Investors' Shares to them as part of the Offering process. The Offer Shares account for 30% of the Company's share capital after the Offering. The total value of the Offering is SAR (1,687,966,398). The offering to Individual Subscribers and the subsequent listing of the Company's Shares are contingent upon the successful subscription of the Participating Parties for all Offer Shares. The Offering shall be canceled if it is not fully subscribed for during this period. The CMA may suspend the Offering after approval of this Prospectus and prior to the registration and admission of the Shares to listing on the Exchange in the event of a material change that could have a significant negative impact on the Company's operations.

The Offering is limited to two categories of investors:

Tranche (A): Participating Parties: This tranche includes the parties entitled to participate in the book building process as per the Book Building Instructions (for further details, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus). The number of Offer Shares that will initially be allocated to the Participating Parties is 13,291,074 Offer Shares, representing 100% of the total Offer Shares, 2,924,036 Offer Shares shall be allocated to the Cornerstone Investors, representing 22% of the total Offer Shares, and the allocation of 3,987,322 Shares to the Public Funds category representing 30% of the total number of Offer Shares. In the event that Individual Subscribers subscribe to all of Offer Shares allocated thereto, the Financial Advisor shall have the right, in coordination with the Company, to reduce the number of Offer Shares allocated to Participating Parties to a minimum of 10,632,860 Offer Shares, representing 80% of the total Offer Shares, provided that such reduction shall not apply to the Cornerstone Investors and the final allocation to them shall be 2,924,036 Offer Shares in all cases. The number of Shares allocated to public funds shall be reduced to a minimum of 3,189,858 Shares, representing 24% of the total Offer Shares after completion of the subscription process for Individual Subscribers. In furtherance to the above, 4,518,966 Shares of the Offer Shares shall be allocated to the remaining Participating Parties. The Financial Advisor, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Shares as deemed appropriate by the Financial Advisor in coordination with the Company.

Tranche (B): Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe to the Offer Shares for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution. A subscription for Shares made by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of 2,658,214 Offer Shares, representing 20% of the total Offer Shares, will be allocated to Individual Subscribers. If

Individual Subscribers do not subscribe for all the Shares allocated thereto, the Financial Advisor, in coordination with the Company, may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares to which they subscribed.

16.2 Offering Period

Two (2) days commencing on Monday, 22/06/1446H (corresponding to 23/12/2024G) until the end of Tuesday 23/06/1446H (corresponding to 24/12/2024G).

16.3 Subscription Method and Terms for Each Category of Subscribers

16.3.1 Book Building Process for Participating Parties

a. The price range will be determined during the book building process and will be made available to all Participating Parties by the Company's Financial Advisor. The Shares will be allocated by the Financial Advisor in coordination with the Company, using the discretionary allocation mechanism , provided that the final allocation to the Cornerstone Investors shall be 2,924,036 Offer Shares in all cases. It is possible that certain Participating Parties will not be allocated any Shares as deemed appropriate by the Financial Advisor in coordination with the Company.

b. Each of the Participating Parties must apply to participate in the book building process by filling out a Bid Form, which they can obtain from the Bookrunners. Participating Parties may modify or cancel their orders at any time during the book building process. Such modifications must be made by submitting a revised or appended Bid Form (as applicable) before the Offer Price is set prior to the start of the Offering Period. Each Participating Party must subscribe for a minimum of 50,000 Offer Shares and a maximum of 2,215,178 Offer Shares. In the case of public funds only, the maximum subscription amount is further limited to the specific cap set for each participating public fund as per the Book Building Instructions. The number of requested Shares must be allocable. The Bookrunners shall notify Participating Parties of the Offer Price and the provisional allocation of Offer Shares thereto, provided that the allocation to the Cornerstone Investors shall be 2,924,036 Offer Shares in all cases. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, in accordance with the terms and conditions detailed in the Subscription Application Forms.

c. All Participating Parties must submit genuine and allocable applications and refrain from submitting any non-genuine or inflated Subscription Application Forms with the intent of obtaining a greater allocation. Throughout the period from submission of the Bid Form until the final allocation, the Participating Parties must have the financial capacity to cover their respective bids, either through having the available cash or by making the necessary arrangements to cover the subscription value.

d. Once the book building process for Participating Parties is complete, the Financial Advisor will announce the subscription coverage ratio by Participating Parties.

e. The Financial Advisor and the Company shall have the authority to determine the Offer Price based on the forces of supply and demand, provided that it does not exceed the price specified in the Underwriting Agreement. The subscription price must be in accordance with the tick size applied by the Exchange.

16.3.2 Subscription by Individual Subscribers

Individual Subscribers must subscribe for a minimum of 10 Offer Shares and a maximum of 250,000 Offer Shares. Once submitted, Subscription Application Forms cannot be modified or withdrawn.

Individual Subscribers who wish to subscribe in the Offer Shares must submit an online subscription application through the websites and online platforms of the Receiving Agents which offer such service to subscribers, or through any other method offered by the Receiving Agents through which Individual Subscribers may subscribe in the Company's Shares during the Offering Period, provided that:

a. The Individual Subscribers have an investment account and an active portfolio with one of the Receiving Agents that offer such services.

b. There has been no change to the Individual Subscriber's information since their subscription in a recent initial public offering.

c. Individual Subscribers who are not Saudi nationals or citizens of GCC countries must have an investment account and an active portfolio with a Capital Market Institution that provide such service.

Individual Subscribers can obtain a copy of this Prospectus from the Company's website (www.almoosahealthgroup.org) or the CMA (www.cma.org.sa) or the Financial Advisor (www.BSFCapital.sa). Set out below are the Receiving Agents' details:

BSF Capital
King Saud Road - Al Moather District
P.O. Box 56006, Riyadh 11554
Kingdom of Saudi Arabia
Phone: +920000579966
Website: www.bsf.com.sa
Email: IPO_BSFC@BSFCapital.sa

Al Rajhi Capital Company
Headquarters, King Fahad Road, Almurooj District
P.O. Box 5561, Riyadh 12263
Kingdom of Saudi Arabia
Tel: +966 920005856
Fax: +966 11 4600625
E-mail: InvestmentBankingTeam@alrajhi-capital.com
Website: www.alrajhi-capital.com

SNB Capital Company
King Saud Road, SNB Regional Building
P.O. Box 22216, Riyadh 11495
Kingdom of Saudi Arabia
Tel: +966 920000232
Fax: +966 11 4060052
E-mail: Snbc.cm@alahlicapital.com
Website: www.alahlicapital.com

Riyad Capital Company
2414 – Al Shuhada District, Unit No. 69
Riyadh 13241-7279
Kingdom of Saudi Arabia
Tel: +966 9220012299
Fax: +966 11 4865908
E-mail: ask@riyadcapital.com
Website: www.riyadcapital.com

Al Bilad Investment Company
Riyadh – Olaya District
King Fahd Road – P.O. Box 140, Riyadh 11411
Kingdom of Saudi Arabia
Tel: +966 920003636
Fax: +966 11 2906299
E-mail: investmentbanking@albilad-capital.com
Website: www.albilad-capital.com

Al Jazira Financial Markets Company (Al Jazira Capital)
King Fahd Road - Al Rahmaniyah District
P.O. Box. 20438 Riyadh 11455
Kingdom of Saudi Arabia
Tel: +966 11 2256000
Fax: +966 11 2256182
Email: contactus@aljaziracapital.com.sa
Website: www.aljaziracapital.com.sa

Investment Securities and Brokerage Company
Riyadh, King Fahd Road
Kingdom of Saudi Arabia
P.O. Box 6888, Riyadh 11452
Phone: +966 11 2547666
Fax: +966 11 4896253
Email: WebEcare@icap.com.sa
Website: www.alistithmarcapital.com

Derayah Financial Company
Prestige Center - Third Floor, Altakhassusi Street
Riyadh, Kingdom of Saudi Arabia
Tel: +966 11 2998000
Fax: +966 11 4195498
Email: support@derayah.com
Website: www.derayah.com

Alinma Investment Company
Al Anoud Tower 2 – King Fahad Road – Riyadh
P.O. Box 55560
Riyadh 11554
Kingdom of Saudi Arabia
Tel: +966 11 2185999
Fax: +966 11 2185970
E-mail: info@alinmainvest.com.sa
Website: www.alinmainvestment.com.sa

Al-Arabi Capital Company (ANB Capital)
Al-Arabi Capital Company Building,
King Faisal Street,
P.O. Box 22209 Riyadh 11311
Kingdom of Saudi Arabia,
Tel: +966 11 406 2500
Fax: +966 11 406 2548
E-mail: investment.banking@anbcapital.com.sa
Website: www.anbcapital.com.sa

Yaqeen Capital Company (Yaqeen Capital)
Riyadh – Al Worood District – Al-Olaya Street
P.O. Box 884, Riyadh 11421
Kingdom of Saudi Arabia
Tel: +966 800 429 8888
Fax: +966 11 205 4827
Website: www.yaqeen.sa
E-mail: AddingValue@yaqeen.sa

Alkhabeer Capital Company
Madinah Street
P.O. Box 128289, Jeddah 21362
Kingdom of Saudi Arabia
Tel: +966 800 1247555
Email: info@alkhabeer.com
Website: www.alkhabeer.com

Al Awal Investment Company (SAB Invest)
Olaya Street, Kingdom of Saudi Arabia
P.O. Box 1467, Riyadh - 11431
Phone: 8001242442
Fax: +966 11 2169102
Email: customercare@sabinvest.com
Website: www.sabinvest.com

Sahm Capital Company (Sahm Capital)
King Abdullah Financial District, Tower 305,
Riyadh 13519, Kingdom of Saudi Arabia
Tel: +966 11 414 5260
E-mail: info@sahmcapital.com
Website: www.sahmcapital.com

Receiving Agents will begin accepting Subscription Application Forms from Monday, 22/06/1446H (corresponding to 23/12/2024G) until the end of Tuesday 23/06/1446H (corresponding to 24/12/2024G).

Individual Subscribers who wish to subscribe in the Offer Shares must submit an online subscription application through the websites and online platforms of the Receiving Agents which offer such service to subscribers, or through any other method offered by the Receiving Agents through which Individual Subscribers may subscribe in the Company's Shares during the Offering Period, and Individual Subscribers must specify the number of Shares they wish to subscribe for. The total subscription amount shall be the product of the number of Shares subscribed for multiplied by the Offer Price of (SAR 127) per Share.

Subscriptions of Individual Subscribers for less than 10 Shares or fractional Shares shall not be accepted. Any subscription for Shares above this amount must be in increments of this number. The maximum subscription limit is 250,000 Offer Shares.

The Individual Subscriber must fulfill and finalize all subscription requirements set out in this Prospectus, and accept all relevant terms and conditions. The Company and Lead Manager have the right to partially or fully refuse any subscription application where any of the subscription terms and conditions are not satisfied, or where the necessary instructions are not followed. No amendments to a Subscription Application Form may be implemented or withdrawn after it has been received without the Lead Manager's approval, given that upon its completion, the Subscription Application Form constitutes a binding legal agreement between the Company and the Individual Subscriber.

16.4 Allocation and Refunds

The Bookrunners, Lead Manager and the Receiving Agents shall open and manage an escrow account for the purpose of depositing and holding the subscription amounts collected from the Participating Parties and the Receiving Agents (on behalf of Individual Subscribers). Each Receiving Agent shall deposit the amounts collected from the Individual Subscribers into the aforementioned escrow account.

The Lead Manager or the Receiving Agents (as the case may be) will notify the Subscribers of the final number of Offer Shares allocated to each of them along with the amounts to be refunded. The excess subscription monies (if any) will be refunded to Subscribers without any commissions or deductions and will be deposited in the Subscriber's account specified in the Subscription Application Form. The final allocation shall be announced on Sunday, 28/06/1446H (corresponding to 29/12/2024G), and refund of excess subscription monies (if applicable) shall be announced no later than Thursday, 02/07/1446H (corresponding to 02/01/2025G).

16.4.1 Allocation of Offer Shares to Participating Parties

Provisionally, 13,291,074 Shares of the Offer Shares representing 100% of the total Offer Shares will be allocated, 2,924,036 Shares shall be allocated to the Cornerstone Investors, representing 22% of the total Offer Shares and 3,987,322 Shares will be allocated to the public funds category, representing 30% of the total number of Offer Shares. In the case that the Individual Investors subscribe to all of the Offer Shares allocated to the Individual Investors, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares allocated to the Participating Parties to a minimum of 10,632,860 Shares, representing 80% of the total Offer Shares, provided that this reduction shall not apply to the Cornerstone Investor and the final allocation for the Cornerstone Investors shall be 2,924,036 Offer Shares in all cases. The number of Shares allocated to public funds shall be reduced to a minimum of 3,189,858 Shares, representing 24% of the total Offer Shares after completion of the subscription process for Individual Subscribers. In furtherance to the above, 4,518,966 Shares of the Offer Shares shall be allocated to the remaining Participating Parties.The Financial Advisor, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Shares as deemed appropriate by the Financial Advisor in coordination with the Company.

16.4.2 Allocation of Offer Shares to Individual Subscribers

A maximum of 2,658,214 ordinary Offer Shares, representing 20% of the total Offer Shares, will be allocated to Individual Subscribers. It should be noted that the minimum allocation per Individual Subscriber is 10 Shares, while the maximum allocation per Individual Subscriber is 250,000 Shares. Any remaining Offer Shares (if any) will be allocated on a pro rata basis based on the ratio of each Subscriber's request to the total number of Shares requested for subscription. If the number of Individual Subscribers exceeds 265,821, the Company shall not guarantee the minimum allocation. In such case, the allocation will be determined as deemed appropriate by the Financial Advisor in coordination with the Company. Excess subscription monies, if any, will be refunded to the Individual Subscribers without any charge or commission being withheld by the Receiving Agents.

16.5 Circumstances in Which the Listing May be Suspended or Canceled

16.5.1 Power to Suspend or Cancel Listing

a. The CMA may suspend the trading of Shares or cancel their listing at any time as it deems appropriate, in any of the following cases:

1. If it deems it necessary for the protection of investors or the maintenance of an orderly market.
2. If the Company fails, in a manner which the CMA considers to be material, to comply with the Capital Market Law, its Implementing Regulations, or the Exchange Rules.
3. If the Company fails to pay any fees due to the CMA or the Exchange or any penalties due to the CMA on time.
4. If it deems that the Company, its business, the level of its operations or its assets are no longer suitable for continued listing on the Exchange.
5. In the event of an announcement of a reverse takeover that does not include sufficient information regarding the proposed transaction. If the Company announces sufficient information concerning the target entity, and the CMA is satisfied, after the Company's announcement, that sufficient information will be available to the public regarding the proposed reverse takeover transaction, the CMA may decide not to suspend trading at this stage.
6. When information regarding a proposed reverse takeover is leaked, the Company is unable to accurately assess its financial position and inform the Exchange accordingly.
7. Upon the filing of an application to initiate financial restructuring proceedings for the Company if its accumulated losses reach 50% or more of its share capital with the court in accordance with the Bankruptcy Law.
8. Upon the filing of an application to initiate liquidation proceedings or administrative liquidation proceedings for the Company with the court under the Bankruptcy Law.
9. Upon the issuance of a final ruling to terminate the financial reorganization proceedings and initiate administrative liquidation proceedings for the Company under the Bankruptcy Law.
10. Upon the issuance of a final ruling to initiate liquidation proceedings or administrative liquidation proceedings for the Company with the court under the Bankruptcy Law.

b. The Exchange shall suspend trading in the Company's securities in any of the following cases:

1. If the Company does not comply with the deadlines for the disclosure of its periodic financial information in accordance with the Rules on the Offer of Securities and Continuing Obligations, until the disclosure thereof.
2. If the Auditor's report on the financial statements of the Company contains an adverse opinion or a disclaimer of opinion, until the adverse opinion or disclaimer is removed.
3. If the liquidity requirements of Chapters 2 and 8 of the Listing Rules are not met within the time limit set by the Exchange for the Company to rectify its conditions, unless the CMA agrees otherwise.
4. If the Company's Extraordinary General Assembly issues a resolution to reduce its capital, for the two trading days following the issue date of the resolution.

c. The Exchange shall lift the suspension referred to in Subparagraphs 1 and 2 above after the lapse of one trading session following resolution of the matter that gave rise to the suspension. In the event that the over-the-counter trade of the Company's shares is allowed, the Exchange shall lift the suspension within a period of no more than 5 trading sessions after the resolution of the matter that gave rise to the suspension.

d. The Exchange may at any time propose to the CMA to suspend trading of any listed securities or cancel their listing if it deems it likely that any of the circumstances of Paragraph (a) above will occur.

e. The Company shall, in the event its securities have been suspended from trading, continue to comply with the Capital Market Law, its Implementing Regulations and the Exchange Rules.

f. In the event that the suspension of securities trading continues for 6 months with no appropriate procedure made by the Company to correct such suspension, the CMA may cancel the listing of the Company's securities.

g. Upon the Company's completion of a reverse takeover, the listing of the Company's shares shall be cancelled. If the Company wishes to re-list its shares, it shall submit a new application for listing in accordance with the Listing Rules and the requirements of the Rules on the Offer of Securities and Continuing Obligations.

h. The above paragraphs shall not prejudice the suspension of trading and cancellation of listing resulting from the Company's losses pursuant to the relevant Implementing Regulations and the Exchange Rules.

16.5.2 Voluntary Cancellation of Listing

a. Once its securities have been listed on the Exchange, the Company may not cancel the listing without the prior approval of the CMA. To obtain CMA's approval, the Company must submit a cancellation application to the CMA, along with a simultaneous notice to the Exchange. The application shall include the following information:

   5. Specific reasons for the cancellation request.
   6. A copy of the disclosure referred to in Paragraph (d) below.
   7. A copy of the relevant documentation and a copy of each related document sent to the Shareholders if the cancellation is to take place as a result of a takeover or any other action taken by the Company.
   8. The names and contact information of the Financial Advisor and Legal Advisor appointed in accordance with the Rules on the Offer of Securities and Continuing Obligations.

b. The CMA may, at its own discretion, approve or reject the cancellation request.

c. The Company must obtain the approval of the Extraordinary General Assembly for the cancellation of the listing after obtaining the CMA's approval.

d. Where cancellation is made at the Company's request, the Company shall disclose the same to the public as soon as possible. The disclosure shall include the reason for the cancellation, the nature of the event resulting in the cancellation and the extent of its impact on the Company's activities.

16.5.3 Temporary Trading Suspension

a. The Company may request that the Exchange temporarily suspend trading of its securities upon the occurrence of an event during trading hours which requires immediate disclosure under the Capital Market Law, its Implementing Regulations or the Exchange Rules, where the Company cannot maintain the confidentiality of this information until the end of the trading period. The Exchange shall suspend trading of the securities of the Company as soon as it receives such request.

b. When trading is temporarily suspended at the Company's request, the Company shall disclose to the public, as soon as possible, the reason for the suspension, the anticipated period thereof, the nature of the event resulting in the suspension and the extent of its impact on the Company's activities.

c. The CMA may impose a temporary trading suspension without a request from the Company when the CMA has information or there are circumstances that could affect the Company's activities which the CMA deems likely to interrupt the operation of the Exchange or jeopardize the protection of investors. The Company, in the event its securities are subject to temporary suspension of trading, shall continue to adhere to the Capital Market Law, its Implementing Regulations and the Exchange Rules.

d. The temporary suspension of trading shall be lifted at the end of the period specified in the disclosure referred to in Paragraph (b) above, unless the CMA or the Exchange decide otherwise.

e. The Exchange may propose that the CMA exercise its authority under Paragraph (c) above if it finds there is information or circumstances that may affect the Company's activities and that are likely to affect the operation of the Exchange or the protection of investors.

16.5.4 Lifting of Suspension

Lifting of trading suspension, as per Paragraph (a) of Section 16.5.1 "**Power to Suspend or Cancel Listing**" of this Prospectus, is subject to the following:

a. Adequate addressal of the conditions that led to the suspension and the lack of need to continue the suspension for the protection of investors.

b. Lifting of the suspension is unlikely to affect the normal activity of the Exchange.

c. The Company's compliance with any other conditions that the CMA may require.

If the suspension of securities trading continues for 6 months with no appropriate procedure made by the Company to correct such suspension, the CMA may cancel the listing of the Company's securities.

16.6 Approvals and Resolutions for the Offering

The resolutions and approvals under which the Offer Shares will be offered are as follows:

a. The resolution of the Company's Board of Directors recommending to the General Assembly to approve the public Offering of the Company's Shares, dated 14/10/1445H (corresponding to 23/04/2024G) as amended per the Company's Board of Directors resolution on 12/03/1446H (corresponding to 15/09/2024G).

b. The General Assembly's approval of the Offering, increase of the Company's share capital and public Offering of the New Shares, dated 16/10/1445H (corresponding to 25/04/2024G) amended per Extraordinary General Assembly Resolution on 12/03/1446H (corresponding to 15/09/2024G), as well as completion of the capital increase procedures with the Ministry of Commerce upon completion of the subscription and allocation.

c. The CMA's approval of the Offering, dated 27/03/1446H (corresponding to 30/09/2024G).

d. Saudi Tadawul Group's conditional approval for the listing, dated 19/03/1446HH (corresponding to 22/09/2024G).

16.7 Lock-up Period

The Substantial Shareholders referred to on page (xiii) of this Prospectus may not dispose of any of their Shares for a period of 6 months from the date on which trading of the Company's Shares commences on the Exchange. Following the Lock-up Period, the Substantial Shareholders may dispose of their Shares without prior CMA approval.

17. Subscription Undertakings

By completing the Subscription Application Form, each Subscriber:

a. agrees to subscribe for the number of the Company's Shares specified in the Subscription Application Form submitted by them;

b. acknowledges that they have read and carefully examined this Prospectus and understood all of its content;

c. accepts the Company's Bylaws and all Offering instructions and terms and conditions mentioned in this Prospectus and the Subscription Application Form, and subscribes for the Shares accordingly;

d. declares that neither themselves nor any of their family members included in the Subscription Application Form have previously subscribed for the Company's Shares and accepts that the Company has the right to reject any or all duplicate applications;

e. accepts the number of shares allocated thereto (up to the maximum amount subscribed for) in accordance with the Subscription Application Form; and

f. undertakes not to cancel or amend the Subscription Application Form after submitting it to the Lead Manager or the Receiving Agent.

The Lead Manager and the Receiving Agents will open and operate an escrow account for the purpose of depositing and holding the subscription amounts collected from the Participating Parties and the Receiving Agents (on behalf of the Individual Subscribers). Each Receiving Agent shall deposit the amounts collected from the Individual Subscribers into the aforementioned escrow account.

The Lead Manager or Receiving Agents (as the case may be) will notify Subscribers of the final number of Offer Shares allocated to each of them along with the amounts to be refunded. Excess subscription monies (if any) will be refunded to Subscribers without any commissions or deductions and will be deposited in the Subscriber's account specified in the Subscription Application Form. Announcement of the final allocation shall be on Sunday, 28/06/1446H (corresponding to 29/12/2024G), and refund of excess subscription monies (if any) shall be made no later than Thursday, 02/07/1446H (corresponding to 02/01/2025G). Subscribers should contact the Lead Manager or the branch of the Receiving Agent where they submitted their Subscription Application Form (as applicable) for any further information.

Provisionally, 3,987,322 Shares will be allocated to the public funds category, representing 30% of the total number of Offer Shares. It should be noted that if there is sufficient demand from Individual Investors for the Offer Shares, the Financial Advisor shall have the right to reduce the number of shares allocated to public funds to a minimum of 3,189,858 Shares, representing 24% of the total Offer Shares after completion of the subscription process for Individual Subscribers. The allocation of Offer Shares to Participating Parties shall be determined by the Financial Advisor, in coordination with the Company, using the discretionary allocation mechanism. This shall occur after the allocation of Offer Shares to Individual Subscribers is complete, provided that the number of Offer Shares provisionally allocated to the Participating Parties is not less than 10,632,860 ordinary shares, representing 80% of the Offer Shares.

A maximum of 2,658,214 ordinary Offer Shares, representing 20% of the total Offer Shares, will be allocated to Individual Subscribers. It should be noted that the minimum allocation per Individual Subscriber is 10 shares, while the maximum allocation per Individual Subscriber is 250,000 shares. Any remaining Offer Shares (if any) will be allocated on a pro rata basis based on the ratio of each Subscriber's request to the total number of Shares requested for subscription. If the number of Individual Subscribers exceeds 265,821, the Company shall not guarantee the minimum allocation. In such case, the allocation will be determined as deemed appropriate by the Financial Advisor in coordination with the Company. Excess subscription monies, if any, will be refunded to the Individual Subscribers without any charge or commission being withheld by the Receiving Agents.

17.1 Share Register and Dealing Arrangements

The Securities Depository Center (Edaa) maintains a register of Shareholders that contains their names, nationalities, residence addresses, occupations, the shares they own and the amounts paid for such shares.

17.2 Tadawul

In 1990G, full electronic trading of shares in the Kingdom was introduced. The Tadawul system was established in 2001G as the successor to the Electronic Securities Information System. Share trading occurs through the Tadawul system via a fully integrated trading system covering the entire trading process, from the execution of the trade transaction through settlement thereof. Trading occurs each business day between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday of each week, during which time orders are executed. Outside such hours, orders can be entered, amended or cancelled from 9:30 a.m. to 10:00 a.m. The said times are subject to change during the month of Ramadan, as announced by Tadawul. Transactions take place through the automatic matching of orders. Each order is accepted and its priority determined according to the price level. In general, market orders (orders placed with the best price) are executed first, followed by limit orders (orders placed with a limited price). If several orders are generated at the same price, they are executed according to the time of entry. The Tadawul system distributes a comprehensive range of information through various channels, most notably the Tadawul website and Tadawul Information Link, which provides market data in real time to information providers such as Reuters. Transactions are settled on a T+2 basis, meaning that the transfer of ownership of shares takes place within two working days after execution of the transaction.

Listed companies are required to disclose all material decisions and information to investors via Tadawul. Tadawul is responsible for the monitoring of the market as the operator of the mechanism through which the market functions in order to ensure fair and smooth trading in shares.

17.3 Securities Depository Center (Edaa)

The Securities Depository Center Company (Edaa) was established in 2016G as a closed joint-stock company wholly owned by the Saudi Tadawul Group Company (Tadawul) with a share capital of SAR 400,000,000, divided into 40,000,000 shares with a nominal value of SAR 10 per share, as a result of the CMA Board's approval of the request of Tadawul's board of directors to convert the Securities Depository Center into an independent joint-stock company in accordance with the Capital Market Law. The activities of Edaa are business related to depositing, registering, transferring, settling and clearing securities, as well as recording any ownership limitations on deposited securities. Edaa also deposits and manages the records of securities issuers, organizes the general assemblies of issuers, including remote voting services for such assemblies, submits reports, notices and information, in addition to providing any other service related to its activities that Edaa deems should be provided in accordance with the Capital Market Law and its Implementing Regulations.

17.4 Trading of the Company's Shares

It is expected that trading of the Company's shares will commence after the final allocation of such shares and Tadawul's announcement of the start date for trading of the Company's shares. Citizens and residents of the Kingdom who hold valid residence permits, citizens of GCC states, and Saudi and GCC companies, banks and investment funds will be permitted to trade in the Shares once they are traded on the Exchange. Moreover, Qualified Foreign Investors will be permitted to trade in the Shares in accordance with the Rules for Foreign Investment in Securities. Foreign Investors residing outside the Kingdom and institutions registered outside the Kingdom will also have the right to invest indirectly to acquire the economic benefits of the Shares by entering into swap agreements with Capital Market Institutions licensed by the CMA to acquire, hold and trade in the Shares listed on the Exchange on behalf of such non-GCC Foreign Investors. Capital Market Institutions shall be deemed the legal owners of the Shares under the swap agreements.

Furthermore, Shares can only be traded after allocated Offer Shares have been credited to Subscribers' accounts, the Company has been registered and its Shares listed on the Exchange. Pre-trading in Shares is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in connection with pre-trading activities.

17.5 Miscellaneous

The Subscription Application Form and all related terms, conditions and covenants thereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs. Neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto are delegated by any of the parties to the Subscription without the prior written approval of the other party.

These instructions, articles and the receipt of any Subscription Application Forms or related contracts are governed, construed and enforced in accordance with the laws of the Kingdom.

This Prospectus has been issued in Arabic and English. Only the Arabic Prospectus is approved by the CMA. In the event of any discrepancy between the Arabic and English texts, the Arabic text shall prevail.

It is expressly prohibited to distribute this Prospectus or sell the Offer Shares to any person in any country other than the Kingdom, with the exception of foreign financial institutions, provided that the regulations and directives regulating the same are taken into account. This Offering should not be construed as an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction where it is unlawful to do so. All recipients of this Prospectus shall review and adhere to all legal restrictions related to the Offering and sale of the Offer Shares.

Subject to requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus if, at any time after the publication date of this Prospectus and before the completion of the Offering, it becomes aware of: (a) a significant change in material information contained in the Prospectus or any document required by the Rules on the Offer of Securities and Continuing Obligations or the Listing Rules; or (b) the occurrence of additional significant matters that would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise amend any information related to the sector, market, or forward-looking statements contained in this Prospectus, whether as a result of new information, future events, or otherwise. As a result of the aforementioned and other risks, assumptions and uncertainties, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Accordingly, prospective investors must consider all future statements in light of these explanations and should not place undue reliance thereon.

18. Documents Available for Inspection

The following documents will be available for inspection at Company's head office, Dhahran Road, Al Khars District, P.O. Box 5098, Postal Code 31982, Al-Ahsa City, between 9:00 a.m. and 3:00 p.m. from Wednesday, 25/05/1446H (corresponding to 27/11/2024G) until the end of Tuesday 23/06/1446H (corresponding to 24/12/2024G) for a period of no less than twenty (20) days prior to the end of the Offering Period:

a. The CMA's approval of the Offering, dated 27/03/1446H (corresponding to 30/09/2024G).
b. Saudi Tadawul Group's conditional approval of the listing, dated 19/03/1446H (corresponding to 22/09/2024G).
c. The resolution of the Company's Board of Directors recommending to the General Assembly to approve the public Offering of the Shares, dated 14/10/1445H (corresponding to 23/04/2024G), as amended per the Company's Board of Directors resolution on 12/03/1446H (corresponding to 15/09/2024G).
d. The resolution of the Company's General Assembly approving the Offering and capital increase of the Company and the public Offering of the New Shares, dated 16/10/1445H (corresponding to 25/04/2024G) as amended per the Company's Extraordinary General Assembly resolution on 12/03/1446H (corresponding to 15/09/2024G).
e. The Company's Bylaws and the amendments thereto.
f. The Company's Articles of Association and the amendments thereto.
g. The Company's commercial registration certificate issued by the Ministry of Commerce.
h. The audited financial statements of the Company for the financial years ended 2021G, 2022G and 2023G prepared in accordance with the International Financial Reporting Standards (IFRS).
i. The special-purpose audited financial statements of the Company for the financial year ended 2021G prepared in accordance with the IFRS.
j. The Company's interim financial statements for the three-month period ended 31 March 2024G.
k. A document explaining the mechanism used to determine the price range for the book building process.
l. The Market Study prepared by the Market Consultant.
m. All reports, letters and other documents, value estimates and statements prepared by any expert as well as any part thereof included or referenced in this Prospectus.
n. The contracts and agreements disclosed in Section 11.4 "**Material Agreements**" and Section 11.5 "**Transactions and Contracts with Related Parties**" of this Prospectus.
o. Letters of consent from:

   1. The Financial Advisor and Lead Manager (Saudi Fransi Capital) for the inclusion of their name and logo in this Prospectus.
   2. The Bookrunners and Underwriters (Saudi Fransi Capital and EFG Hermes KSA) for the inclusion of their names and logos in this Prospectus.
   3. The Legal Advisor to the Company (Latham & Watkins LLP) for the inclusion of its name, logo and statement in this Prospectus.
   4. The Legal Advisor to the Financial Advisor, the Lead Manager, the Bookrunners and the Underwriters (Mohammed Al Dhabaan & Partners Legal Consultancy) for the inclusion of its name and logo in this Prospectus.
   5. The Financial Due Diligence Advisor (PricewaterhouseCoopers Public Accountants) for the inclusion of its name, logo and statements in this Prospectus.
   6. The Auditor (KPMG Professional Services Company) for the inclusion of its name, logo, statement and audit reports for the financial years ended 2021G, 2022G and 2023G and the three-month period ended 31 March 2024G in this Prospectus.
   7. The Market Consultant (PricewaterhouseCoopers Public Accountants) for the inclusion of its name, logo, and statements in this Prospectus.
   8. The Advisor to the Selling Shareholder (Moelis & Company Saudi Limited) for the inclusion of their name, logo, and statements in this Prospectus.

Cover Key Dates TOC Financial Statements

19. Financial Statements and Auditor's Report

This section contains the audited financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the interim financial statements for the three-month period ended 31 March 2024G and for the nine-month period ended 30 September 2024G, as well as the accompanying financial statements and notes thereto, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and have been audited by the Auditor.

ALMOOSA HEALTH COMPANY

(CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024G

WITH INDEPENDENT AUDITOR'S REVIEW REPORT

KPMG Professional Services
16th Floor, Al Barghash Tower
6189 Prince Turkey Road, Al Kurnaish
P.O. Box 4803
Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبر ٣٤٤١٢ - ٣١٤٦
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

To the Shareholders of Almoosa Health Company

Introduction

We have reviewed the accompanying 31 March 2024 condensed interim financial statements of **Almoosa Health Company** ("the Company") which comprises:

- the condensed statement of financial position as at 31 March 2024;
- the condensed statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2024;
- the condensed statement of changes in equity for the three-month period ended 31 March 2024;
- the condensed statement of cash flows for the three-month period ended 31 March 2024; and
- the notes to the condensed interim financial statements.

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

Scope of Review

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

KPMG

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

To the Shareholders of Almoosa Health Company (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2024 condensed interim financial statements of **Almoosa Health Company** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services

Lic No. 46
C.R. 2051062328
K : 1

____
Mohammed Najeeb Alkhlaiwi
License no. 481

Al Khobar,
Date: 13 Dhual-Qa'dah 1445H
Corresponding to: 21 May 2024G

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

ASSETS	Note	31 March 2024G	31 December 2023G
		(Unaudited)	(Audited)
Non-current assets			
Property and equipment	3	**1,753,985,651**	1,743,602,369
Intangible assets		**3,711,307**	4,125,851
Right-of-use assets		**4,767,779**	5,974,214
Equity-accounted investee	4	**8,088,280**	-
Total non-current assets		**1,770,553,017**	1,753,702,434
Current assets			
Inventories		**65,267,754**	59,374,202
Accounts receivable	5	**462,036,396**	446,538,649
Advances, prepayments and other current assets		**34,577,530**	26,344,374
Cash and cash equivalents		**8,210,558**	15,838,943
Total current assets		**570,092,238**	548,096,168
Total assets		**2,340,645,255**	2,301,798,602
EQUITY AND LIABILITIES			
Equity			
Share capital	6	**350,000,000**	1,000,000
Proposed share capital		**-**	349,000,000
Statutory reserve		**-**	300,000
Retained earnings		**292,817,985**	305,703,471
Total equity		**642,817,985**	656,003,471
Liabilities			
Non-current liabilities			
Long term loans	7	**1,035,812,264**	1,054,952,824
Lease liabilities		**2,243,222**	2,196,080
Employees' benefits		**106,682,985**	100,975,886
Total non-current liabilities		**1,144,738,471**	1,158,124,790
Current liabilities			
Accounts payable		**220,235,527**	210,721,926
Accruals and other current liabilities		**45,504,223**	44,014,223
Derivative financial instruments		**267,434**	270,572
Refund liabilities	9.1	**77,060,097**	67,741,431
Long term loans – current portion	7	**110,601,252**	93,101,923
Short term borrowings		**90,000,000**	65,000,000
Lease liabilities – current portion		**3,190,000**	3,190,000
Zakat payable	8	**6,230,266**	3,630,266
Total current liabilities		**553,088,799**	487,670,341
Total liabilities		**1,697,827,270**	1,645,795,131
Total equity and liabilities		**2,340,645,255**	2,301,798,602

These condensed interim financial statements were authorized for issue by the Board of Directors and signed on its behalf by:

Malek Al Moosa	**Shailesh Chander**
(Group Chief Executive Officer)	(Group Chief Financial Officer)

The accompanying notes 1 to 17 on pages 5 to 14 form an integral part of these condensed interim financial statements.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

	Note	31 March 2024G	31 March 2023G
		(Unaudited)	(Unaudited)
Revenue	9	**277,157,190**	232,664,215
Cost of revenues		**(198,612,967)**	(162,860,555)
Gross profit		**78,544,223**	69,803,660
Other income		**2,864,792**	2,986,333
Selling and distribution expenses		**(5,953,020)**	(4,213,090)
General and administrative expenses		**(40,605,409)**	(37,034,734)
Provision for impairment loss on accounts receivable		**(1,344,029)**	(869,012)
Gain on derivative financial instruments		**3,138**	2,918,264
Operating profit		**33,509,695**	33,591,421
Finance cost		**(17,471,258)**	(6,593,989)
Share of profit of equity-accounted investee		**288,280**	-
Profit before zakat		**16,326,717**	26,997,432
Zakat expense		**(2,600,000)**	(907,567)
Profit for the year		**13,726,717**	26,089,865
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period			
Re-measurement gain on employees' benefits		**-**	-
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**13,726,717**	26,089,865
Earnings per share:			
Basic and diluted earnings per share	11	**0.39**	0.75

The accompanying notes 1 to 17 on pages 5 to 14 form an integral part of these condensed interim financial statements.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

	Share capital	Proposed share capital	Statutory reserve	Contribution from a shareholder	Retained earnings	Total
Balance at 1 January 2023G (Audited)	1,000,000	-	300,000	395,743,221	251,099,208	648,142,429
Total comprehensive income for the year						
Profit for the period	-	-	-	-	26,089,865	26,089,865
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	26,089,865	26,089,865
Balance at 31 March 2023G (Unaudited)	1,000,000	-	300,000	395,743,221	277,189,073	674,232,294
Balance at 1 January 2024G (Audited)	**1,000,000**	**349,000,000**	**300,000**	**-**	**305,703,471**	**656,003,471**
Total comprehensive income for the period						
Profit for the period	**-**	**-**	**-**	**-**	**13,726,717**	**13,726,717**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**13,726,717**	**13,726,717**
Other adjustments						
Transfer of proposed capital	**349,000,000**	**(349,000,000)**	**-**	**-**	**-**	**-**
Transfer of statutory reserve	**-**	**-**	**(300,000)**	**-**	**300,000**	**-**
Dividend (note 13)	**-**	**-**	**-**	**-**	**(26,912,203)**	**(26,912,203)**
Balance as on 31 March 2024G (Unaudited)	**350,000,000**	**-**	**-**	**-**	**292,817,985**	**642,817,985**

The accompanying notes 1 to 17 on pages 5 to 14 form an integral part of these condensed interim financial statements.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

	Note	31 March 2024G	31 March 2023G
		(Unaudited)	(Unaudited)
Cash flows from operating activities:			
Profit before zakat		**16,326,717**	26,997,432
Adjustments for:			
Depreciation on property and equipment	3	**18,195,137**	13,912,691
Amortization on intangibles		**629,301**	346,148
Depreciation on right-of-use assets		**1,206,435**	1,527,618
Gain on disposal of property and equipment		**(42,500)**	-
Property and equipment / intangibles write-off		**-**	2,265,141
Interest expense on long term loans		**22,037,363**	15,145,371
Impact of unwinding on interest free loan from government		**255,750**	549,756
Amortization of transaction cost		**63,532**	63,529
Interest expenses on lease liability		**47,142**	104,984
Employees' defined benefit expense		**7,256,276**	4,758,772
Changes in fair value of derivative financial instruments		**(3,138)**	(2,918,264)
Provision / (reversal) for doubtful debts	5	**1,344,029**	869,012
Doubtful debts written off	5	**(2,663,803)**	-
Share of profit of equity-accounted investees		**(288,280)**	-
Borrowing cost capitalized		**(5,099,085)**	(9,607,118)
		59,264,876	54,015,072
Changes in:			
Accounts receivable		**(14,177,974)**	(94,628,348)
Inventories		**(5,893,552)**	(6,034,395)
Advances, prepayments and other current assets		**(8,233,156)**	(29,915,203)
Accounts payable		**9,513,601**	32,506,716
Accruals and other current liabilities		**1,490,000**	561,439
Refund liabilities		**9,318,666**	6,815,626
Cash generated from / (used in) operations		**51,282,461**	(36,679,093)
Interest paid		**(22,087,140)**	(15,640,499)
Zakat paid	8	**-**	(4,586,090)
Employees benefits paid		**(1,549,177)**	(2,074,182)
Net cash from / (used in) operating activities		**27,646,144**	(58,979,864)
Cash flows from investing activities:			
Additions to property and equipment	3	**(54,190,939)**	(91,397,490)
Additions to intangible assets		**(214,757)**	(36,357)
Proceeds from disposal of property and equipment		**50,531**	-
Due from a shareholder		**-**	(12,169)
Net cash used in investing activities		**(54,355,165)**	(91,446,016)
Cash flows from financing activities:			
Proceeds from loans and borrowings		**35,589,265**	301,910,735
Repayment of loans and borrowings		**(12,500,000)**	(6,250,000)
Dividend paid	13	**(4,008,629)**	-
Net cash generated from financing activities		**19,080,636**	295,660,735
Increase / (decrease) in cash and cash equivalents		**(7,628,385)**	145,234,855
Cash and cash equivalents at beginning of the period		**15,838,943**	15,239,745
Cash and cash equivalents at end of the period		**8,210,558**	160,474,600
Non-cash transactions:			
Dividend in kind	13	**22,903,574**	-

The accompanying notes 1 to 17 on pages 5 to 14 form an integral part of these condensed interim financial statement

1. GENERAL INFORMATION

Almoosa Health Company (the "Company") (formerly "Almoosa Specialist Hospital Company") is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2252022248 dated 6 Shaban 1435H (4 June 2014).

The Company was previously registered as a Branch of a sole proprietorship formed in the Kingdom of Saudi Arabia registered under commercial registration number 2252012962 dated 6 Ramadan 1414H (17 February 1994). Abdulaziz AlMoosa Establishment was a sole proprietorship owned by Mr. Abdulaziz AlMoosa registered under commercial registration number 2252023498 dated 14 Jum'ada II 1409H (22 January 1989) in Al-Ahsa, Kingdom of Saudi Arabia. On 6 Shaban 1435 (4 June 2014), the name and commercial registration number of the Branch was changed to Almoosa Specialist Hospital Company and 2252022248 respectively.

In 2018, the legal status of the Company was changed from a Branch to a Limited Liability Company and the related ministerial approval on the conversion was obtained on 10 Shawwal, 1439H (24 June 2018). In 2020, the shareholders of the Company resolved to convert the Company from a Limited Liability Company to a Closed Joint Stock Company. The shareholder passed the resolution to convert the legal entity from single member limited liability company into closed joint stock company dated 14 Safar 1442H (1 October 2020).

The principal activities of the Company are to act as a private healthcare provider, storing medical items and selling medicine, cosmetics and disposable medical items. The Company's registered office is in Al-Ahsa, Kingdom of Saudi Arabia.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Companies Law and will amend its By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended By-Laws to the shareholders/partners in their Extraordinary/Annual General Assembly meeting for their ratification.

The condensed interim financial statements of the Company include activities and results of the following branches having commercial registrations, also assets and liabilities of these are included in these condensed interim financial statements:

Branch Name	Commercial Registration No.	Registration Date	Location
AlMoosa Medical Pharmacy	2252023498	9 Sha'aban 1415H -10 January 1995G	Al-Ahsa
Abdul Aziz AlMoosa Drug Store	2252053792	22 Ramadan 1434H -30 July 2013G	Al-Ahsa
Almoosa Hospital Medical Consumables Warehouse	2252069957	28 Rabia'l Thani 1439H - 15 January 2018G	Al-Ahsa
Almoosa Specialist Hospital Company	2051241163	13 Ramadan 1443 H - 14 April 2022G	Al-Ahsa
Almoosa Gym	2031112804	5 Safar 1445 H - 21-Aug-2023G	Al-Ahsa
Almoosa for rehabilitation and LTC	2031110416	04 Safar 1444 H - 31 August 2022G	Al-Ahsa
The Leaf Kitchen	2252106494	8 Shawal 1443 H - 9 May 2022G	Al-Ahsa

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS Accounting Standards") as endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2023 ("Last Annual Financial Statements"). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.2 Basis of preparation

These condensed interim financial statements have been prepared on a historical cost basis except for derivative financial instruments which are measured at fair value and employees' end-of-service benefits obligation which is measured at the present value of the obligations as explained in the relevant accounting policy.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Saudi Riyals (SR) which is the Company's functional currency. All financial information presented in these condensed interim financial statements have been rounded off to the nearest Saudi Riyals, unless otherwise stated.

2.4 Use of judgements and estimates

In preparing these condensed 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 Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2.5 Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2023.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.6 New standards, amendments and interpretations

New and revised standards with no material effect on the condensed interim financial statements:

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16) effective for annual periods beginning on or after 1 January 2024.
- Non-current Liabilities with Covenants (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7), effective for annual periods beginning on or after 1 January 2024.

However, these amendments did not have an impact on the condensed interim financial statement of the Company.

New and revised standards issued but not yet effective:

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

Lack of exchangeability (Amendments to IAS 21), effective for annual periods beginning on or after 1 January 2025.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The above-mentioned standards are not expected to have a significant impact on the condensed interim financial statements of the Company.

3. PROPERTY AND EQUIPMENT

3.1 The movement of property and equipment is as follows:

	31 March 2024G	31 December 2023G
	(Unaudited)	(Audited)
Carrying value at the beginning of the period / year	**1,743,602,369**	1,409,134,827
Additions	**59,290,024**	415,241,803
Disposals, net of accumulated depreciation	**(22,911,605)**	(22,741,617)
Depreciation for the period / year	**(18,195,137)**	(58,032,644)
Transfer to equity-accounted investees	**(7,800,000)**	-
Carrying value at the end of the period / year	**1,753,985,651**	1,743,602,369

The title deed of land for South Tower is in name of Mr. Abdulaziz Al Moosa (a shareholder) for which beneficial ownership is fully transferred to the Company. The Company is in process of transferring the title deed of this land. However, the shareholder has waived off the ownership rights over the property in favour of the Company and has confirmed that the risks and rewards pertaining to the asset have been transferred to the Company.

3.2 Construction work-in-progress

The carrying value in note 3.1 includes construction work-in-progress amounting to SR 248.55 million (31 December 2023: SR 325.40 million). It represents costs incurred to construct new hospitals and expansion of existing hospitals, which is currently in work-in-progress.

3.3 Borrowing costs

The additions in property, plant and equipment includes borrowing costs of various long-term loans capitalized amounting to SR. 5.10 million (31 December 2023: SR. 51.65 million).

4. EQUITY-ACCOUNTED INVESTEE

The investment in equity-accounted investee represents a 25% ownership in Oryx Isotopes Company ("the associate"), a Limited Liability Company registered on 13/1/1442H corresponding to 1 September 2020G in Dammam, Kingdom of Saudi Arabia with a share capital of SR 500,000. The principal activities of the Company are manufacturing of pharmaceuticals for human use and the production of radioactive isotopes.

5. ACCOUNTS RECEIVABLE

	31 March 2024G	31 December 2023G
	(Unaudited)	(Audited)
Accounts receivable – trade	**463,504,390**	449,276,428
Less: allowance for expected credit losses	**(5,388,579)**	(6,708,353)
	458,115,811	442,568,075
Due from related parties	**3,920,585**	3,970,574
	462,036,396	446,538,649

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

	31 March 2024G	31 December 2023G
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	**6,708,353**	2,778,266
Allowance for expected credit losses during the period / year	**1,344,029**	3,930,087
Doubtful debts written off during the period / year	**(2,663,803)**	-
Balance at the end of the period / year	**5,388,579**	6,708,353

6. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company is divided into 35 million shares (31 December 2023: 100,000 shares) of SR 10 each.

The Company's board of directors recommended in its meeting held on 14 September 2023 to increase share capital by way of issuance of 34.9 million new shares (SR 10 per share) which was approved by the shareholders of the Company in an Extra Ordinary General Meeting held on 24 December 2023. The share capital increase was proposed by way of capitalization of SR 349 million from contribution from a shareholder. The proposed increase of share capital was approved by the Ministry of Commerce on 10 January 2024.

Pursuant to shareholder's resolution dated 14 February 2024, the shareholder of the Company Abdulaziz Abdullah Al Moosa transferred 1,750,000 of his shares in the Company with total nominal value of SR 17,500,000 to Abdulaziz Abdullah Al Moosa Charity Company.

Further, pursuant to share transfer resolutions issued by each of the shareholders dated 26 March 2024, the shareholders of the company transferred all of their shares in the Company amounting to 33,250,000 shares to Abdulaziz Abdullah Al Moosa Investment Company, in exchange of obtaining shares in Abdulaziz Abdullah Al Moosa Investment Company. The updated shareholding of the Company was issued on 31 March 2024.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

6. SHARE CAPITAL (Continued)

The details of the shareholders of the Company along with their shareholding are as under:

Name	Ownership percentage	No. of shares	SR	Ownership percentage	No. of shares	SR
	31 March 2024 (Unaudited)			31 December 2023 (Audited)		
Abdulaziz bin Abdullah Al Moosa Investment Company	95%	33,250,000	332,500,000	-	-	-
Abdulaziz Almoosa Charity Company	5%	1,750,000	17,500,000	-	-	-
Abdulaziz Abdullah AlMoosa	-	-	-	80%	80,000	800,000
Habiba Abdulrahman AlMoosa	-	-	-	2.5%	2,500	25,000
Mohammad Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
Sara Abdulaziz AlMoosa	-	-	-	1.25%	1,250	12,500
Zainab Abdulaziz AlMoosa	-	-	-	1.25%	1,250	12,500
Omaima Abdulaziz AlMoosa	-	-	-	1.25%	1,250	12,500
Malik Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
Yaser Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
Lama Abdulaziz AlMoosa	-	-	-	1.25%	1,250	12,500
Yousef Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
Ahmed Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
	100%	35,000,000	350,000,000	100%	100,000	1,000,000

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024
(Expressed in Saudi Riyals, unless otherwise stated)

7. LONG TERM LOANS

	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Current		
Loans from commercial banks	**100,000,000**	82,450,893
Loans from Ministry of Finance	**2,843,067**	2,843,067
Accrued interest expense	**7,758,185**	7,807,963
	110,601,252	93,101,923
Non- current		
Loans from commercial banks	**1,024,500,000**	1,043,959,840
Loans from Ministry of Finance	**14,215,331**	14,215,330
Less: deferred income on loan from MoF	**(2,217,132)**	(2,472,882)
Less: amortization of transaction cost	**(685,935)**	(749,464)
	1,035,812,264	1,054,952,824

Loans from Commercial Banks

The Company obtained loan facilities from various local commercial banks. These loans are secured by personal guarantees of Mr. Abdulaziz AlMoosa, Mr. Malik Abdulaziz AlMoosa and Malek Al-Moosa and mortgage of various parcels of land. These facilities are subject to commission rates based on Saudi Arabia Interbank Offered Rate “SIBOR” plus an agreed margin.

Loans from Ministry of Finance

In 2010, the Company entered into a loan agreement for SR 42.6 million with Ministry of Finance to finance the construction of hospital building. The loan is repayable in equal annual instalments of SR 2.8 million each which commenced from 2015 and will continue up to 2030. The loan provided is interest free and is secured by mortgage of a parcel of land which is in the name of Mr. Abdulaziz AlMoosa.

The Company is required to comply with certain covenants under the loan facility agreements mentioned above. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. As of 31 March 2024, the necessary waivers in relation to non-compliance of loan covenants have been obtained by the Company from banks before year end, wherever applicable, and accordingly these loans were not reclassified to current liabilities.

Following are the combined aggregate amounts of future maturities representing principal amounts of the term loans as at:

	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Within one year	**102,843,067**	85,293,962
Later than one year but not later than five years	**837,745,552**	837,761,358
Later than five years	**200,969,779**	220,413,810
	1,141,558,398	1,143,469,130

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024
(Expressed in Saudi Riyals, unless otherwise stated)

8. ZAKAT

The movement in zakat provision is:

	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	**3,630,266**	4,586,090
Charge for the period / year	**2,600,000**	3,630,266
Paid during the period / year	**-**	(4,586,090)
Balance at the end of the period / year	**6,230,266**	3,630,266

The Company has submitted its zakat returns up to year 2023 and has obtained the required certificates and official receipts, however, all returns since inception are still under ZATCA review.

9. REVENUE

The Company primarily generates revenue from contract with customers from:

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

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by service lines and timing of revenue recognition.

	31 March 2024	31 March 2023
	(Unaudited)	(Unaudited)
Revenue by service lines		
Medical services	**198,178,338**	188,335,410
Pharmaceuticals	**58,673,965**	44,328,805
Rehabilitation	**20,304,887**	-
	277,157,190	232,664,215
Timing of revenue recognition		
Medical services and pharmaceuticals sales transferred at a point in time	**125,731,751**	107,635,328
Medical services transferred over time	**151,425,439**	125,028,887
	277,157,190	232,664,215

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Saudi Riyals, unless otherwise stated)

9. REVENUE (Continued)

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

	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
Refund liability (note 9.1)	**77,060,097**	67,741,431

9.1 Refund liability

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

10. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's ultimate controlling person (Abdulaziz Abdullah AlMoosa), other shareholders, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Terms and conditions of these transactions are approved by the Company's management.

The following are the nature and transactions with the related parties during the period and its related balances as at end of the year.

Nature of transaction	Relationship	For the three-month period ended 31 March	
		2024	2023
Dividend to shareholders	Shareholders	**26,912,203**	-
Expenses paid	Under common ownership of the Company's shareholder	**205,724**	1,575,738
Purchase of goods		**269,215**	500,000

10. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

A. Due from / (due to) related parties

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

	31 March 2024	31 December 2023
	(Unaudited)	(Audited)
AlMoosa Automatic Doors Factory	**3,920,585**	3,724,769
AlMoosa College of Health Sciences	**-**	245,805
	3,920,585	3,970,574
AlMoosa College of Health Sciences	**(13,502)**	-

Amounts due from / (due to) related parties principally include balances related to above mentioned transactions and are included within accounts receivable and accounts payable in the statement of financial position. Prices and terms of payments for the above transactions are approved by the management. Due from related parties is unsecured in nature and bears no interest. There is no provision held against amount due from related parties.

B. Compensation to key management personnel

Key management includes the Board of Directors (executive and non-executive) and all members of Company's management. The compensation paid or payable to key management for employee services is shown below:

	Three-month period ended 31 March 2024G	Three-month period ended 31 March 2023G
	(Unaudited)	(Unaudited)
Short-term benefits	**2,645,933**	2,414,100
Termination benefits	**161,763**	152,263
	2,807,696	2,566,363

11. EARNINGS PER SHARE

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

	Three-month period ended 31 March 2024	Three-month period ended 31 March 2023
	(Unaudited)	(Unaudited)
Profit for the period attributable to the shareholders of the Company	**13,726,717**	26,089,865
Weighted average number of outstanding shares during the period	**35,000,000**	35,000,000
Basic and diluted earnings per share	**0.39**	0.75

12. CONTINGENT LIABILITIES AND COMMITMENTS

Letter of Guarantees

As of 31 March 2024, the Company's bankers have given letter of guarantees, on behalf of the Company, amounting to SR 10.93 million (31 December 2023: SR 10.93 million) mainly in respect of performance guarantees to customers and others.

Letter of Credits

As of 31 March 2024, the Company's bankers have given letter of credits, on behalf of the Company, amounting to SR 8.97 million (31 December 2023: SR 17.80 million).

Capital commitments

As of 31 March 2024, the Company's capital commitments amounted to SR 71.11 million (31 December 2023: SR 106.28 million) relating to certain expansion projects.

13. DIVIDENDS

During the period, shareholders of the Company have distributed dividend in kind amounting to SR 22.90 million (2023: SR 93.50 million) by transferring the non-operational lands of the Company to the shareholders. In addition, the Company has distributed a cash dividend to the shareholders of the Company amounting to SR 4.01 million (2023: Nil).

14. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

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

Fair values hierarchy

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

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

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

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

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

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

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024
(Expressed in Saudi Riyals, unless otherwise stated)

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

Accounting classifications and fair values

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

Particulars	31 March 2024	31 December 2023
	Carrying value (Amortized cost)	Carrying value (Amortized cost)
	(Unaudited)	(Audited)
Financial assets not measured at fair value		
Cash and cash equivalent	**8,210,558**	15,838,943
Accounts receivable	**467,424,975**	453,247,002
Other current assets	**999,902**	963,053
Total	**476,635,435**	470,048,998

Particulars	31 March 2024	31 December 2023
	Carrying value (Amortized cost)	Carrying value (Amortized cost)
	(Unaudited)	(Audited)
Financial liabilities measured at fair value		
Derivative financial instruments	**267,434**	270,572
Financial liabilities not measured at fair value		
Long term loans	**1,141,558,398**	1,143,469,130
Short term borrowings	**90,000,000**	65,000,000
Lease liabilities	**5,433,222**	5,386,080
Accounts payable	**220,235,527**	210,721,926
Other current liabilities	**24,960,897**	21,301,643
Total financial liabilities not measured at fair value	**1,482,188,044**	1,445,878,779
Total financial liabilities	**1,482,455,478**	1,446,149,351

Accounting classifications and fair values (continued)

As at the reporting date all financial assets and financial liabilities, except for derivative financial instruments, are measured at amortized cost. The carrying value of the financial assets and financial liabilities of the Company approximate their fair value.

Risk management activities

The Company's financial risk management objectives and policies are consistent with those disclosed in the last annual financial statements as at and for the year ended 31 December 2023.

15. SEGMENT REPORTING

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenue or incur expenses. An operating segments operating results are reviewed regularly by the chief executive officer of the Company to make the decision about the resources allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to board of directors includes items directly attributable to a segment as well as those that can be allocated on reasonable basis. The business segments are engaged in providing product or services which are subject to risks and rewards which differ from the risk and rewards of the other segment. Segments reported are Hospital, Pharmacy and Rehabilitation.

	Medical Services	Pharmaceuticals	Rehabilitation	Total
For the period ended 31 March 2024				
Revenue from contract with customers	**198,178,338**	**58,673,965**	**20,304,887**	**277,157,190**
Gross profit	**59,747,598**	**13,996,229**	**4,800,396**	**78,544,223**
Unallocated income / (expenses)				
Selling and marketing expenses				**(5,953,020)**
General and administrative expenses				**(40,605,409)**
Provision for impairment loss on accounts receivable				**(1,344,029)**
Gain on derivative financial instruments				**3,138**
Other income				**2,864,792**
Finance cost				**(17,471,258)**
Share of profit from equity-accounted investee				**288,280**
Profit before zakat				**16,326,717**
Zakat expense for the period				**(2,600,000)**
Profit for the period				**13,726,717**
For the period ended 31 March 2023				
Revenue from contract with customers	188,335,410	44,328,805	-	232,664,215
Gross profit	58,386,988	11,416,672	-	69,803,660
Unallocated income / (expenses)				
Selling and marketing expenses				(4,213,090)
General and administration expenses				(37,034,734)
Impairment loss on accounts receivable				(869,012)
Gain on derivative financial instruments				2,918,264
Other income				2,986,333
Finance cost				(6,593,989)
Profit before zakat				26,997,432
Zakat expense for the period				(907,567)
Profit for the period				26,089,865
As at 31 March 2024				
Segment assets	**1,540,860,172**	**28,591,683**	**771,179,899**	**2,340,631,754**
Segment liabilities	**1,592,968,910**	**51,214,113**	**53,630,746**	**1,697,813,769**

15. SEGMENT REPORTING (Continued)

As at 31 December 2023				
Segment assets	2,276,706,768	25,091,834	-	2,301,798,602
Segment liabilities	1,600,843,545	44,951,586	-	1,645,795,131

All of the Company's operating assets and principal activities are located in the Kingdom of Saudi Arabia.

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

16. SUBSEQUENT EVENTS

Subsequent to the period end, the shareholders of the Company in their extraordinary general meeting dated 25 April 2024, approved the increase of Company's capital from SAR 350,000,000 to SAR 443,035,800 divided into 44,303,580 shares of equal nominal value of SR. 10 each, by way of an offering of 9,303,580 new shares to the public. The proposed capital increase is subject to the approval of the relevant authorities.

No significant other events have occurred from the date of these condensed interim financial statements to the date of approval of these condensed interim financial statements, that would require adjustments or disclosure in these condensed interim financial statements of the Company.

17. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements have been approved on behalf of Board of Directors on 11 Dhu'l-Qi'dah 1445H, corresponding to 19 May 2024G.

ALMOOSA HEALTH COMPANY

(CLOSED JOINT STOCK COMPANY)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024G

WITH INDEPENDENT AUDITOR'S REVIEW REPORT

KPMG Professional Services
16th Floor, Al Barghash Tower
6189 Prince Turki Road, Al Corniche
P.O. Box 4803
Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبر ٣٤٤١٢ - ٣١٤٦
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

To the Shareholders of Almoosa Health Company

Introduction

We have reviewed the accompanying 30 September 2024 condensed interim financial statements of **Almoosa Health Company** ("the Company") which comprises:

- the condensed statement of financial position as at 30 September 2024;
- the condensed statement of profit or loss and other comprehensive income for the three and nine-month periods ended 30 September 2024;
- the condensed statement of changes in equity for the nine-month period ended 30 September 2024;
- the condensed statement of cash flows for the nine-month period ended 30 September 2024; and
- the notes to the condensed interim financial statements.

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

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed 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.

KPMG

Independent auditor's report on review of condensed interim financial statements (Continued)

To the Shareholders of Almoosa Health Company

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 condensed interim financial statements of **Almoosa Health Company** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services

Lic No. 46
C.R. 2051062328
K : 1

Mohammed Najeeb Alkhlaiwi
License no. 481

Al Khobar,
Date: 20 Rabi Al-Akhar 1446H
Corresponding to: 23 October 2024G

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

	Note	30 September 2024G	31 December 2023G
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property and equipment	3	**1,839,920,253**	1,743,602,369
Intangible assets	4	**8,808,882**	4,125,851
Right-of-use asset	5.1	**3,082,862**	5,974,214
Equity-accounted investee	6	**8,382,585**	-
Total non-current assets		**1,860,194,582**	1,753,702,434
Current assets			
Inventories		**72,551,615**	59,374,202
Accounts receivable	7	**405,784,731**	446,538,649
Advances, prepayments and other current assets	8	**36,599,680**	26,344,374
Cash and cash equivalents		**33,781,074**	15,838,943
Total current assets		**548,717,100**	548,096,168
Total assets		**2,408,911,682**	2,301,798,602
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**350,000,000**	1,000,000
Proposed share capital	9	**-**	349,000,000
Statutory reserve	9.1	**-**	300,000
Retained earnings		**311,970,309**	305,703,471
Total equity		**661,970,309**	656,003,471
Liabilities			
Non-current liabilities			
Long term loans	10	**1,069,893,493**	1,054,952,824
Employees' benefits		**111,857,461**	100,975,886
Lease liabilities	5.2	**-**	2,196,080
Total non-current liabilities		**1,181,750,954**	1,158,124,790

These condensed interim financial statements were authorized for issue by the Board of Directors and approved by:

Malek Al Moosa	**Shailesh Chander**
(Chief Executive Officer	(Chief Financial Officer)

The accompanying notes 1 through 21 on pages 5 to 17 form an integral part of these condensed interim financial statements

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

	Note	30 September 2024G	31 December 2023G
		(Unaudited)	(Audited)
Current liabilities			
Accounts payable		**233,887,521**	210,721,926
Accruals and other current liabilities		**46,191,343**	44,014,223
Derivative financial instruments	11	**4,747,019**	270,572
Refund liabilities	13.1	**63,992,468**	67,741,431
Lease liabilities – current portion	5.2	**1,189,311**	3,190,000
Long term loans – current portion	10	**145,555,018**	93,101,923
Short term borrowings		**65,000,000**	65,000,000
Zakat payable	12	**4,627,739**	3,630,266
Total current liabilities		**565,190,419**	487,670,341
Total liabilities		**1,746,941,373**	1,645,795,131
Total equity and liabilities		**2,408,911,682**	2,301,798,602

These condensed interim financial statements were authorized for issue by the Board of Directors and approved by:

Malek Al Moosa	**Shailesh Chander**
(Chief Executive Officer	(Chief Financial Officer)

The accompanying notes 1 through 21 on pages 5 to 17 form an integral part of these condensed interim financial statements.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

		For the three-month period ended		For the nine-month period ended	
	Note	30 September 2024G	30 September 2023G	30 September 2024G	30 September 2023G
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	13	**308,476,906**	243,039,885	**870,225,784**	706,166,567
Cost of revenue		**(210,411,331)**	(177,185,447)	**(618,449,988)**	(502,198,377)
Gross profit		**98,065,575**	65,854,438	**251,775,796**	203,968,190
Selling and marketing expenses		**(3,950,381)**	(1,280,960)	**(17,233,661)**	(8,091,354)
General and administration expenses		**(45,839,661)**	(32,583,567)	**(132,272,365)**	(107,017,712)
Provision for impairment loss on accounts receivable		**(852,458)**	(1,034,074)	**(3,302,649)**	(2,777,441)
Other income		**4,088,291**	3,083,524	**9,766,178**	9,454,272
Operating profit		**51,511,366**	34,039,361	**108,733,299**	95,535,955
Finance cost		**(23,043,060)**	(3,984,474)	**(64,686,523)**	(15,274,662)
Share of profit of equity-accounted investee		**276,891**	-	**582,585**	-
Profit before zakat		**28,745,197**	30,054,887	**44,629,361**	80,261,293
Zakat expense for the period	12	**(817,594)**	(481,345)	**(4,235,188)**	(2,296,478)
Profit for the period		**27,927,603**	29,573,542	**40,394,173**	77,964,815
Other comprehensive income					
Items that will not be reclassified to the condensed statement of profit or loss in subsequent periods:					
Re-measurement of defined benefit obligations		**946,660**	(963,564)	**2,484,868**	2,974,859
Other comprehensive income / (loss) for the period		**946,660**	(963,564)	**2,484,868**	2,974,859
Total comprehensive income for the period		**28,874,263**	28,609,978	**42,879,041**	80,939,674
Earnings per share:					
Basic and diluted earnings per share	15	**0.82**	0.82	**1.15**	2.23

The accompanying notes 1 through 21 on pages 5 to 17 form an integral part of these condensed interim financial statements.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

	Share capital	Proposed share capital	Statutory reserve	Contribution from a shareholder	Retained earnings	Total
Balance at 1 January 2023G (Audited)	1,000,000	-	300,000	395,743,221	251,099,208	648,142,429
Total comprehensive income for the period						
Profit for the period	-	-	-	-	77,964,815	77,964,815
Other comprehensive income for the period	-	-	-	-	2,974,859	2,974,859
Total comprehensive income for the period	-	-	-	-	80,939,674	80,939,674
As at 30 September 2023G (Unaudited)	1,000,000	-	300,000	395,743,221	332,038,882	729,082,103
As at 1 January 2024G (Audited)	**1,000,000**	**349,000,000**	**300,000**	**-**	**305,703,471**	**656,003,471**
Total comprehensive income for the period						
Profit for the period	**-**	**-**	**-**	**-**	**40,394,173**	**40,394,173**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**2,484,868**	**2,484,868**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**42,879,041**	**42,879,041**
Other adjustments						
Transfer of proposed capital (Note 9)	**349,000,000**	**(349,000,000)**	**-**	**-**	**-**	**-**
Transfer of statutory reserve (Note 9.1)	**-**	**-**	**(300,000)**	**-**	**300,000**	**-**
Dividends (Note 17)	**-**	**-**	**-**	**-**	**(36,912,203)**	**(36,912,203)**
As at 30 September 2024G (Unaudited)	**350,000,000**	**-**	**-**	**-**	**311,970,309**	**661,970,309**

The accompanying notes 1 through 21 on pages 5 to 17 form an integral part of these condensed interim financial statements.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(Expressed in Saudi Riyals, unless otherwise stated)

	Note	For the nine-month period ended 30 September	
		2024G	2023G
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Profit before zakat for the period		**44,629,361**	80,261,293
Adjustment for:			
Depreciation of property and equipment	3	**55,600,285**	42,565,684
Depreciation of right-of-use asset	5.1	**2,891,352**	4,582,853
Amortization of intangible assets	4	**1,544,704**	1,183,862
Impact of unwinding on loan from ministry of finance	10	**767,250**	1,649,266
Amortization of transaction cost	10	**92,992**	923,697
Interest expenses on lease liability	5.2	**110,218**	280,871
Share of result of equity-accounted investee	6	**(582,585)**	-
Provision for employees' benefits		**18,032,719**	16,699,735
Finance cost		**64,576,305**	14,993,791
Provision for doubtful debts	7	**3,302,649**	2,777,441
Loss on disposal of property and equipment		**35,185**	-
		191,000,435	165,918,493
Changes in:			
Accounts receivable		**37,451,269**	(170,567,604)
Advances, prepayments, and other current assets		**(10,255,306)**	(10,588,760)
Inventories		**(13,177,413)**	(7,598,851)
Accounts payable		**23,165,595**	23,710,937
Accruals and other current liabilities		**2,177,120**	4,202,741
Refund liability		**(3,748,963)**	22,415,059
Cash generated from operating activities		**226,612,737**	27,492,015
Employees' benefits paid		**(4,666,276)**	(5,632,720)
Finance cost paid		**(75,162,779)**	(10,510,705)
Zakat paid	12	**(3,237,715)**	(4,540,995)
Net cash generated from operating activities		**143,545,967**	6,807,595

The accompanying notes 1 through 21 on pages 5 to 17 form an integral part of these condensed interim financial statements.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
CONDENSED STATEMENT OF CASH FLOWS (Continued)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024
(Expressed in Saudi Riyals, unless otherwise stated)

	Note	For the nine-month period ended 30 September	
		2024G	2023G
		(Unaudited)	(Unaudited)
Cash flows from investing activities			
Purchase of property and equipment		**(166,306,683)**	(351,157,128)
Purchase of intangible assets		**(6,227,735)**	(8,679,795)
Due from shareholder		**-**	(955,514)
Net cash used in investing activities		**(172,534,418)**	(360,792,437)
Cash flows from financing activities:			
Proceeds from loans and borrowings		**130,589,265**	487,910,735
Repayment of loans and borrowings		**(65,343,067)**	(99,436,134)
Lease payments	5.2	**(4,306,987)**	(6,272,500)
Dividend paid		**(14,008,629)**	-
Net cash from financing activities		**46,930,582**	382,202,101
Increase in cash and cash equivalents		**17,942,131**	28,217,259
Cash and cash equivalents at beginning of the period		**15,838,943**	15,239,745
		33,781,074	43,457,004
Non-cash transactions:			
Dividend in kind		**22,903,574**	-
Investment in associates		**(7,800,000)**	-

The accompanying notes 1 through 21 on pages 5 to 17 form an integral part of these condensed interim financial statements

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

1. ORGANIZATION AND ACTIVITIES

Almoosa Health Company (the "Company") (formerly "Almoosa Specialist Hospital Company") is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2252022248 dated 6 Shaban 1435H (4 June 2014). The principal activities of the Company are to act as a private healthcare provider, storing medical items and selling medicine, cosmetics and disposable medical items. The Company's registered office is in Al-Ahsa, Kingdom of Saudi Arabia.

The shareholders of the Company in their extraordinary general meeting have passed a resolution on 16 Shawwal 1445H (corresponding to 25 April 2024G) for the increase of Company's capital from SR 350 million to SR 443.04 million divided into 44.30 million shares of equal nominal value of SR. 10 each, by way of an offering of 9.30 million new shares to the public after the approval of the Capital Market Authority and the Saudi Stock Exchange ("Tadawul"), in accordance with the rules and procedures stipulated in the Capital Market Law ("CMA") and the Executive Regulations issued by the CMA. The Company is currently in the process of filing the application with the CMA and listing of the Company's shares on Tadawul is expected during 2024G.

The condensed interim financial statements of the Company include activities and results of the following branches having commercial registrations, also assets and liabilities of these are included in these condensed interim financial statements:

Branch Name	Commercial Registration No.	Registration Date	Location
AlMoosa Medical Pharmacy	2252023498	9 Sha'aban 1415H -10 January 1995	Al-Ahsa
Abdul Aziz AlMoosa Drug Store	2252053792	22 Ramadan 1434H -30 July 2013	Al-Ahsa
Almoosa Hospital Medical Consumables Warehouse	2252069957	28 Rabia'l Thani 1439H - 15 January 2018G	Al-Ahsa
Almoosa Specialist Hospital Company	2051241163	13 Ramadan 1443 H - 14 April 2022G	Al-Ahsa
Almoosa Gym	2031112804	5 Safar 1445 H - 21-August-2023G	Al-Ahsa
Almoosa for rehabilitation and LTC	2031110416	04 Safar 1444 H - 31 August 2022G	Al-Ahsa
The Leaf Kitchen	2252106494	8 Shawal 1443 H - 9 May 2022G	Al-Ahsa

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") in line with the listing of Company's shares on Tadawul and accordingly included certain disclosures for segments reporting and earnings per share to serve such purpose.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2023G ("Last Annual Financial Statements"). However, changes in accounting policies, if any and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. The results of the nine-month period ended might not be the indicator of full year results of the Company.

2.2 Basis of preparation

These condensed interim financial statements have been prepared on a historical cost basis except for derivative financial instruments which are measured at fair value and employees' end-of-service benefits obligation which is measured at the present value of the obligations as explained in the relevant accounting policy.

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

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

In preparing these condensed 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 Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2.5 Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company’s financial statements as at and for the year ended 31 December 2023G apart from the IPO cost policy mentioned below. A number of amendments to existing standards, as detailed in note 2.6 below, became effective from 1 January 2024G but they do not have a material effect on the condensed interim financial statements of the Company. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.5 (i) IPO Cost

IPO costs are the costs which are incremental and directly related to the sales of shares and listing of the shares in the financial market. These include but not Limited to underwriting fee, sales commission and valuation costs, trading fees, CMA fees, certified public accountants’ fees, advertising costs, costs of legal advice and other costs.

IPO costs directly attributable to the existing shareholders selling their shares to the public (equity transaction) are deducted from Equity when the selling shareholders agree to bear such costs. IPO costs that are directly attributable to listing of existing shares in the financial market, if any, are recognized as an expense in the period when they are incurred. Reimbursement from shareholders for expenses pertaining to listing of existing shares in the financial market shall be treated as a separate transaction and shall be recognized in equity.

IPO costs directly attributable to the issuance of new shares (equity transaction) are deducted from Equity. IPO costs that are directly attributable to the listing of new shares in the financial market, if any, are recognized as an expense in the period when they are incurred.

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

2.6 New standards and amendments to existing standards

New and amended standards adopted by the Company

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

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1, effective for annual periods beginning on or after 1 January 2024G;
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16, effective for annual periods beginning on or after 1 January 2024G;
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7, effective for annual periods beginning on or after 1 January 2024G;

Amendments to existing standards issued but not yet effective

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

- Lack of Exchangeability – Amendments to IAS 21, effective for annual periods beginning on or after 1 January 2025G;
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 'Financial Instruments' and lFRS 7 'Financial Instruments: Disclosures', effective for annual periods beginning on or after 01 January 2026G.
- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027G;
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures', effective for annual periods beginning on or after 01 January 2027G.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28, effective date deferred indefinitely.

The Company is in the process of accessing the impact of above-mentioned standards that are not yet effective.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

3. PROPERTY AND EQUIPMENT

3.1 The movement of property and equipment is as follows:

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Carrying value at the beginning of the period / year	**1,743,602,369**	1,409,134,827
Additions during the period / year	**182,656,928**	415,241,803
Disposals, net of accumulated depreciation	**(22,938,759)**	(22,741,617)
Depreciation for the period / year	**(55,600,285)**	(58,032,644)
Transferred to equity accounted investee	**(7,800,000)**	-
Carrying value at the end of the period / year	**1,839,920,253**	1,743,602,369

The title deed of land for South Tower is in name of Mr. Abdulaziz Al Moosa (the ultimate controlling person) for which beneficial ownership is fully transferred to the Company. The Company is in process of transferring the title deed of this land. However, the ultimate controlling person has waived off the ownership rights over the property in favour of the Company and has confirmed that the risks and rewards pertaining to the asset have been transferred to the Company. The cost of the land as at 30 September 2024G amounts to nil (31 December 2023G: nil).

3.2 Construction work-in-progress

The carrying value in note 3.1 includes construction work-in-progress amounting to SR 340.25 million (31 December 2023G: SR 325.40 million). It represents costs incurred to construct new hospitals and expansion of existing hospitals, which is currently in work-in-progress.

3.3 Borrowing costs

The additions in property and equipment includes borrowing costs of various long-term loans capitalized amounting to SR 16.35 million which is capitalized for the average carrying amount of the qualifying assets for the period (31 December 2023G: SR. 51.65 million). The overall finance cost of the Company for the period has increased as compared to 30 September 2023G as the major portion of the construction work-in-progress has been transferred to property and equipment and resultantly the finance cost is charged to the condensed statement of profit or loss and other comprehensive income for the period.

4. INTANGIBLE ASSETS

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Carrying value at the beginning of the period / year	**4,125,851**	6,213,112
Additions	**6,227,735**	2,164,035
Written off during the period / year	**-**	(2,265,141)
Amortization for the period / year	**(1,544,704)**	(1,986,155)
Carrying value at the end of the period / year	**8,808,882**	4,125,851

5. LEASES

The Company leases buildings and apartment rooms for its employees. The leases typically run for a period of 3 to 6 years.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

5. LEASES (CONTINUED)

5.1 RIGHT OF USE ASSET

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Carrying value at the beginning of the period / year	**5,974,214**	12,042,213
Depreciation for the period / year	**(2,891,352)**	(6,067,999)
Carrying value at the end of the period / year	**3,082,862**	5,974,214

5.2 LEASE LIABILITIES

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	**5,386,080**	11,445,294
Interest charged for the period / year	**110,218**	325,786
Payments during the period / year	**(4,306,987)**	(6,385,000)
Balance at the end of the period / year	**1,189,311**	5,386,080

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Non-current portion	**-**	2,196,080
Current portion	**1,189,311**	3,190,000
Balance at the end of the period / year	**1,189,311**	5,386,080

6. EQUITY-ACCOUNTED INVESTEE

The investment in equity-accounted investee represents a 25% ownership in Oryx Isotopes Company ("the associate"), a Limited Liability Company registered on 13/1/1442H corresponding to 1 September 2020G in Dammam, Kingdom of Saudi Arabia with a share capital of SR 500,000. The principal activities of the Company are manufacturing of pharmaceuticals for human use and the production of radioactive isotopes. The Company has recognized share of profit for the nine months period ended 30 September 2023G of SR 0.58 million (2022G: nil).

7. ACCOUNTS RECEIVABLE

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Accounts receivable – trade	**411,414,081**	449,276,428
Less: allowance for expected credit losses	**(5,629,350)**	(6,708,353)
	405,784,731	442,568,075
Due from related parties	**-**	3,970,574
	405,784,731	446,538,649

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

7. ACCOUNTS RECEIVABLE (CONTINUED)

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

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	**6,708,353**	2,778,266
Allowance for expected credit losses during the period / year	**3,302,649**	3,930,087
Reversal of expected credit losses during the period / year	**(4,381,652)**	-
Balance at the end of the period / year	**5,629,350**	6,708,353

8. ADVANCES, PREPEAYMENTS AND OTHER CURRENT ASSETS

As of 30 September 2024G, advances, prepayments and other current assets include prepaid Initial Public Offering (“IPO”) cost amounting to SR 9.6 million. The shareholders of the Company have agreed to bear the IPO cost pertaining to the sale of their existing shares.

9. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company is divided into 35 million shares (31 December 2023G: 100,000 shares) of SR 10 each.

The Company’s board of directors recommended in its meeting held on 14 September 2023G to increase share capital by way of issuance of 34.9 million new shares (SR 10 per share) which was approved by the shareholders of the Company in an Extra Ordinary General Meeting held on 24 December 2023G. The share capital increase was proposed by way of transferring of SR 349 million from contribution from a shareholder to proposed share capital. The proposed increase of share capital was approved by the Ministry of Commerce on 10 January 2024G.

Pursuant to shareholder’s resolution dated 14 February 2024G, the shareholder of the Company Abdulaziz Abdullah Al Moosa transferred 1.75 million of his shares in the Company with total nominal value of SR 17.5 million to Abdulaziz Abdullah Al Moosa Charity Company.

Further, pursuant to share transfer resolutions issued by each of the shareholders dated 26 March 2024G, the shareholders of the company transferred all of their shares in the Company amounting to 33,250,000 shares to Abdulaziz Abdullah Al Moosa Investment Company, in exchange of obtaining shares in Abdulaziz Abdullah Al Moosa Investment Company.

During the period, the shareholders of the Company in their extraordinary general meeting dated 25 April 2024G, approved the increase of Company’s capital from SR 350 million to SR 443.04 million divided into 44.30 million shares of equal nominal value of SR. 10 each, by way of an offering of 9,303,580 new shares to the public. The proposed capital increase is subject to the approval of CMA for the Initial public Offering (IPO).

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

9. SHARE CAPITAL (CONTINUED)

The details of the shareholders of the Company along with their shareholding are as under:

Name	Ownership percentage	No. of shares	SR	Ownership percentage	No. of shares	SR
	30 September 2024G (Unaudited)			31 December 2023G (Audited)		
Abdulaziz bin Abdullah Al Moosa Investment Company	95%	33,250,000	332,500,000	-	-	-
Abdulaziz Almoosa Charity Company	5%	1,750,000	17,500,000	-	-	-
Abdulaziz Abdullah AlMoosa	-	-	-	80%	80,000	800,000
Habiba Abdulrahman AlMoosa	-	-	-	2.5%	2,500	25,000
Mohammad Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
Sara Abdulaziz AlMoosa	-	-	-	1.25%	1,250	12,500
Zainab Abdulaziz AlMoosa	-	-	-	1.25%	1,250	12,500
Omaima Abdulaziz AlMoosa	-	-	-	1.25%	1,250	12,500
Malik Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
Yaser Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
Lama Abdulaziz AlMoosa	-	-	-	1.25%	1,250	12,500
Yousef Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
Ahmed Abdulaziz AlMoosa	-	-	-	2.5%	2,500	25,000
	100%	**35,000,000**	**350,000,000**	**100%**	**100,000**	**1,000,000**

9.1 1.1 STATUTARY RESERVE

The shareholders of the Company in an Extra Ordinary General Meeting held on 24 December 2023G approved the transfer of statutory reserve balance amounting to SR 300,000 to retained earnings. The updated By-laws of the Company was approved by the Ministry of Commerce on 10 January 2024G and accordingly retained earnings and statutory reserves balances were adjusted during the current period.

10. LONG TERM LOANS

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Current		
Loans from commercial banks	**142,711,951**	90,258,856
Loans from Ministry of Finance	**2,843,067**	2,843,067
	145,555,018	93,101,923
Non- current		
Loans from commercial banks	**1,060,883,333**	1,043,959,840
Loans from Ministry of Finance	**11,372,264**	14,215,330
Less: deferred income on loan from MoF	**(1,705,632)**	(2,472,882)
Less: amortization of transaction cost	**(656,472)**	(749,464)
	1,069,893,493	1,054,952,824
	1,215,448,511	1,148,054,747

The loans from commercial banks (current) include accrued interest expenses amounting to SR 9.1 million (31 December 2023G: SR 7.81 million).

10. LONG TERM LOANS (CONTINUED)

Loans from Commercial Banks

The Company obtained loan facilities from various local commercial banks. These loans are secured by personal guarantees of Mr. Abdulaziz AlMoosa, Mr. Malik Abdulaziz AlMoosa and Malek Al-Moosa and mortgage of various parcels of land. These facilities are subject to commission rates based on Saudi Arabia Interbank Offered Rate "SIBOR" plus an agreed margin.

Loans from Ministry of Finance

In 2010, the Company entered into a loan agreement for SR 42.6 million with Ministry of Finance to finance the construction of hospital building. The loan is repayable in equal annual instalments of SR 2.8 million each which commenced from 2015 and will continue up to 2030G. The loan provided is interest free and is secured by mortgage of a parcel of land which is in the name of Mr. Abdulaziz AlMoosa.

The Company has entered into interest rate swap contracts with the various commercial banks. Any gain / (loss) arising from these interest rate derivatives is included in finance cost.

The Company is required to comply with certain covenants under the loan facility agreements mentioned above. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. As of 30 September 2024G, the necessary waivers in relation to non-compliance of loan covenants have been obtained by the Company from banks before year end, wherever applicable, and accordingly these loans were not reclassified to current liabilities.

Following are the combined aggregate amounts of future maturities representing principal amounts of the term loans as at:

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Within one year	**136,459,733**	85,293,960
Later than one year but not later than five years	**1,038,922,265**	837,761,358
Later than five years	**33,333,333**	220,413,812
	1,208,715,331	1,143,469,130

11. DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into interest rate swap contracts with the various commercial banks. The total notional amount of contract is SR 1.19 billion (31 December 2023G: SR 1.18 billion). The Company has recognized liability for the derivative financial instruments at the year-end amounting to SR 4.75 million (31 December 2023G: SR 0.27 million). The Company has recognized net loss amounting to SR 12.05 million on derivate financial instruments for the nine months period ended 30 September 2024G (net gain of SR 1.31 million for the nine months period ended 30 September 2023G) respectively.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
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12. ZAKAT

The movement in zakat provision is:

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	**3,630,266**	4,586,090
Charge for the period / year	**4,235,188**	3,630,266
Paid during the period / year	**(3,237,715)**	(4,586,090)
Balance at the end of the period / year	**4,627,739**	3,630,266

The Company has submitted its zakat returns up to year 2023G and has obtained the required certificates and official receipts, however, all returns since inception are still under ZATCA review.

13. REVENUE

The Company primarily generates revenue from contract with customers from:

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

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by service lines and timing of revenue recognition.

All revenue are generated with in the Kingdom of Saudi Arabia.

	For the nine-month period ended 30 September	
	2024G	2023G
	(Unaudited)	(Unaudited)
Revenue by service lines		
Medical services	**597,915,413**	534,210,338
Pharmaceuticals	**193,220,150**	130,640,815
Rehabilitation	**79,090,221**	41,315,414
	870,225,784	706,166,567

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13. REVENUE (CONTINUED)

	For the nine-month period ended 30 September	
	2024G	2023G
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Medical services and pharmaceuticals sales transferred at a point in time	**396,869,667**	324,836,621
Medical services transferred over time	**473,356,117**	381,329,946
	870,225,784	706,166,567

During the period ended 30 September 2024G, three major customers of the Company constitute 84% of the sales (30 September 2023G - 85%).

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

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
Refund liability (note 13.1)	**63,992,468**	67,741,431

13.1 REFUND LIABILITY

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

14. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's ultimate controlling person (Abdulaziz Abdullah AlMoosa), other shareholders, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Terms and conditions of these transactions are approved by the Company's management.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Saudi Riyals, unless otherwise stated)

14. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The following are the nature and transactions with the related parties during the period and its related balances as at end of the year.

Nature of transaction	Relationship	For the nine-month period ended 30 September	
		2024G	2023G
Dividend to shareholders	Shareholders	**36,912,203**	-
IPO cost	Existing shareholders	**9,691,404**	-
Purchase of goods and services	Under common ownership of the Company's shareholder	**1,287,644**	1,451,561
Supply of services		**1,292,286**	1,941,264

a) Due from related parties

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

	30 September 2024G	31 December 2023G
	(Unaudited)	(Audited)
AlMoosa Automatic Doors Factory	-	3,724,769
AlMoosa College of Health Sciences	-	245,805
	-	3,970,574

Amounts due from related parties principally include balances related to above mentioned transactions and are included within accounts receivable in the statement of financial position. Prices and terms of payments for the above transactions are approved by the management. Due from related parties is unsecured in nature and bears no interest. There is no due to balances held against related parties at period end.

b) Compensation to key management personnel

Key management includes the Board of Directors (executive and non-executive) and all members of Company's management. The compensation paid or payable to key management for employee services is shown below:

	For the nine-month period ended 30 September	
	2024G	2023G
	(Unaudited)	(Unaudited)
Short-term benefits	**8,089,467**	7,268,300
End of services benefits	**486,954**	458,788
	8,576,421	7,727,088

15. EARNINGS PER SHARE

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

	For the nine-month period ended 30 September	
	2024G	2023G
	(Unaudited)	(Unaudited)
		*Restated
Profit for the period attributable to the shareholders of the Company	**40,394,173**	77,964,815
Weighted average number of outstanding shares during the period	**35,000,000**	35,000,000
Basic and diluted earnings per share		

*The EPS has been restated to incorporate the revised numbers of shares in current period.

16. CONTINGENCIES AND COMMITMENTS

Letter of Guarantees

As of 30 September 2024G, SR Nil (31 December 2023G: SR 10.93 million) letter of guarantees were obtained from the Company's bankers on behalf of the Company in respect of performance guarantees to customers and others.

Letter of Credits

As of 30 September 2024G, the Company's bankers have given letter of credits, on behalf of the Company, amounting to SR 3.43 million (31 December 2023G: SR 17.80 million).

Capital commitments

As of 30 September 2024G, the Company's capital commitments amounted to SR 376.31 million (31 December 2023G: SR 106.28 million) relating to certain expansion projects.

17. DIVIDENDS

During the period, the shareholders of the Company have distributed dividend in kind amounting to SR 22.90 million by transferring the non-operational lands of the Company to the shareholders (31 December 2023G: SR 93.50 million). In addition, the Company has distributed a cash dividend to the shareholders of the Company amounting to SR 14.01 million (31 December 2023G: Nil).

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(Expressed in Saudi Riyals, unless otherwise stated)

18. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

The Company's principal financial assets include cash and cash equivalents, accounts receivable and certain other receivables that arise directly from its operations. The Company's principal financial liabilities comprise long-term borrowings and accounts payable and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company manages its working capital and cash flow requirements on regular basis by ensuring that sufficient bank facilities are available to meet its working capital and cash flow requirements.

Fair values hierarchy

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

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

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

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

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

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

Accounting classifications and fair values

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

	30 September 2024G	31 December 2023G
	Carrying value (Amortized cost)	Carrying value (Amortized cost)
	(Unaudited)	(Audited)
Particulars		
Financial assets not measured at fair value		
Cash and cash equivalent	**33,781,074**	15,838,943
Accounts receivable	**411,414,081**	453,247,002
Other current assets	**17,697,701**	963,053
Total	**462,892,856**	470,048,998

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Saudi Riyals, unless otherwise stated)

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

Fair values hierarchy (continued)

Accounting classifications and fair values (continued)

	30 September 2024G	31 December 2023G
	Carrying value (Amortized cost)	Carrying value (Amortized cost)
	(Unaudited)	(Audited)
Particulars		
Financial liabilities measured at fair value		
Derivative financial instruments	**4,747,019**	270,572
Financial liabilities not measured at fair value		
Long term loans	**1,217,810,615**	1,151,277,093
Short term borrowings	**65,000,000**	65,000,000
Lease liabilities	**1,189,311**	5,386,080
Accounts payable	**233,887,521**	210,721,926
Other current liabilities	**26,957,212**	21,301,643
Total financial liabilities not measured at fair value	**1,544,844,659**	1,453,686,742
Total financial liabilities	**1,549,591,678**	1,453,957,314

As at the reporting date all financial assets and financial liabilities, except for derivative financial instruments, are measured at amortized cost. The carrying value of the financial assets and financial liabilities of the Company approximate their fair value.

Risk management activities

The Company's financial risk management objectives and policies are consistent with those disclosed in the last annual financial statements as at and for the year ended 31 December 2023G.

19. SEGMENT INFORMATION

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenue or incur expenses. An operating segments operating results are reviewed regularly by the chief executive officer of the Company to make the decision about the resources allocated to the segment and assess its performance, and for which discrete financial information is available.

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
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19. SEGMENT INFORMATION (CONTINUED)

Segment results that are reported to board of directors includes items directly attributable to a segment as well as those that can be allocated on reasonable basis. The business segments are engaged in providing product or services which are subject to risks and rewards which differ from the risk and rewards of the other segment. Segments reported are Hospital, Pharmacy and Rehabilitation.

	Medical Services	Pharmaceuticals	Rehabilitation	Total
For the period ended 30 September 2024G				
Revenue from contract with customers	**597,915,413**	**193,220,150**	**79,090,221**	**870,225,784**
Gross profit	**191,737,668**	**47,163,958**	**12,874,170**	**251,775,796**
Unallocated income / (expenses)				
Selling and marketing expenses	**(7,840,918)**	**(3,826,467)**	**(5,566,276)**	**(17,233,661)**
General and administrative expenses	**(90,881,800)**	**(29,369,029)**	**(12,021,536)**	**(132,272,365)**
Provision for impairment loss on accounts receivable	**(2,269,187)**	**(733,302)**	**(300,160)**	**(3,302,649)**
Other income	**9,664,178**	**-**	**102,000**	**9,766,178**
Share of profit from equity-accounted investee	**-**	**-**	**-**	**582,585**
Finance cost	**(33,149,349)**	**-**	**(31,537,174)**	**(64,686,523)**
Profit before zakat	**67,260,592**	**13,235,160**	**(36,448,976)**	**44,629,361**
Zakat expense for the period	**(2,909,916)**	**(940,358)**	**(384,914)**	**(4,235,188)**
Profit for the period	**64,350,676**	**12,294,802**	**(36,833,890)**	**40,394,173**
For the period ended 30 September 2023G				
Revenue from contract with customers	534,498,958	130,352,194	41,315,414	706,166,566
Gross profit	162,948,847	15,774,703	25,244,640	203,968,190
Unallocated income / (expenses)				
Selling and marketing expenses	(6,184,607)	(1,493,593)	(413,154)	(8,091,354)
General and administration expenses	(91,695,747)	(9,124,653)	(6,197,312)	(107,017,712)
Impairment loss on accounts receivable	(2,102,252)	(512,691)	(162,498)	(2,777,441)
Other income	9,454,272	-	-	9,454,272
Finance cost	(15,202,824)	-	(71,838)	(15,274,662)
Profit before zakat	57,217,689	4,643,766	18,399,838	80,261,293
Zakat expense for the period	(1,738,209)	(423,910)	(134,359)	(2,296,478)
Profit for the period	55,479,480	4,219,856	18,265,479	77,964,815

ALMOOSA HEALTH COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024G
(Expressed in Saudi Riyals, unless otherwise stated)

19. SEGMENT INFORMATION (CONTINUED)

	Medical Services	Pharmaceuticals	Rehabilitation	Total
As at 30 September 2024G				
Segment assets	**1,542,888,675**	**36,596,186**	**829,426,821**	**2,408,911,682**
Segment liabilities	**1,042,901,631**	**60,102,308**	**643,937,434**	**1,746,941,373**
As at 31 December 2023G				
Segment assets	1,670,855,796	25,091,834	605,850,972	2,301,798,602
Segment liabilities	1,062,946,774	44,951,586	537,896,771	1,645,795,131

All of the Company's operating assets and principal activities are located in the Kingdom of Saudi Arabia.

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

20. SUBSEQUENT EVENTS

No significant other events have occurred from the date of these condensed interim financial statements to the date of approval of these condensed interim financial statements, that would require adjustments or disclosure in these condensed interim financial statements of the Company.

21. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements have been approved on behalf of Board of Directors on 18 Rabi Al-Akhar 1446H, corresponding to 21 October 2024G.

ALMOOSA HEALTH COMPANY

(formerly “Almoosa Specialist Hospital Company”)

(CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023G

WITH INDEPENDENT AUDITOR’S REPORT

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

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبر ٣٤٤١٢ - ٣١٤٦
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Al Moosa Health Company (formerly "Almoosa Specialist Hospital Company")

Opinion

We have audited the financial statements of **Almoosa Health Company (the "Company")** (formerly "Almoosa Specialist Hospital Company"), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Independent Auditor's Report

To the Shareholders of Al Moosa Health Company (formerly "Almoosa Specialist Hospital Company") (Continued)

Key audit matter (continued)

Revenue recognition

Refer Note 3(c) and 4(iii) for the policy and accounting estimate relating to revenue recognition and Note 22 for revenue disclosure.

The key audit matter	**How the matter was addressed in our audit**
During the year ended 31 December 2023, the Company recognized revenue of SR 978.97 million (2022: SR 816.04 million). The Company recognizes revenue upon satisfaction of performance obligation related to medical and related services at the consideration to which the Company expects to be entitled in exchange for those goods or services. Certain contracts with customers include variable consideration such as volume discounts, prompt payment discounts and claims disallowed (rejection of claims). These constitute variable consideration and are considered in the recognition of revenue on an estimated basis in the period in which the related services are rendered. Revenue recognition is considered as a key audit matter because the estimation of the variable consideration involves significant judgement and estimates in determining the amount.	We performed the following among other procedures: - Assessed the appropriateness of the Company's revenue recognition accounting policies by considering the requirements of relevant accounting standards; - Assessed the design and implementation and tested (on a sample basis) the operating effectiveness of the Company's key internal control in relation to the estimates of variable consideration; - Assessed the appropriateness of significant accounting judgments, estimates and assumptions made by management to determine the variable consideration; - Performed a retrospective review (on a sample basis) of actual claims settled to the original gross claims; - Performed tests (on a sample basis) of settlements and claims with major customers of the Company; and - Assessed the adequacy of relevant disclosures and presentation in the financial statements.

KPMG

Independent Auditor's Report

To the Shareholders of Al Moosa Health Company (formerly "Almoosa Specialist Hospital Company") (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report

To the Shareholders of Al Moosa Health Company (formerly "Almoosa Specialist Hospital Company")
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Almoosa Health Company (the "Company")** (formerly "Almoosa Specialist Hospital Company")**.**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services

Mohammed Najeeb Alkhlaiwi
License No: 481

Lic No. 46
C.R. 2051062328
K : 1

Al Khobar, 21 March 2024G
Corresponding to: 11 Ramadan 1445H

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023G
(All amounts in Saudi Riyals unless otherwise stated)

	Note	31 December 2023G	31 December 2022G
ASSETS			
Non-current assets			
Property and equipment	6	**1,743,602,369**	1,409,134,827
Intangible assets	7	**4,125,851**	6,213,112
Right-of-use assets	21	**5,974,214**	12,042,213
Total non-current assets		**1,753,702,434**	1,427,390,152
Current assets			
Inventories	8	**59,374,202**	50,080,290
Accounts receivable	9	**446,538,649**	284,918,409
Advances, prepayments and other current assets	10	**26,344,374**	18,560,084
Due from a shareholder	30.4	**-**	28,979,269
Cash and cash equivalents	11	**15,838,943**	15,239,745
Total current assets		**548,096,168**	397,777,797
Total assets		**2,301,798,602**	1,825,167,949
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**1,000,000**	1,000,000
Proposed share capital	12	**349,000,000**	-
Statutory reserve	13	**300,000**	300,000
Contribution from a shareholder	14	**-**	395,743,221
Retained earnings		**305,703,471**	251,099,208
Total equity		**656,003,471**	648,142,429
Liabilities			
Non-current liabilities			
Long term loans	15	**1,054,952,824**	681,281,941
Lease liabilities	21	**2,196,080**	5,060,294
Employees' benefits	16	**100,975,886**	89,177,244
Total non-current liabilities		**1,158,124,790**	775,519,479
Current liabilities			
Accounts payable	17	**210,721,926**	207,573,801
Accruals and other current liabilities	18	**44,014,223**	38,498,987
Derivative financial instruments	19	**270,572**	2,233,546
Refund liabilities	22	**67,741,431**	36,775,424
Long term loans – current portion	15	**93,101,923**	105,453,193
Short term borrowings	15.1	**65,000,000**	-
Lease liabilities – current portion	21	**3,190,000**	6,385,000
Zakat payable	20	**3,630,266**	4,586,090
Total current liabilities		**487,670,341**	401,506,041
Total liabilities		**1,645,795,131**	1,177,025,520
Total liabilities and equity		**2,301,798,602**	1,825,167,949

These financial statements were authorized for issue by the Board of Directors and signed on its behalf by:

Malek Al Moosa	**Shailesh Chander**
(Group Chief Executive Officer)	(Group Chief Financial Officer)

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023G
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2023G	2022G
Revenue	22	**978,974,695**	816,039,139
Cost of revenues	23	**(671,976,966)**	(577,014,527)
Gross profit		**306,997,729**	239,024,612
Other income	26	**14,147,632**	19,467,356
Selling and distribution expenses	24	**(12,755,223)**	(14,264,404)
General and administrative expenses	25	**(176,307,768)**	(171,551,042)
Provision / (reversal) for impairment loss on accounts receivable	9	**(3,930,087)**	167,044
Gain / (loss) on derivative financial instruments	19	**1,962,974**	(1,909,508)
Operating profit		**130,115,257**	70,934,058
Finance cost	27	**(28,338,860)**	(15,377,447)
Profit before zakat		**101,776,397**	55,556,611
Zakat expense	20	**(3,630,266)**	(4,540,995)
Profit for the year		**98,146,131**	51,015,616
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period			
Re-measurement gain / (loss) on employees' benefits		**3,212,792**	(855,177)
Other comprehensive loss for the year		**3,212,792**	(855,177)
Total comprehensive income for the year		**101,358,923**	50,160,439
Earnings per share:			
Basic and diluted earnings per share	34	**2.80**	1.46

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023G
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Proposed share capital	Statutory reserve	Contribution from a shareholder	Retained earnings	Total
Balance at 1 January 2022G	1,000,000	-	300,000	395,743,221	200,938,769	597,981,990
Total comprehensive income for the year						
Profit for the year	-	-	-	-	51,015,616	51,015,616
Other comprehensive loss for the year	-	-	-	-	(855,177)	(855,177)
Total comprehensive income for the year	-		-	-	50,160,439	50,160,439
Balance as on 31 December 2022G	1,000,000	-	300,000	395,743,221	251,099,208	648,142,429
Total comprehensive income for the year						
Profit for the year	**-**	**-**	**-**	**-**	**98,146,131**	**98,146,131**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**3,212,792**	**3,212,792**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**101,358,923**	**101,358,923**
Other adjustments						
Issuance of share capital	**-**	**349,000,000**	**-**	**(349,000,000)**	**-**	**-**
Transfer to statutory reserve	**-**	**-**	**-**	**-**	**-**	**-**
Transfer from contribution from a shareholder	**-**	**-**	**-**	**-**	**-**	**-**
Dividend (note 29)	**-**	**-**	**-**	**(46,743,221)**	**(46,754,660)**	**(93,497,881)**
Balance as on 31 December 2023G	**1,000,000**	**349,000,000**	**300,000**	**-**	**305,703,471**	**656,003,471**

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023G
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2023G	2022G
Cash flows from operating activities:			
Profit before zakat		**101,776,397**	55,556,611
Adjustments for:			
Depreciation on property and equipment	6	**58,032,644**	49,582,979
Amortization on intangibles	7	**1,986,155**	1,637,653
Depreciation on right-of-use assets	21	**6,067,999**	7,045,582
Gain on disposal of property and equipment	26	**(328,448)**	(27,500)
Property and equipment write-off	26	**-**	14,593
Interest expense on long term loans	27	**22,024,019**	11,484,247
Impact of unwinding on interest free loan from government	27	**2,199,022**	1,320,126
Interest expenses on lease liability	21	**325,786**	617,780
Employees' defined benefit expense	16	**21,638,925**	18,945,547
Changes in fair value of derivative financial instruments		**1,962,974**	2,233,546
Provision / (reversal) for doubtful debts	9	**3,930,087**	(167,044)
Inventory written off during the year	8	**(58,556)**	-
		219,557,004	148,244,120
Changes in:			
Accounts receivable		**(166,805,393)**	(66,217,238)
Inventories		**(9,293,912)**	(163,260)
Advances, prepayments and other current assets		**(7,784,290)**	2,184,328
Accounts payable		**3,148,125**	(49,758,421)
Accruals and other current liabilities		**5,515,236**	(38,596,497)
Refund liabilities		**30,966,007**	21,491,214
Cash generated from operations		**75,302,777**	17,184,246
Interest paid		**(23,693,825)**	(11,484,247)
Interest paid on lease liability		**(325,786)**	(617,780)
Zakat paid	20	**(4,586,090)**	(6,238,039)
Employees benefits paid	16	**(6,627,491)**	(8,835,259)
Net cash from / (used in) operating activities		**40,069,585**	(9,991,079)

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023G
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2023G	2022G
Cash flows from investing activities:			
Additions to property and equipment	6	**(415,241,803)**	(307,179,111)
Additions to intangible assets	7	**(2,164,035)**	(2,890,139)
Proceeds from disposal of property and equipment		**23,070,065**	27,500
Advance for transfer of land		**(60,050,000)**	-
Due from a shareholder		**-**	(6,626,313)
Net cash used in investing activities		**(454,385,773)**	(316,668,063)
Cash flows from financing activities:			
Proceeds from loans and borrowings		**622,910,734**	318,538,978
Repayment of loans and borrowings		**(201,936,134)**	(27,843,067)
Lease principal payment	21	**(6,059,214)**	(6,917,236)
Net cash generated from financing activities		**414,915,386**	283,778,675
Increase / (decrease) in cash and cash equivalents		**599,198**	(42,880,467)
Cash and cash equivalents at beginning of the year		**15,239,745**	58,120,212
Cash and cash equivalents at end of the year	11	**15,838,943**	15,239,745
Non-cash transactions:			
Related party receivables		**1,255,065**	-
Prepayments and advances		**60,050,000**	-
Due from a shareholder		**32,192,816**	-
Issuance of share capital		**349,000,000**	-

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023G
(All amounts in Saudi Riyals unless otherwise stated)

1. GENERAL INFORMATION

Almoosa Health Company (the "Company") (formerly "Almoosa Specialist Hospital Company") is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2252022248 dated 6 Shaban 1435H (4 June 2014).

The Company was previously registered as a Branch of a sole proprietorship formed in the Kingdom of Saudi Arabia registered under commercial registration number 2252012962 dated 6 Ramadan 1414H (17 February 1994). Abdulaziz AlMoosa Establishment was a sole proprietorship owned by Mr. Abdulaziz AlMoosa registered under commercial registration number 2252023498 dated 14 Jum'ada II 1409H (22 January 1989) in Al-Ahsa, Kingdom of Saudi Arabia. On 6 Shaban 1435 (4 June 2014), the name and commercial registration number of the Branch was changed to Almoosa Specialist Hospital Company and 2252022248 respectively.

In 2018, the legal status of the Company was changed from a Branch to a Limited Liability Company and the related ministerial approval on the conversion was obtained on 10 Shawwal, 1439H (24 June 2018). In 2020G, the shareholders of the Company resolved to convert the Company from a Limited Liability Company to a Closed Joint Stock Company. The shareholder passed the resolution to convert the legal entity from single member limited liability company into closed joint stock company dated 14 Safar 1442H (1 October 2020G).

The principal activities of the Company are to act as a private healthcare provider, storing medical items and selling medicine, cosmetics and disposable medical items. The Company's registered office is in Al-Ahsa, Kingdom of Saudi Arabia.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022G) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023G). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023G). The management is in process of assessing the impact of the New Companies Law and will amend its By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended By-Laws to the shareholders/partners in their Extraordinary/Annual General Assembly meeting for their ratification.

The financial statements of the Company include activities and results of the following branches having commercial registrations, also assets and liabilities of these are included in these financial statements:

Branch Name	Commercial Registration No.	Registration Date	Location
AlMoosa Medical Pharmacy	2252023498	9 Sha'aban 1415H - 10 January 1995G	Al-Ahsa
Abdul Aziz AlMoosa Drug Store	2252053792	22 Ramadan 1434H -30 July 2013G	Al-Ahsa
Almoosa Hospital Medical Consumables Warehouse	2252069957	28 Rabia'l Thani 1439H - 15 January 2018G	Al-Ahsa
Almoosa Specialist Hospital Company	2051241163	13 Ramadan 1443H - 14 April 2022G	Al-Ahsa
Almoosa Gym	2031112804	5 Safar 1445H - 21 Aug 2023G	Al-Ahsa
Almoosa for rehabilitation and LTC	2031110416	04 Safar 1444H - 31 August 2022G	Al-Ahsa
The Leaf Kitchen	2252106494	8 Shawal 1443H - 9 May 2022G	Al-Ahsa

2. BASIS OF PREPARATION

A. Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS Accounting Standards") as endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

B. Basis of measurement

These financial statements have been prepared on a historical cost basis except for derivative financial instruments which are measured at fair value and employees' end-of-service benefits obligation which is measured at the present value of the obligations as explained in the relevant accounting policy.

C. Functional and presentation currency

These financial statements are presented in Saudi Riyals (SR) which is the Company's functional currency. All financial information presented in these financial statements have been rounded off to the nearest Saudi Riyals, unless otherwise stated.

3. MATERIAL ACCOUNTING POLICIES

The Company also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023G. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in the below Material Accounting Policies (2022G: Significant accounting policies) in certain instances in line with the amendments.

A. Current and non-current assets

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

3. MATERIAL ACCOUNTING POLICIES (Continued)

B. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

External valuers are involved for valuation of significant assets, whenever required. The involvement of external valuer is decided by the Company after discussion and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3. MATERIAL ACCOUNTING POLICIES (Continued)

C. Revenue recognition

The Company generates its revenue from sale of pharmaceuticals and rendering of inpatient and outpatient services over time and at a point in time. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The goods and services are sold both on their own in separately identified contracts with customers and together as a bundled package of goods and/or services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Operating revenue

Revenues are measured at the transaction price which is the amount of consideration that the Company expects to be entitled to in exchange for the services provided. Revenue primarily comprises fees charged for inpatient and outpatient hospital services. For operating revenues, the revenue is recognized when the treatment is provided, and the invoice / interim invoice is generated (i.e., after satisfaction of performance obligation). Net patient services revenue is recognised at the estimated net realisable amounts from the third-party payers (insurance companies) and others for the services rendered, net of estimated retroactive revenue adjustments (rejection of claims) when the related services are rendered. Unbilled revenue is recorded for the service rendered where the patients are not discharged, and final invoice is not raised for the services.

Some contracts include variable considerations such as claims disallowed (rejection of claims) which is not paid by third-party payor, volume discount and prompt payment discount. Discounts comprise retrospective volume discounts granted to certain insurance companies on attainment of certain levels of business and constitute variable consideration. These are accrued over the course of the arrangement based on estimates of the level of business expected and are adjusted against revenue at the end of the arrangement to reflect actual volumes. The normal business process associated with transactions with insurers includes amount of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Accordingly, the Company expects an amount of consideration that is less than what was originally invoiced, and the revenue is recognized at an amount net of these disallowed claims. These disallowances constitute a variable consideration and are assessed based on all information (historical, current and forecast) that is reasonably available to the Company and identify a reasonable number of possible consideration amounts. Management estimates variable consideration using the single most likely amount method for prompt payment discount.

Revenue from inpatient services is recognized over a period of time and outpatient services are recognized at the point in time.

Sale of goods

Sales of goods represents the invoiced value of medicines and drugs supplied by the Company. The Company's contracts with customers for the sale of medicines and drugs generally include one performance obligation. Revenue from sale of medicines and drugs is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery/dispensing of the medicines and drugs.

D. Property and equipment

Property and equipment excluding land and construction work in progress (CWIP) are carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of profit or loss as incurred.

3. MATERIAL ACCOUNTING POLICIES (Continued)

D. Property and equipment (Continued)

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Freehold land and properties under construction are not depreciated.

The following useful lives are used in the calculation of depreciation:

	Years
Buildings	33 years
Elevators and office equipment	6.67 years
Medical equipment and tools	10 years
Furniture and fixture	6.67 years
Motor Vehicles	4 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Construction work in progress (CWIP)

CWIP is recognized at cost less accumulated impairment, if any. CWIP is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

Land is recognised at cost, less impairment, if any.

E. Intangible assets

Intangible assets represent the software license and operating license of hospital. They are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives ranging between 3 to 10 years. Useful lives are reviewed at each reporting date.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Cover Key Dates TOC Financial Statements

3. MATERIAL ACCOUNTING POLICIES (Continued)

E. Intangible assets (continued)

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

F. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Company as a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Currently, Company has no contract which includes lease and non-lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets to restore the underlying assets or the site on which it is located less any lease incentive returned.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability mainly comprise of fixed lease payments.

3. MATERIAL ACCOUNTING POLICIES (Continued)

F. Leases (Continued)

The lease liability is subsequently carried at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short term leases including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Company as a lessor

The Company enters into lease agreements as a lessor with respect to some of its building properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate consideration under the contract to each component.

G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

H. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Accounts receivable and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

3. MATERIAL ACCOUNTING POLICIES (Continued)

H. Financial instruments (continued)

(ii) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through OCI ("FVOCI"); or fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(iii) Financial assets - Business model and assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3. MATERIAL ACCOUNTING POLICIES (Continued)

H. Financial instruments (continued)

(iv) Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(v) Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(vi) Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (Continued)

H. Financial instruments (Continued)

(vii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ix) Derivative financial instruments

The Company holds derivative financial instruments to hedge its interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

I. Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies the general approach to provide for ECLs on all other financial instruments. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivable and contract assets, the Company applies a simplified approach in calculating ECLs.

3. MATERIAL ACCOUNTING POLICIES (Continued)

I. Impairment of financial assets (Continued)

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company assesses all the information available, including past due status, credit ratings, the existence of third party insurance and forward-looking economic factors in the measurement of the expected credit losses associated with its accounts receivable and contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

3. MATERIAL ACCOUNTING POLICIES (Continued)

I. Impairment of financial assets (Continued)

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

J. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time. An asset's recoverable amount is the higher of an asset's or Cash Generating Units ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

3. MATERIAL ACCOUNTING POLICIES (Continued)

K. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition and calculated on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

L. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet, if any.

M. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

N. Contingencies

Contingent liabilities are not recognised in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable. A contingent asset becomes a realized asset recordable on the statement of financial position when the realization of cash flows associated with it becomes virtually certain.

O. Zakat and tax

Zakat

The Company is subject to the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is charged to the statement of profit or loss on an accruals basis. The Zakat charge is computed on the Saudi shareholders' share of the zakat base or adjusted net profit whichever is higher. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Value added tax

Expenses and assets are recognised net of the amount of value added tax ("VAT"), except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.
- The net amount of VAT recoverable from, or payable

3. MATERIAL ACCOUNTING POLICIES (Continued)

P. Employees' benefits

Retirement benefit costs and termination benefits

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in profit or loss in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements in conformity with IFRS, as endorsed in KSA, requires management to make judgements, 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 Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Further, certain estimates and assumptions include the direct and indirect impact of the COVID-19 pandemic on the Company's business, financial condition and results of operations. The economic impact of the pandemic on the Company's business depends on its severity and duration, which in turn depend on highly uncertain factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Provision for expected credit losses of accounts receivable

The Company uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. payor groups). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(ii) Employees' end-of-service benefits

The cost of the employees' end-of-service benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Revenue recognition – estimating variable consideration

The Company estimates variable considerations to be included in the transaction price in respect of each of its agreement with customers. In making such estimate the Company assess the impact of any variable consideration in the contract, customers' right to volume discounts, prompt payment discounts and claims disallowance of certain services provided to the patients upon submission of invoices to the customers. The Company uses its accumulated historical experience to estimate the percentage. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected adjustments estimated by the Company.

(iv) Useful lives of property and equipment

Management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(v) Useful lives of intangible assets

Management reviews the amortization period and the amortization method for any intangible asset with a finite useful life at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the Company changes the amortization period accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the Company changes the amortization method to reflect the changed pattern.

(vi) Incremental borrowing rate for lease agreements

The Company cannot readily determine the interest rate implicit in the lease agreement, therefore, it uses its Incremental Borrowing Rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

(vii) Determining the lease term of contracts

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

5. NEW STANDARDS AND AMENDMENTS NOT YET ADOPTED

A. New and revised standards with no material effect on the financial statements

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

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

B. New and revised standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023G and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

- Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Lack of Exchangeability (Amendments to IAS 21)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) with effective annual period yet to be determined.

The above-mentioned standards are not expected to have a significant impact on the financial statements of the Company.

6. PROPERTY AND EQUIPMENT

	Land	Buildings	Elevators	Medical equipment and tools	Office equipment	Furniture and Fixture	Motor vehicles	Construction work in Progress	Total
Cost									
1 January 2022G	233,554,835	135,290,988	4,542,590	176,421,889	43,987,999	35,770,236	4,836,049	762,013,183	1,396,417,769
Additions	-	7,699,277	4,338,722	33,850,459	7,520,434	4,444,040	28,500	249,297,679	307,179,111
Transfers	-	443,299,986	2,775,563	78,061,390	16,378,080	19,396,487	-	(559,911,506)	-
Disposals	-	-	-	(700,938)	(66,300)	(12,121)	(159,000)	-	(938,359)
Write-offs	-	-	-	(29,700)	(118,788)	(225,342)	-	-	(373,830)
31 December 2022G	**233,554,835**	**586,290,251**	**11,656,875**	**287,603,100**	**67,701,425**	**59,373,300**	**4,705,549**	**451,399,356**	**1,702,284,691**
Additions	**32,054,079**	**14,882,249**	**-**	**43,134,654**	**9,226,456**	**11,992,925**	**958,748**	**302,992,692**	**415,241,803**
Transfers	**-**	**383,959,714**	**-**	**20,650,704**	**1,192,862**	**-**	**884,500**	**(406,687,780)**	**-**
Disposals	**-**	**-**	**-**	**(11,285,406)**	**(1,240,058)**	**(950,139)**	**(30,500)**	**(22,300,000)**	**(35,806,103)**
31 December 2023G	**265,608,914**	**985,132,214**	**11,656,875**	**340,103,052**	**76,880,685**	**70,416,086**	**6,518,297**	**325,404,268**	**2,081,720,391**

At 31 December 2023G properties with a carrying amount of SAR 85.47 million (2022G: SAR 85.47 million) are held as collaterals with commercial banks against the loans.

Construction Work in progress:

Capital work-in-progress mainly represents cost incurred and advances paid towards the construction of the building and other assets for rehabilitation centre. Capitalised borrowing costs from conventional borrowings related to the construction work in progress amounted to SAR 51.65 million (2022G: SAR 14.89 million).

6. PROPERTY AND EQUIPMENT (Continued)

	Land	Buildings	Elevators	Medical equipment and tools	Office equipment	Furniture and Fixture	Motor vehicles	Construction work in Progress	Total
Accumulated depreciation									
1 January 2022G	-	54,619,841	4,117,091	118,724,867	35,635,847	27,464,777	4,302,058	-	244,864,481
Depreciation charge for the year	-	16,096,657	1,141,688	20,945,454	5,284,692	5,807,901	306,587	-	49,582,979
Disposals	-	-	-	(700,938)	(66,300)	(12,121)	(159,000)	-	(938,359)
Write-offs	-	-	-	(26,644)	(114,507)	(218,086)	-	-	(359,237)
31 December 2022G	**-**	**70,716,498**	**5,258,779**	**138,942,739**	**40,739,732**	**33,042,471**	**4,449,645**	**-**	**293,149,864**
Depreciation charge for the year	**-**	**18,617,461**	**1,232,142**	**25,589,295**	**6,188,046**	**5,828,804**	**576,896**	**-**	**58,032,644**
Disposals	**-**	**-**	**-**	**(11,118,168)**	**(1,024,049)**	**(891,769)**	**(30,500)**	**-**	**(13,064,486)**
31 December 2023G	**-**	**89,333,959**	**6,490,921**	**153,413,866**	**45,903,729**	**37,979,506**	**4,996,041**	**-**	**338,118,022**
Carrying amount									
As at 31 December 2023G	**265,608,914**	**895,798,255**	**5,165,954**	**186,689,186**	**30,976,956**	**32,436,580**	**1,522,256**	**325,404,268**	**1,743,602,369**
As at 31 December 2022G	233,554,835	515,573,753	6,398,096	148,660,361	26,961,693	26,330,829	255,904	451,399,356	1,409,134,827

The title deed of land for South Tower is in name of Mr. Abdulaziz Al Moosa (a shareholder) for which beneficial ownership is fully transferred to the Company. The Company is in process of transferring the title deed of this land. However, the shareholder has waived off the ownership rights over the property in favour of the Company and has confirmed that the risks and rewards pertaining to the asset have been transferred to the Company.

Depreciation charge for the year has been allocated as follow:

	Note	2023G	2022G
Cost of revenues	23	**28,585,498**	23,389,563
Selling and distribution expenses	24	**95,352**	102,315
General and administration expenses	25	**29,351,794**	26,091,101
		58,032,644	49,582,979

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023G
(All amounts in Saudi Riyals unless otherwise stated)

7. INTANGIBLE ASSETS

	Software	Operating licenses	Total
Cost			
1 January 2022G	8,860,774	4,934,291	13,795,065
Additions during the year	435,135	2,455,004	2,890,139
31 December 2022G	9,295,909	7,389,295	16,685,204
Additions during the year	**1,103,146**	**1,060,889**	**2,164,035**
Written off during the year	**-**	**(2,265,141)**	**(2,265,141)**
31 December 2023G	**10,399,055**	**6,185,043**	**16,584,098**
Accumulated amortization			
1 January 2022G	4,528,569	4,305,870	8,834,439
Amortization charge for the year	1,331,099	306,554	1,637,653
31 December 2022G	5,859,668	4,612,424	10,472,092
Amortization charge for the year	1,329,473	656,682	1,986,155
31 December 2023G	**7,189,141**	**5,269,106**	**12,458,247**
Carrying amount			
31 December 2023G	**3,209,914**	**915,937**	**4,125,851**
31 December 2022G	3,436,241	2,776,871	6,213,112

The amortization of intangible assets has been allocated as follows:

	2023G	2022G
Cost of revenues (note 23)	**1,958,762**	174,100
Selling and distribution expenses (note 24)	**2,542**	1,740
General and administration expenses (note 25)	**24,851**	1,461,813
	1,986,155	1,637,653

9. ACCOUNTS RECEIVABLE (Continued)

9.1 Following is the movement of allowance for expected credit losses:

	2023G	2022G
Balance at 1 January	**2,778,266**	2,945,310
Provision for expected credit loss during the year	**3,930,087**	-
Reversal during the year	**-**	(167,044)
Balance at 31 December	**6,708,353**	2,778,266

10. ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

	2023G	2022G
Prepaid expenses	**16,908,852**	14,154,195
Advances to suppliers	**8,472,469**	3,418,629
Employees' advances	**778,288**	931,842
Other assets	**184,765**	55,418
	26,344,374	18,560,084

11. CASH AND CASH EQUIVALENTS

	2023G	2022G
Cash in hand	**15,299,811**	14,567,615
Bank balances	**539,132**	672,130
	15,838,943	15,239,745

Cash and cash equivalents comprise cash at banks and cash on hand, which are subject to an insignificant risk of changes in value.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

8. INVENTORIES

	2023G	2022G
Surgical and consumable tools	**35,299,880**	23,290,440
Pharmaceuticals and cosmetic materials	**19,936,180**	14,798,475
Spare parts and consumables	**4,138,142**	12,049,931
	59,374,202	50,138,846
Less: write-down of inventories against expired inventories	**-**	(58,556)
	59,374,202	50,080,290

The movement of write-down of inventories against expired inventories is as follows:

	2023G	2022G
Balance at 1 January	**58,556**	58,556
Reversal during the year	**(58,556)**	-
Balance at 31 December	**-**	58,556

No expense or reversal has been recognized in respect of impairment for inventories as expired inventories are recalled by the suppliers before the expiry date as per terms of agreement.

No write downs of inventory to net realisable value and of the reversal of such write-downs have been recognized because sales prices of pharmaceutical inventories are regulated by ministry of health and have not significantly changed subsequent to year end.

During the year, the Company has charged raw material, spares and consumables amounting to SAR 229.29 million to cost of revenue (2022G: SAR 179.49 million).

9. ACCOUNTS RECEIVABLE

	2023G	2022G
Accounts receivable	**449,276,428**	283,518,736
Less: Impairment loss	**(6,708,353)**	(2,778,266)
	442,568,075	280,740,470
Due from related parties (note 30.2)	**3,970,574**	4,177,939
	446,538,649	284,918,409

The Company's credit terms require receivables to be repaid within 60-90 days of the claim date depending on the type of customer, which is in line with healthcare industry. It is not the practice of the Company to obtain collateral over receivables and therefore are unsecured. No interest is charged on outstanding balance. As at 31 December 2023G, approximately 96% of the Company's accounts receivable balance was due from various governmental and insurance entities (31 December 2022G: 96%)

The Company always measures the loss allowance for accounts receivable at an amount equal to lifetime ECL. The expected credit losses are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of accounts receivable based on the Company's provision matrix. The Company's historical credit loss experience does not show significantly different loss pattern for different customer segments.

The ageing analysis of gross to net accounts receivable is as follows:

31 December 2023G	Not past due	1-90	91 -180	181-360	>361	Total
Expected credit loss %	**-**	**0.32%**	**0.71%**	**1.28%**	**4.00%**	
Gross carrying amount	**80,767,823**	**98,793,751**	**68,955,425**	**78,326,035**	**122,433,394**	**449,276,428**
Lifetime ECL	**-**	**(320,014)**	**(491,045)**	**(1,003,634)**	**(4,893,660)**	**(6,708,353)**
31 December 2023G	**80,767,823**	**98,473,737**	**68,464,380**	**77,322,401**	**117,539,734**	**442,568,075**

31 December 2022G	Not past due	1-90	91 -180	181-360	>361	Total
Expected credit loss %	-	0.24%	0.77%	1.30%	1.80%	
Gross carrying amount	48,245,335	67,037,270	24,749,241	31,154,299	112,332,591	283,518,736
Lifetime ECL	-	(160,007)	(191,045)	(403,634)	(2,023,580)	(2,778,266)
31 December 2022G	48,245,335	66,877,263	24,558,196	30,750,665	110,309,011	280,740,470

12. SHARE CAPITAL

The Company's board of directors recommended in its meeting held on 14 September 2023G to increase share capital by way of issuance of 34.9 million new shares (SR 10 per share) which was approved by the shareholders of the Company in an Extra Ordinary General Meeting held on 24 December 2023G. The share capital increase was proposed by way of capitalization of SR 349 million from contribution from a shareholder. The proposed increase of share capital was approved by the Ministry of Commerce on 10 January 2024G.

The details of the shareholders of the Company along with their shareholding are as under:

Name	Ownership percentage	No. of shares	SR
	31 December 2022G and 2023G		
Abdulaziz Abdullah AlMoosa	80%	80,000	800,000
Habiba Abdulrahman AlMoosa	2.5%	2,500	25,000
Mohammad Abdulaziz AlMoosa	2.5%	2,500	25,000
Sara Abdulaziz AlMoosa	1.25%	1,250	12,500
Zainab Abdulaziz AlMoosa	1.25%	1,250	12,500
Omaima Abdulaziz AlMoosa	1.25%	1,250	12,500
Malik Abdulaziz AlMoosa	2.5%	2,500	25,000
Yaser Abdulaziz AlMoosa	2.5%	2,500	25,000
Lama Abdulaziz AlMoosa	1.25%	1,250	12,500
Yousef Abdulaziz AlMoosa	2.5%	2,500	25,000
Ahmed Abdulaziz AlMoosa	2.5%	2,500	25,000
	100%	100,000	1,000,000

13. STATUTORY RESERVE

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

14. CONTRIBUTION FROM A SHAREHOLDER

During the year, the Company has proposed to issue new shares to the existing shareholders of the Company, accordingly, the balance has been adjusted against the issuance of new shares. In addition, the remaining balance has been settled against the outstanding receivable from the shareholders.

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15. LONG TERM LOANS

	2023G	2022G
Long term loans		
Loans from commercial banks – 1	**-**	37,500,000
Loans from commercial banks – 2	**356,959,840**	317,166,667
Loans from commercial banks – 3	**112,500,000**	162,500,000
Loans from commercial banks – 4	**399,500,000**	150,000,000
Loans from commercial banks – 5	**175,000,000**	-
Loan from Ministry of Finance (MoF)	**14,215,330**	19,901,464
Less: deferred income on loan from MoF	**(2,472,882)**	(4,671,904)
Less: amortization of transaction cost	**(749,464)**	(1,114,286)
	1,054,952,824	681,281,941
Current portion of long term loans		
Loan from MoF	**2,843,067**	2,843,067
Loans from commercial banks	**82,450,893**	97,583,333
Accrued interest expense	**7,807,963**	5,026,793
	93,101,923	105,453,193

Terms and conditions of outstanding loans were as follows:

31 December 2023G

	Currency	Nominal Interest rate	Year of Maturity	Face Value	Carrying Amount
Loans from commercial banks – 1	**SAR**	**SAIBOR+ 1.45%**	**-**	**-**	**-**
Loans from commercial banks – 2	**SAR**	**SAIBOR+ 0.9%**	**2030G**	**389,410,735**	**389,410,735**
Loans from commercial banks – 3	**SAR**	**SAIBOR+ 1.00%**	**2027G**	**162,500,000**	**161,750,536**
Loans from commercial banks – 4	**SAR**	**SAIBOR+ 0.95%**	**2030G**	**399,500,000**	**399,500,000**
Loans from commercial banks – 5	**SAR**	**SAIBOR+ 1.00%**	**2030G**	**175,000,000**	**175,000,000**
Loan from Ministry of Finance (MoF)	**SAR**	**-**	**2030G**	**17,058,397**	**14,585,515**

31 December 2022G

	Currency	Nominal Interest rate	Year of Maturity	Face Value	Carrying Amount
Loans from commercial banks – 1	SAR	SAIBOR+ 1.45%	2023G	68,750,000	68,750,000
Loans from commercial banks – 2	SAR	SAIBOR+ 0.9%	2030G	346,000,000	346,000,000
Loans from commercial banks – 3	SAR	SAIBOR+ 1.00%	2027G	200,000,000	198,885,714
Loans from commercial banks – 4	SAR	SAIBOR+ 0.95%	2030G	150,000,000	150,000,000
Loan from Ministry of Finance (MoF)	SAR	-		22,744,531	18,072,627

15. LONG TERM LOANS (Continued)

Loans from commercial banks – 1

In 2018, the Company entered into a term loan agreement for SR 100 million with a local bank to finance the expansion of the hospital through the construction of new medical tower and utilized SR 100 million. The outstanding balance was fully settled in April 2023G. The loan carried an interest rate of 3 months SAIBOR+ 1.45% and was secured against personal guarantees of Mr. Malik Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of certain parcels of land.

Loans from commercial banks – 2

In 2019G, the Company entered into long term murabaha liquidity financing agreement for SR 100 million through a local bank to finance the construction of new medical tower and rehabilitation centre. During the 2021G year, an additional limit was obtained amounting to SR 300 million through a revised facility letter and the total utilized facility was SR 389 million as at 31 December 2023G. The loan is repayable in 24 equal quarterly installments commencing from 1 July 2024G. The loan carries interest rate of 3 months SAIBOR + 0.9% and is secured against a personal guarantee of Mr. Abdulaziz AlMoosa and mortgage of rehabilitation land.

Loans from commercial banks – 3

In 2020G, the Company entered into an additional term loan agreement for SR 200 million with a local bank to finance the expansion of the hospital through the construction of new medical tower and utilized SR 200 million. The loan is repayable in 16 equal quarterly instalments commencing on the earlier of one year from full draw down or from the end of the loan limit availability period i.e., 30 April 2022G. The outstanding balance as of December 2023G SR 162.5 million. The loan carries interest rate of 3 months SAIBOR + 1 % and is secured against the personal guarantees of Mr. Malik Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of main building land.

Loans from commercial banks – 4

During the year 2022G, the Company entered into a long term loan agreement for SR 480 million through a local bank to finance the construction of rehabilitation centre and utilized SR 399.5 million as at 31 December 2023G. The loan is repayable in 20 equal quarterly instalments commencing from 1 June 2025G. The loan carries interest rate of 3 months SAIBOR + 0.95% and is secured against personal guarantee of Mr. Abdulaziz AlMoosa and Malek Al-Moosa and mortgage over the North Tower land.

Loans from commercial banks – 5

During the year2023G, the Company entered into a long term loan agreement for SR 350 million through a local bank to finance the construction and Medical Equipment supply of the Hospital and utilized SR 175 million as at 31 December 2023G. The loan is repayable in 10 equal quarterly instalments commencing from 31 July 2025G. The loan carries interest rate of 3 months SAIBOR + 1% and is secured against personal guarantee of Mr. Abdulaziz AlMoosa and Mr. Malek Al-Moosa.

Loans from Ministry of Finance

In 2010, the Company entered into a loan agreement for SR 42.6 million with Ministry of Finance to finance the construction of hospital building. The loan is repayable in equal annual instalments of SR 2.8 million each which commenced from 2015 and will continue up to 2030G. The loan provided is interest free and does not require any collaterals and securities from the Company.

The Company is required to comply with certain covenants under the loan facility agreements mentioned above. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. As of 31 December 2023G, the necessary waivers in relation to non-compliance of loan covenants have been obtained by the Company from banks before year end, wherever applicable, and accordingly these loans were not reclassified to current liabilities.

15. LONG TERM LOANS (Continued)

Following are the combined aggregate amounts of future maturities representing principal amounts of the term loans as at 31 December:

	2023G	2022G
Within one year	**85,293,962**	100,426,400
Later than one year but not later than five years	**837,761,358**	524,538,935
Later than five years	**220,413,810**	162,529,196
	1,143,469,130	787,494,531

15.1 SHORT TERM BORROWINGS

Short term borrowings comprise of short term borrowings availed by the Company with the local commercial bankers.

	2023G	2022G
Short term borrowings	**65,000,000**	-
	65,000,000	-

16. EMPLOYEES' BENEFITS

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The Company has recognised the benefits in the statement of profit or loss and other comprehensive income. The benefit is based on employees' salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The amounts recognised in the statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

Total amount recognized in profit or loss:

	2023G	2022G
Current service cost	**17,848,892**	16,990,253
Interest cost on defined benefit obligation	**3,790,033**	1,955,294
	21,638,925	18,945,547

Total amount recognised in other comprehensive income

Remeasurement loss arising from:	2023G	2022G
Actuarial gain / (loss) due to change in experience adjustments	**(508,866)**	1,280,054
Actuarial gain due to change in financial assumptions	**(2,703,926)**	(424,877)
	(3,212,792)	855,177

16. EMPLOYEES' BENEFITS (Continued)

Movement in the present value of defined benefit obligation:

	2023G	2022G
Balance at 1 January	**89,177,244**	78,211,779
Current service cost	**17,848,892**	16,990,253
Interest cost	**3,790,033**	1,955,294
Re-measurement gain / (loss) on employees' benefits	**(3,212,792)**	855,177
Benefits paid during the year	**(6,627,491)**	(8,835,259)
Balance at 31 December	**100,975,886**	89,177,244

Significant assumptions used in determining the post-employment defined benefit obligation includes the following:

	2023G	2022G
Discount rate	**4.75%**	4.25%
Future salary increases	**4.75%**	4.75%
Mortality rates	**WHO SA16- 75%**	WHO SA16- 75%
Rates of employee turnover	**15%**	15%

Assumptions regarding future mortality have been based on published statistics and mortality tables. For current year World Health Organization "WHO" 16 mortality table has been used (2022G: World Health Organization "WHO" 16 mortality table was used) for Kingdom of Saudi Arabia. There is no major deviation in the mortality tables used.

16. EMPLOYEES' BENEFITS (Continued)

A quantitative sensitivity analysis for discount rate and future salary assumption on the defined benefit obligation as at 31 December is shown below:

Assumptions	Discount rate	
Sensitivity analysis	1% increase	1% decrease
Defined benefit obligation as at 2023G	**95,972,359**	**106,532,252**
Defined benefit obligation as at 2022G	84,554,895	94,325,813
	Future salary	
	1% increase	1% decrease
Defined benefit obligation as at 2023G	**106,476,858**	**95,926,751**
Defined benefit obligation as at 2022G	94,248,724	84,533,771

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected against the defined benefit liability in future years:

	2023G	2022G
Year 1	**24,416,963**	20,937,935
Year 2	**16,560,439**	13,890,275
Year 3	**18,423,582**	15,322,444
Year 4	**17,574,131**	16,135,627
Year 5	**18,759,384**	16,175,376
Beyond 5 years	**236,069,752**	214,454,906
	331,804,251	296,916,563

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17. ACCOUNTS PAYABLE

	2023G	2022G
Accounts payable	**159,078,631**	147,011,426
Payable to contractors	**51,643,295**	60,562,375
	210,721,926	207,573,801

The average credit period on purchases of goods is 3 months. No interest is charged on the accounts payable outstanding balance. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. ACCRUALS AND OTHER CURRENT LIABILITIES

	2023G	2022G
Accrued employees benefits	**11,466,663**	14,814,739
Goods received but not invoiced	**6,031,466**	3,474,932
Accrual for NPHIES fee	**-**	3,289,427
Advances from patients	**7,274**	1,090,741
Value added tax (VAT) payable	**22,705,306**	14,124,763
Others	**3,803,514**	1,704,385
	44,014,223	38,498,987

19. DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into interest rate swap contracts with the various commercial banks. The total notional amount of contract is SR 1.18 billion (31 December 2022G: SR 1.27 billion). The Company has recognized liability for the derivative financial instruments at the year-end amounting to SR 0.27 million (31 December 2022G: SR 2.23 million). In addition, the Company has recognized SR 1.96 million (2022G: SR 1.91 million) in statement of profit or loss for derivative financial instruments.

Details of derivatives with respect to interest rate swaps is as under:

	2023G	2022G
Balance at 1 January	**2,233,546**	-
Change in fair value	**(1,962,974)**	2,233,546
Balance at 31 December	**270,572**	2,233,546

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20. ZAKAT

The principle elements of zakat base are as follows:

	2023G	2022G
Non-current assets	**1,753,702,434**	1,427,390,152
Non-current liabilities	**1,158,124,790**	775,519,479
Opening shareholders' equity	**648,142,429**	597,981,990
Profit before zakat	**101,776,397**	55,556,611
Dividend paid	**-**	-

Movement of zakat provision is as follow:

	2023G	2022G
Balance at 1 January	**4,586,090**	6,283,134
Provision during the year	**3,630,266**	4,540,995
Payments during the year	**(4,586,090)**	(6,238,039)
Balance at 31 December	**3,630,266**	4,586,090

The Company has submitted its zakat returns up to year 2022G and has obtained the required certificates and official receipts, however, all returns since inception are still under ZATCA review.

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21. LEASES

The Company leases buildings and apartment rooms for its employees. The leases typically run for a period of 3 to 6 years, without an option to renew the lease after that date for which the Company recognises these leases under IFRS-16. Prior to adoption of IFRS-16, these leases were classified as operating leases under IAS 17.

In addition to the above, the Company has elected not to recognise right-of-use assets and lease liabilities for the short-term and / or leases of low-value items.

Information about leases for which the Company is a lessee is presented below.

Right-of-use-assets	1 January 2023G	Additions	31 December 2023G
Cost	**25,762,875**	**-**	**25,762,875**
Accumulated depreciation	**13,720,662**	**6,067,999**	**19,788,661**
Carrying amount	**12,042,213**		**5,974,214**
	1 January 2022G	Additions	31 December 2022G
Cost	25,762,875	-	25,762,875
Accumulated depreciation	6,675,080	7,045,582	13,720,662
Carrying amount	19,087,795		12,042,213

Lease Liabilities

	2023G	2022G
Balance at 1 January	**11,445,294**	18,362,530
Interest charge for the year	**325,786**	617,780
Payments during the year	**(6,385,000)**	(7,535,016)
Balance at 31 December	**5,386,080**	11,445,294
Non-current portion	**2,196,080**	5,060,294
Current portion	**3,190,000**	6,385,000
Balance as at end of the year	**5,386,080**	11,445,294

The incremental borrowing rate applied by the Company for the recognition of lease liabilities and interest thereon is 3.49%

Amount recognised in statement of profit or loss and other comprehensive income:

	2023G	2022G
Interest on lease liabilities	**325,786**	617,780
Expenses relating to short term leases	**5,449,126**	6,542,209
Depreciation	**6,067,999**	7,045,582

Amount recognised in statement of cash flows:

	31 December 2023G	31 December 2022G
Total cash outflow for leases		
Payment of principal	**6,059,214**	6,917,236
Interest on lease liabilities	**325,786**	617,780
	6,385,000	7,535,016

22. REVENUE

The Company primarily generates revenue from contract with customers from:

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

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by service lines and timing of revenue recognition.

All revenues are generated within the Kingdom of Saudi Arabia.

	2023G	2022G
Revenue by service lines		
Medical services	**792,263,329**	661,448,432
Pharmaceuticals	**186,711,366**	154,590,707
	978,974,695	816,039,139

Timing of revenue recognition	2023G	2022G
Medical services and pharmaceuticals sales transferred at a point in time	**453,671,100**	359,771,303
Medical services transferred over time	**525,303,595**	456,267,836
	978,974,695	816,039,139

As at 31 December	2023G	2022G
Refund liability (note 22.1)	**67,741,431**	36,775,424

22.1 Refund liability:

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

	2023G	2022G
Balance at 1 January	**36,775,424**	15,284,210
Addition during the year	**30,966,007**	21,491,214
Adjusted during the year	**-**	-
Balance at 31 December	**67,741,431**	36,775,424

23. COST OF REVENUES

	2023G	2022G
Employees' cost	**361,840,541**	335,141,185
Material consumption	**229,286,418**	179,485,336
Depreciation (note 6)	**28,585,498**	23,389,563
Repair and maintenance	**27,152,513**	12,187,917
Support services	**9,188,020**	12,676,439
Utilities	**7,981,904**	10,229,072
Amortization (note 7)	**1,958,762**	174,100
Others	**5,983,310**	3,730,915
	671,976,966	577,014,527

The employee's cost includes depreciation on right-of-use assets amounting to SR 6.07 million (2022G: 7.04 million) pertaining to the buildings and apartment rooms leased by the Company for its employees.

24. SELLING AND DISTRIBUTION EXPENSES

	2023G	2022G
Employees' cost	**3,168,857**	2,861,159
Advertisement and promotion	**8,964,285**	10,583,976
Depreciation (note 6)	**95,352**	102,315
Amortization (note 7)	**2,542**	1,740
Others	**524,187**	715,214
	12,755,223	14,264,404

25. GENERAL AND ADMINISTRATION EXPENSES

	2023G	2022G
Employees' cost	**124,143,484**	115,219,426
Depreciation (note 6)	**29,351,794**	26,091,101
Repair and maintenance	**2,523,490**	10,711,094
Support services	**7,062,671**	8,951,837
Bank charges	**1,516,339**	2,183,079
Training and development	**2,053,625**	2,307,179
Utilities	**3,554,142**	1,665,512
Withholding tax expense	**1,148,635**	-
Amortization (note 7)	**24,851**	1,461,813
Others	**4,928,737**	2,960,001
	176,307,768	171,551,042

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023G
(All amounts in Saudi Riyals unless otherwise stated)

26. OTHER INCOME

	2023G	2022G
Human Resource Development Fund (HRDF) income	**8,840,078**	11,370,530
Training courses income	**1,470,792**	3,098,180
Scientific support income	**1,787,819**	1,564,693
Cafeteria income	**1,153,375**	2,661,722
Gain on disposal of property and equipment	**328,448**	27,500
Property and equipment written-off	**-**	(14,593)
Others	**567,120**	759,324
	14,147,632	19,467,356

27. FINANCE COST

	2023G	2022G
Interest cost on long term loans	**22,024,019**	11,484,247
Unwinding of deferred income on MoF loan	**2,199,022**	1,320,126
Interest cost on defined benefit obligation	**3,790,033**	1,955,294
Interest cost on lease liabilities	**325,786**	617,780
	28,338,860	15,377,447

28. CONTINGENT LIABILITIES AND COMMITMENTS

Letter of Guarantees

As of 31 December 2023G, the Company's bankers have given letter of guarantees, on behalf of the Company, amounting to SR 10.93 million (2022G: SR 5.1 million) mainly in respect of performance guarantees to customers and others.

Letter of Credits

As of 31 December 2023G, the Company's bankers have given letter of credits, on behalf of the Company, amounting to SR 17.80 million (2022G: SR 32.13 million).

Capital commitments

As of 31 December 2023G, the Company's capital commitments amounted to SR 106.28 million (2022G: SR 240.88 million) relating to certain expansion projects.

29. DIVIDEND

During the year, shareholders of the Company has distributed cash dividend amounting to SR Nil (2022G: SR Nil) and other amounting to SR 93.50 million (2022G: SR Nil) respectively.

30. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's ultimate controlling person (Abdulaziz Abdullah AlMoosa), other shareholders, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Terms and conditions of these transactions are approved by the Company's management. The following are the nature and transactions with the related parties during the period and its related balances as at end of the year.

30.1 The following significant transactions were carried out with related parties during the year:

	Relationship	2023G	2022G
Dividend to shareholders	Shareholders	**93,497,881**	
Expenses paid	Under common ownership of the Company's shareholder	**-**	1,104,547
Purchase of goods		**-**	994,974

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

30.2 Due from related parties

		2023G	2022G
AlMoosa Automatic Doors Factory	Under common ownership of the Company's shareholder	**3,724,769**	3,330,606
AlMoosa College of Health Sciences		**245,805**	847,333
		3,970,574	4,177,939

Prices and terms of payments for the above transactions are approved by the management. Due from related parties is unsecured in nature and bears no interest. There is no provision held against amount due from related parties.

30.3 Compensation of key management personnel

Key management includes the Board of Directors (executive and non-executive) and all members of Company's management. The compensation paid or payable to key management for employee services is shown below:

	2023G	2022G
Short-term benefits	**9,708,400**	8,955,161
Termination benefits	**613,050**	609,660
	10,321,450	9,564,821

30.4 Due from a shareholder

	2023G	2022G
Due from a shareholder	-	28,979,269

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

31.1 Financial instruments risk management objectives and policies

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established Committees responsible for developing and monitoring the Company's risk management policies. The committees report regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's principal financial liabilities comprise long term loans, lease liability, accounts payable, accrual and other payables and derivative financial instruments. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include accounts receivable, due from a shareholder and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management regularly review the policies and procedures to ensure that all the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by Company. The Company does not apply hedge accounting in order to manage volatility in profit or loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Management monitors the changes in interest rates and believes that fair value and cash flow interest rate risks to the Company are not significant.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Market risk (continued)

Interest rate sensitivity

Management monitors the changes in interest rates. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	2023G	2022G
Variable rate instruments		
Financial liabilities	**1,208,469,130**	798,180,428

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of long term loans. With all other variables held constant, the Company's profit before zakat is affected through the impact on floating rate borrowings, as follows:

	2023G	2022G
Increase by 50 basis points	**6,042,346**	(3,937,473)
Decrease by 50 basis points	**(6,042,346)**	3,937,473

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. Since Saudi Riyal is on a fixed parity with the US Dollar, the management believes that the Company does not have any significant exposure to currency risk.

Commodity price risk

The Company is exposed to the impact of market fluctuations of the prices of various inputs to cost of revenues including pharmaceuticals supplies. The Company prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of such materials to manage the risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments in debt securities.

The Company is exposed to credit risk from its operating activities (primarily for accounts receivable) and from its investing activities, including deposits with banks and financial institutions.

	2023G	2022G
Cash and cash equivalents	**15,838,943**	15,239,745
Accounts receivable	**453,247,002**	287,696,675
Due from a shareholder	**-**	28,979,269
Other current assets	**963,053**	987,260
	470,048,998	332,902,949

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit risk (Continued)

Accounts receivable

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Accounts receivable of the Company are spread across large number of customers comprising of Ministries, insurance companies, semi-government companies and individual patients. The Company holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow ups. The management has established a credit policy under which each new insurance company is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual historical data. The Company evaluates the concentration of risk with respect to accounts receivable as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Accounts receivable and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, management has fully exhausted recoveries through legal means and a failure to make contractual payments.

The details of the Company's credit risk with respect loss allowance for accounts receivable has been disclosed in note 9.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company seeks to manage its credit risk with respect to banks by only dealing with reputable banks. At the reporting date, no significant concentration of credit risk was identified by the management. The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realise financial assets quickly at an amount close to its fair value. The Company manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis. The Company manages its liquidity risk by ensuring that bank facilities are available. The Company's term of sales and services require amounts to be paid within 30 to 60 days of the date of submitting the invoice. Accounts payable are normally settled within 60 to 120 days of the date of purchase.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 December 2023G	Carrying amount	Contractual undiscounted cash flows			
		Within 12 months	2 to 5 years	> 5 years	Total
Accounts payable	**210,721,926**	**210,721,926**	**-**	**-**	**210,721,926**
Accruals and other payable	**21,301,643**	**21,301,643**	**-**	**-**	**21,301,643**
Long term loans	**1,143,469,130**	**144,023,887**	**835,001,731**	**214,556,462**	**1,193,582,080**
Short term borrowings	**65,000,000**	**66,087,171**	**-**	**-**	**66,087,171**
Derivative financial instruments	**270,572**	**270,572**	**-**	**-**	**270,572**
Lease liabilities	**5,386,080**	**3,190,000**	**2,380,000**	**-**	**5,570,000**
	1,446,149,351	**445,595,199**	**837,381,731**	**214,556,462**	**1,497,533,392**

As at 31 December 2022G	Carrying amount	Contractual undiscounted cash flows			
		Within 12 months	2 to 5 years	> 5 years	Total
Accounts payable	207,573,801	207,573,801	-	-	207,573,801
Accruals and other payable	23,283,483	23,283,483	-	-	23,283,483
Long term loans	787,494,531	119,292,273	602,433,309	169,752,720	891,478,302
Derivative financial instruments	2,233,546	2,233,546	-	-	2,233,546
Lease liabilities	11,445,294	6,385,000	5,570,000	-	11,955,000
	1,032,030,655	358,768,103	608,003,309	169,752,720	1,136,524,132

31.2 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the long term loans that define capital structure requirements. Breaches in meeting the financial covenants may lead to call-back of facilities. There have been no breaches of the financial covenants of any long term loans in the current period. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2023G and 31 December 2022G.

The Company's adjusted net debt to equity ratio at 31 December was as follows:

	2023G	2022G
Total liabilities	**1,645,795,131**	1,177,025,520
Less: cash and cash equivalents	**(15,838,943)**	(15,239,745)
Net debt	**1,629,956,188**	1,161,785,775
Total equity	**656,003,471**	648,142,429
Net debt to equity ratio at 31 December	**2.48**	1.79

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

31.3 Accounting classifications and fair values

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

Financial assets

	2023G	2022G
Cash and cash equivalent	**15,838,943**	15,239,745
Accounts receivable	**453,247,002**	287,696,675
Due from a shareholder	**-**	28,979,269
Other current assets	**963,053**	987,260
Total financial assets not measured at fair value	**470,048,998**	332,902,949

Financial liabilities

	2023G	2022G
Financial liabilities measured at fair value		
Derivative financial instruments	**270,572**	2,233,546
Financial liabilities not measured at fair value		
Long term loans (note 15)	**1,143,469,130**	787,494,531
Short term borrowings (note 15.1)	**65,000,000**	
Lease liabilities (note 21)	**5,386,080**	11,445,294
Accounts payable (note 17)	**210,721,926**	207,573,801
Other current liabilities	**21,301,643**	29,401,017
Total financial liabilities not measured at fair value	**1,445,878,779**	1,035,914,643
Total financial liabilities	**1,446,149,351**	1,038,148,189

31.4 Measurement of fair values

The Company’s principal financial assets include cash and cash equivalents, accounts receivable and certain other receivables that arise directly from its operations. The Company’s principal financial liabilities comprise long-term borrowings and accounts payable and other payables. The main purpose of these financial liabilities is to finance the Company’s operations. Due to the short-term nature of the financial assets and financial liabilities classified as current assets and current liabilities, their carrying amounts are approximate to be the same as their fair values. For non-current financial liabilities, management consider that the fair values not significantly different from their carrying amounts.

32. NET DEBT RECONCILIATION

Reconciliation of movements of liabilities to cash flows arising from financing activities

This note sets out an analysis of liabilities and the movements in liabilities to cash flows arising from financing activities for each of the periods presented.

	Cash and cash equivalent	Loans and borrowings	Lease liabilities	Total
Balance at 1 January 2022G	58,120,212	494,719,097	18,362,530	571,201,839
Cash flows movements				
Net movement in cash and cash equivalents	(42,880,467)	-	-	(42,880,467)
Proceeds from long term loans	-	318,538,978	-	318,538,978
Repayment of long term loans	-	(27,843,067)	-	(27,843,067)
Lease principal payment	-	-	(6,917,236)	(6,917,236)
Total changes from financing cashflows	(42,880,467)	290,695,911	(6,917,236)	240,898,208
Non-cash changes				
Unwinding of interest free loan from MoF	-	1,320,126	-	1,320,126
Total non-cash changes	-	1,320,126	-	1,320,126
Balance as at 31 December 2022G	15,239,745	786,735,134	11,445,294	813,420,173
Cash flows movements				
Net movement in cash and cash equivalents	**599,198**	**-**	**-**	**599,198**
Proceeds from long term loans	**-**	**622,910,734**	**-**	**622,910,734**
Repayment of long term loans	**-**	**(201,936,134)**	**-**	**(201,936,134)**
Lease principal payment	**-**	**-**	**(6,059,214)**	**(6,059,214)**
Total changes from financing cashflows	**599,198**	**420,974,600**	**(6,059,214)**	**415,514,584**
Non-cash changes				
Unwinding of interest free loan from MoF	**-**	**2,199,022**	**-**	**2,199,022**
Other adjustments *	**-**	**3,416,563**	**-**	**3,416,563**
Total non-cash changes	**-**	**5,615,585**	**-**	**5,615,585**
Balance as at 31 December 2023G	**15,838,943**	**1,213,325,319**	**5,386,080**	**1,234,550,342**

* This pertains to the non-cash adjustments for the accrual of interest that has been adjusted in the interest expense and interest paid in the cash flows.

33. SEGMENT REPORTING

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenue or incur expenses. An operating segments operating results are reviewed regularly by the chief executive officer of the Company to make the decision about the resources allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to board of directors includes items directly attributable to a segment as well as those that can be allocated on reasonable basis. The business segments are engaged in providing product or services which are subject to risks and rewards which differ from the risk and rewards of the other segment. Segments reported are Hospital and Pharmacy.

	Medical Services	Pharmaceuticals	Total
For the year ended 31 December 2023G			
Revenue from contract with customers	**792,263,329**	**186,711,366**	**978,974,695**
Gross profit	**276,280,535**	**30,717,194**	**306,997,729**
Unallocated income / (expenses)			
Selling and marketing expenses			**(12,755,223)**
General and administrative expenses			**(176,307,768)**
Provision for impairment loss on accounts receivable			**(3,930,087)**
Gain on derivative financial instruments			**1,962,974**
Other income			**14,147,632**
Finance cost			**(28,338,860)**
Profit before zakat			**101,776,397**
Zakat expense for the year			**-**
Profit for the year			**101,776,397**
For the year ended 31 December 2022G			
Revenue from contract with customers	661,448,432	154,590,707	816,039,139
Gross profit	208,341,536	30,683,076	239,024,612
Unallocated income / (expenses)			
Selling and marketing expenses			(14,264,404)
General and administration expenses			(171,551,042)
Reversal against impairment loss on accounts receivable			167,044
Loss on derivative financial instruments			(1,909,508)
Other income			19,467,356
Finance cost			(15,377,447)
Profit before zakat			55,556,611
Zakat expense for the year			(4,540,995)
Profit for the year			51,015,616
As at 31 December 2023G			
Segment assets	**2,276,706,768**	**25,091,834**	**2,301,798,602**
Segment liabilities	**1,600,843,545**	**44,951,586**	**1,645,795,131**
As at 31 December 2022G			
Segment assets	1,804,956,811	20,211,138	1,825,167,949
Segment liabilities	1,138,481,337	38,544,183	1,177,025,520

All of the Company's operating assets and principal activities are located in the Kingdom of Saudi Arabia.

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

34. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net income for the period attributable to the shareholders of the Company by the weighted average number of outstanding shares during the period as follows:

	2023G	2022G
Profit for the year attributable to the shareholders of the Company	**98,146,131**	51,015,616
Weighted average number of outstanding shares during the year	**35,000,000**	35,000,000
Basic and diluted earnings per share attributable to the shareholders of the Company	**2.80**	1.46

The weighted average number of shares for the year ended 31 December 2022G has been adjusted to 350,000,000 shares, to the extent of increase in shares resulted from capitalization of contribution from a shareholder with no additional consideration (refer to note 12).

35. SUBSEQUENT EVENTS

As disclosed in note 12, the Company obtained the approval from the Ministry of Commerce on 10 January 2024G for the increase in share capital of the Company by way of issuance of 34.9 million new shares (SR 10 per share). Accordingly, the details of the revised shareholding of the Company's shareholders along with their shareholding, subsequent to the year end, is as under:

Name	Ownership percentage	No. of shares	SR
	Revised shareholding		
Abdulaziz Abdullah AlMoosa	75%	26,250,000	262,500,000
Abdulaziz Almoosa Charity Company	5%	1,750,000	17,500,000
Habiba Abdulrahman AlMoosa	2.5%	875,000	8,750,000
Mohammad Abdulaziz AlMoosa	2.5%	875,000	8,750,000
Sara Abdulaziz AlMoosa	1.25%	437,500	4,375,000
Zainab Abdulaziz AlMoosa	1.25%	437,500	4,375,000
Omaima Abdulaziz AlMoosa	1.25%	437,500	4,375,000
Malik Abdulaziz AlMoosa	2.5%	875,000	8,750,000
Yaser Abdulaziz AlMoosa	2.5%	875,000	8,750,000
Lama Abdulaziz AlMoosa	1.25%	437,500	4,375,000
Yousef Abdulaziz AlMoosa	2.5%	875,000	8,750,000
Ahmed Abdulaziz AlMoosa	2.5%	875,000	8,750,000
	100%	**35,000,000**	**350,000,000**

Subsequent to the year ended 31 December 2023G, the Board of Directors proposed a dividend in kind to the shareholders of the Company amounting to SR 22.90 million by transferring the non-operational lands of the Company to the shareholders. In addition, the Board of Directors proposed a cash dividend to the shareholders of the Company amounting to SR 4 million (31 December 2022G: Nil).

No other significant subsequent events have occurred subsequent to 31 December 2023G that would have a material impact on the financial position or financial performance of the Company.

36. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 9 Ramadan 1445H, corresponding to 19 March 2024G.

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022G
WITH INDEPENDENT AUDITOR'S REPORT

KPMG Professional Services
16th Floor, Al Barghash Tower
6189 Prince Turki Road, Al Kurnaish
P.O. Box 4803
Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبر ٣٤٤١٢ - ٣١٤٦
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

Independent auditor's report

To the Shareholders of Al Moosa Specialist Hospital Company

Opinion

We have audited the financial statements of **Al Moosa Specialist Hospital Company** ("the Company"), which comprise the statement of financial position as at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 Dhu Al-Qa'dah 1443H corresponding to 26 June 2022G.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Board of Directors, are responsible for overseeing the Company's financial reporting process.

KPMG

Independent auditor's report

To the Shareholders of Al Moosa Specialist Hospital Company (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Al Moosa Specialist Hospital Company** ("the Company").

KPMG Professional Services

كي بي إم جي للاستشارات المهنية
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C.R. 2051062328
K : 1
ترخيص رقم ٤٦
س.ت ٢٠٥١٠٦٢٣٢٨
KPMG Professional Services

Mohammed Najeeb Alkhlaiwi
License No: 481

Al Khobar, 17 May 2023G
Corresponding to: 27 Shawwal 1444H

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2022G
(All amounts in Saudi Riyals unless otherwise stated)

ASSETS	Note	31 December 2022G	31 December 2021G	1 January 2021G
			(Note 33)	(Note 33)
Non-current assets				
Property and equipment	6	**1,409,134,827**	1,151,553,288	854,897,890
Intangible assets	7	**6,213,112**	4,960,626	5,164,435
Right-of-use assets	21	**12,042,213**	19,087,795	2,212,483
Total non-current assets		**1,427,390,152**	1,175,601,709	862,274,808
Current assets				
Inventories	8	**50,080,290**	49,917,030	42,125,299
Accounts receivable	9	**284,918,409**	218,534,127	241,465,770
Advances, prepayments and other current assets	10	**18,560,084**	20,744,412	17,492,987
Investment at FVTPL		**-**	-	3,104,605
Due from a shareholder		**28,979,269**	22,352,956	35,246,531
Cash and cash equivalents	11	**15,239,745**	58,120,212	50,179,203
Total current assets		**397,777,797**	369,668,737	389,614,395
Total assets		**1,825,167,949**	1,545,270,446	1,251,889,203
EQUITY AND LIABILITIES				
Equity				
Share capital	12	**1,000,000**	1,000,000	1,000,000
Statutory reserve	13	**300,000**	300,000	300,000
Contribution from a shareholder	14	**395,743,221**	395,743,221	395,743,221
Retained earnings		**251,099,208**	200,938,769	192,946,421
Total equity		**648,142,429**	597,981,990	589,989,642
Liabilities				
Non-current liabilities				
Long term loans	15	**681,281,941**	466,876,030	329,009,213
Lease liabilities	21	**5,060,294**	10,827,514	1,199,023
Employees' benefits	16	**89,177,244**	78,211,779	61,701,849
Total non-current liabilities		**775,519,479**	555,915,323	391,910,085
Current liabilities				
Accounts payable	17	**207,573,801**	257,332,222	182,079,658
Accruals and other current liabilities	18	**43,525,780**	77,095,484	58,378,696
Derivative financial instruments	19	**2,233,546**	-	-
Refund liabilities	22	**36,775,424**	15,284,210	8,371,726
Long term loans – current portion	15	**100,426,400**	27,843,067	15,343,067
Lease liabilities – current portion	21	**6,385,000**	7,535,016	745,016
Zakat payable	20	**4,586,090**	6,283,134	5,071,313
Total current liabilities		**401,506,041**	391,373,133	269,989,476
Total liabilities		**1,177,025,520**	947,288,456	661,899,561
Total liabilities and equity		**1,825,167,949**	1,545,270,446	1,251,889,203

These financial statements were authorized for issue by the Board of Directors and signed on its behalf by:

Malek Al Moosa	**Shailesh Chander**
(Chief Executive Officer)	(Group Chief Financial Officer)

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022G
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2022G	2021G
			(Note 33)
Revenue	22	**816,039,139**	701,542,238
Cost of revenues	23	**(577,014,527)**	(486,902,363)
Gross profit		**239,024,612**	214,639,875
Selling and distribution expenses	24	**(14,097,360)**	(10,951,153)
General and administrative expenses	25	**(169,367,963)**	(136,938,628)
Operating profit		**55,559,289**	66,750,094
Other income - net	26	**19,467,356**	9,981,112
Finance cost	27	**(17,560,526)**	(4,852,142)
Loss on derivative financial instruments	19	**(1,909,508)**	-
Profit before zakat		**55,556,611**	71,879,064
Zakat expense	20	**(4,540,995)**	(9,459,496)
Profit for the year		**51,015,616**	62,419,568
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period			
Re-measurement loss on employees' benefits		**(855,177)**	(6,339,645)
Other comprehensive loss for the year		**(855,177)**	(6,339,645)
Total comprehensive income for the year		**50,160,439**	56,079,923

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022G
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Contribution from a shareholder	Retained earnings	Total
Balance at 1 January 2021G, as previously reported	1,000,000	300,000	395,743,221	186,125,230	583,168,451
Impact of transition to IFRS (Note 33)	-	-	-	6,821,191	6,821,191
Balance as on 1 January 2021G - Restated	1,000,000	300,000	395,743,221	192,946,421	589,989,642
Profit for the year	-	-	-	62,419,568	62,419,568
Other comprehensive loss for the year	-	-	-	(6,339,645)	(6,339,645)
Total comprehensive income for the year	-	-	-	56,079,923	56,079,923
Dividends paid	-	-	-	(48,087,575)	(48,087,575)
Balance as on 31 December 2021G (Note 33)	**1,000,000**	**300,000**	**395,743,221**	**200,938,769**	**597,981,990**
Profit for the year	**-**	**-**	**-**	**51,015,616**	**51,015,616**
Other comprehensive loss for the year	**-**	**-**	**-**	**(855,177)**	**(855,177)**
Total comprehensive income for the year	**-**	**-**	**-**	**50,160,439**	**50,160,439**
Balance as on 31 December 2022G	**1,000,000**	**300,000**	**395,743,221**	**251,099,208**	**648,142,429**

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022G
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2022G	2021G
Cash flows from operating activities:			
Profit before zakat		**55,556,611**	71,879,064
Adjustments for:			
Depreciation on property and equipment	6	**49,582,979**	20,790,580
Amortization on intangibles	7	**1,637,653**	1,445,338
Depreciation on right-of-use assets	21	**7,045,582**	6,257,163
(Gain) / loss on disposal of property and equipment	26	**(27,500)**	66,917
Gain on sale of available for sale investment		**-**	(437,822)
Property and equipment write-off	26	**14,593**	10,320
Bank charges and interest expense on long term loans	27	**13,667,326**	1,032,792
Impact of unwinding on interest free loan from government	27	**1,320,126**	1,455,772
Interest expenses on lease liability	21	**617,780**	821,032
Employees' defined benefit expense	16	**18,945,547**	14,514,266
Changes in fair value of derivative financial instruments	19	**2,233,546**	-
(Reversal) / provision for doubtful debts	9	**(167,044)**	1,219,118
Inventory written off during the year	8	**-**	18,280
		150,427,199	119,072,820
Changes in:			
Accounts receivable		**(66,217,238)**	(10,711,834)
Due from a shareholder		**(6,626,313)**	12,893,575
Inventories		**(163,260)**	(7,810,011)
Advances, prepayments and other current assets		**2,184,328**	(2,955,581)
Accounts payable		**(49,758,421)**	75,252,564
Accruals and other current liabilities		**(37,236,375)**	18,005,122
Refund liabilities		**21,491,214**	6,882,749
Cash generated from operations		**14,101,134**	210,629,404
Finance charges paid		**(10,000,655)**	(321,126)
Zakat paid	20	**(6,238,039)**	(8,247,675)
Employees benefits paid	16	**(8,835,259)**	(4,343,981)
Net cash (used in) / generated from operating activities		**(10,972,819)**	197,716,622
Cash flows from investing activities:			
Additions to property and equipment	6	**(307,179,111)**	(318,471,851)
Additions to intangible assets	7	**(2,890,139)**	(311,395)
Proceeds from disposal of property and equipment		**27,500**	18,502
Sale of investment		**-**	3,276,318
Net cash used in investing activities		**(310,041,750)**	(315,488,426)
Cash flows from financing activities:			
Proceeds from long term loans, net of repayments		**285,669,118**	148,911,045
Lease payments	21	**(7,535,016)**	(7,535,016)
Dividend paid	29	**-**	(15,663,216)
Net cash generated from financing activities		**278,134,102**	125,712,813
Net movement in cash and cash equivalents		**(42,880,467)**	7,941,009
Cash and cash equivalents at beginning of the year		**58,120,212**	50,179,203
Cash and cash equivalents at end of the year	11	**15,239,745**	58,120,212

The accompanying notes on pages 5 to 41 form an integral part of these financial statements.

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022G
(All amounts in Saudi Riyals unless otherwise stated)

1. GENERAL INFORMATION

AlMoosa Specialist Hospital Company (the "Company") is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2252022248 dated 6 Shaban 1435H (4 June 2014).

The Company was previously registered as a Branch of a sole proprietorship formed in the Kingdom of Saudi Arabia registered under commercial registration number 2252012962 dated 6 Ramadan 1414H (17 February 1994). Abdulaziz AlMoosa Establishment was a sole proprietorship owned by Mr. Abdulaziz AlMoosa registered under commercial registration number 2252023498 dated 14 Jum'ada II 1409H (22 January 1989) in Al-Ahsa, Kingdom of Saudi Arabia. On 6 Shaban 1435 (4 June 2014), the name and commercial registration number of the Branch was changed to Almoosa Specialist Hospital and 2252022248 respectively.

In 2018, the legal status of the Company was changed from a Branch to a Limited Liability Company and the related ministerial approval on the conversion was obtained on 10 Shawwal, 1439H (24 June 2018). In 2020G, the shareholders of the Company resolved to convert the Company from a Limited Liability Company to a Closed Joint Stock Company. The shareholder passed the resolution to convert the legal entity from single member limited liability company into closed joint stock company dated 14 Safar 1442H (1 October 2020G).

The principal activities of the Company are to act as a private healthcare provider, storing medical items and selling medicine, cosmetics and disposable medical items. The Company's registered office is in Al-Ahsa, Kingdom of Saudi Arabia.

The financial statements of the Company include activities and results of the following branches having commercial registrations, also assets and liabilities of these are included in these financial statements:

Branch Name	Commercial Registration No.	Registration Date	Location
AlMoosa Medical Pharmacy	2252023498	9 Sha'aban 1415H -10 January 1995G	Al-Ahsa
Abdul Aziz AlMoosa Drug Store	2252053792	22 Ramadan 1434H -30 July 2013G	Al-Ahsa
Almoosa Hospital Medical Consumables Warehouse	2252069957	28 Rabia'l Thani 1439H - 15 January 2018G	Al-Ahsa
Almoosa Specialist Hospital Company	2051241163	13 Ramadan 1443 H - 14 April 2022G	Al-Ahsa
Administrative Office	2252105384	04 Rajab 1442 H - 16 February 2021G	Al-Ahsa
Almoosa for rehabilitation and LTC	2031110416	04 Safar 1444 H - 31 August 2022G	Al-Ahsa
The Leaf Kitchen	2252106494	8 Shawal 1443 H - 9 May 2022G	Al-Ahsa
Sidra Lounge – cafeteria	2252106018	22 Rabia I 1443 H - 28 Oct 2021G	Al-Ahsa

2. BASIS OF PREPARATION

C. Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

For all periods up to and including the year ended 31 December 2021G, the Company prepared its financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

These are the Company's first financial statements prepared in accordance with IFRS as endorsed in KSA and IFRS 1 'First-time Adoption of International Financial Reporting Standards' (IFRS 1) has been applied. In adopting IFRS as endorsed in KSA on 1 January 2021G, the Company is required to apply all of the specific transition requirements in IFRS 1. Under IFRS 1, these financial statements are required to be prepared using accounting policies that comply with each IFRS as endorsed in KSA and effective as at 31 December 2022G. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under IFRS 1.

The Company's opening statement of financial position has been prepared as at 1 January 2021G, which is the Company's date of transition to IFRS ("date of transition"). An explanation of how the transition to IFRS 1 have affected the Company's financial position, financial performance and cash flows is provided in note 33 to these financial statements.

D. Basis of measurement

These financial statements have been prepared on a historical cost basis except for derivative financial instruments which are measured at fair value and employees' end-of-service benefits obligation which is measured at the present value of the obligations as explained in the relevant accounting policy.

E. Functional and presentation currency

These financial statements are presented in Saudi Riyals (SR) which is the Company's functional currency. All financial information presented in these financial statements have been rounded off to the nearest Saudi Riyals, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Current and non-current assets

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

B. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fair value measurement (continued)

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

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

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

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

External valuers are involved for valuation of significant assets, whenever required. The involvement of external valuer is decided by the Company after discussion and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

C. Revenue recognition

The Company generates its revenue from sale of pharmaceuticals and rendering of inpatient and outpatient services over time and at a point in time. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The goods and services are sold both on their own in separately identified contracts with customers and together as a bundled package of goods and/or services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Operating revenue

Revenues are measured at the transaction price which is the amount of consideration that the Company expects to be entitled to in exchange for the services provided. Revenue primarily comprises fees charged for inpatient and outpatient hospital services. For operating revenues, the revenue is recognized when the treatment is provided, and the invoice is generated (i.e., after satisfaction of performance obligation). Net patient services revenue is recognised at the estimated net realisable amounts from the third-party payers (insurance companies) and others for the services rendered, net of estimated retroactive revenue adjustments (rejection of claims) when the related services are rendered. Unbilled revenue is recorded for the service rendered where the patients are not discharged, and final invoice is not raised for the services.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Revenue recognition (Continued)

Some contracts include variable considerations such as claims disallowed (rejection of claims) which is not paid by third-party payor, volume discount and prompt payment discount. Discounts comprise retrospective volume discounts granted to certain insurance companies on attainment of certain levels of business and constitute variable consideration. These are accrued over the course of the arrangement based on estimates of the level of business expected and are adjusted against revenue at the end of the arrangement to reflect actual volumes. The normal business process associated with transactions with insurers includes amount of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Accordingly, the Company expects an amount of consideration that is less than what was originally invoiced. These disallowances constitute a variable consideration and are assessed based on all information (historical, current and forecast) that is reasonably available to the Company and identify a reasonable number of possible consideration amounts. Management estimates variable consideration using the single most likely amount method for prompt payment discount.

Revenue from inpatient services is recognized over a period of time and outpatient services are recognized at the point in time.

Sale of goods

Sales of goods represents the invoiced value of medicines and drugs supplied by the Company. The Company's contracts with customers for the sale of medicines and drugs generally include one performance obligation. Revenue from sale of medicines and drugs is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery/dispensing of the medicines and drugs.

D. Property and equipment

Property and equipment excluding land and construction work in progress (CWIP) are carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Freehold land and properties under construction are not depreciated.

The following useful lives are used in the calculation of depreciation:

	Years
Buildings	33 years
Elevators and office equipment	6.67 years
Medical equipment and tools	10 years
Furniture and fixture	6.67 years
Motor Vehicles	4 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction work in progress (CWIP)

CWIP is recognized at cost less accumulated impairment, if any. CWIP is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

Land is recognised at cost, less impairment, if any.

E. Intangible assets

Intangible assets represent the software license and operating license of hospital. They are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives ranging between 3 to 10 years. Useful lives are reviewed at each reporting date.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Company as a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Currently, Company has no contract which includes lease and non-lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets to restore the underlying assets or the site on which it is located less any lease incentive returned.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its in cremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability mainly comprise of fixed lease payments.

The lease liability is subsequently carried at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short term leases including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Company as a lessor

The Company enters into lease agreements as a lessor with respect to some of its building properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Leases (Continued)

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate consideration under the contract to each component.

G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

H. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Accounts receivable and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through OCI ("FVOCI"); or fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Financial instruments (Continued)

(iii) Financial assets - Business model and assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(iv) Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Financial instruments (Continued)

(v) Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(vi) Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(vii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ix) Derivative financial instruments

The Company holds derivative financial instruments to hedge its interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies the general approach to provide for ECLs on all other financial instruments. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivable and contract assets, the Company applies a simplified approach in calculating ECLs.

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company assesses all the information available, including past due status, credit ratings, the existence of third party insurance and forward-looking economic factors in the measurement of the expected credit losses associated with its accounts receivable and contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Impairment of financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

J. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time. An asset's recoverable amount is the higher of an asset's or Cash Generating Units ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition and calculated on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

L. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet, if any.

M. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liability

Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at a rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed in the statement of profit or loss and other comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied, are added to or deducted from the cost of the asset.

N. Contingencies

Contingent liabilities are not recognised in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable. A contingent asset becomes a realized asset recordable on the statement of financial position when the realization of cash flows associated with it becomes relatively certain.

O. Zakat and tax

Zakat

The Company is subject to the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is charged to the statement of profit or loss on an accruals basis. The Zakat charge is computed on the Saudi shareholders' share of the zakat base or adjusted net profit whichever is higher. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Cover Key Dates TOC Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Zakat and tax (Continued)

Value added tax

Expenses and assets are recognised net of the amount of value added tax ("VAT"), except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.
- The net amount of VAT recoverable from, or payable

P. Employees' benefits

Retirement benefit costs and termination benefits

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

P. Employees' benefits (Continued)

Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in profit or loss in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Q. Statutory reserve

In accordance with Company's By-laws, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 30% of the share capital. This reserve is not available for dividend distribution.

R. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements in conformity with IFRS, as endorsed in KSA, requires management to make judgements, 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 Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Further, certain estimates and assumptions include the direct and indirect impact of the COVID-19 pandemic on the Company's business, financial condition and results of operations. The economic impact of the pandemic on the Company's business depends on its severity and duration, which in turn depend on highly uncertain factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Provision for expected credit losses of accounts receivable

The Company uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. payor groups). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(ii) Employees' end-of-service benefits

The cost of the employees' end-of-service benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Revenue recognition – estimating variable consideration

The Company estimates variable considerations to be included in the transaction price in respect of each of its agreement with customers. In making such estimate the Company assess the impact of any variable consideration in the contract, customers' right to volume discounts, prompt payment discounts and claims disallowance of certain services provided to the patients upon submission of invoices to the customers. The Company uses its accumulated historical experience to estimate the percentage. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected adjustments estimated by the Company.

(iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash flows ("DCF") model. The cash flows are derived from the budget and marketing terms forecast for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the growth rate used for extrapolation purposes.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(v) Useful lives of property and equipment

Management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods.

(vi) Useful lives of intangible assets

Management reviews the amortization period and the amortization method for any intangible asset with a finite useful life at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the Company changes the amortization period accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the Company changes the amortization method to reflect the changed pattern.

(vii) Incremental borrowing rate for lease agreements

The Company cannot readily determine the interest rate implicit in the lease agreement, therefore, it uses its Incremental Borrowing Rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

(viii) Determining the lease term of contracts

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(ix) Zakat

The Company is subject to Zakat in accordance with the Zakat, Tax and Customs Authority (“ZATCA”) regulations. Zakat computation involves relevant knowledge and judgement of the Zakat rules and regulations to assess the impact of Zakat liability at a particular period end. This liability is considered an estimate until the final assessment by ZATCA is carried out until which the Company retains exposure to additional Zakat liability.

5. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS

A. New and revised standards with no material effect on the financial statements

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

- COVID-19-Related Rent Concessions beyond 30 June 2021G (Amendment to IFRS 16).
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Annual Improvements to IFRS Standards 2018-2020G.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- Reference to the Conceptual Framework (Amendments to IFRS 3).

However, these amendments did not have an impact on the financial statements of the Company.

5. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS (Continued)

B. New and revised standards issued but not yet effective

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

- IFRS 17 Insurance Contracts, effective for annual periods beginning on or after 1 January 2023G.
- Amendments to IFRS 17, effective for annual periods beginning on or after 1 January 2023G.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), effective for annual periods beginning on or after 1 January 2023G.
- Definition of Accounting Estimate (Amendments to IAS 8), effective for annual periods beginning on or after 1 January 2023G.
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes, effective for annual periods beginning on or after 1 January 2023G.
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17), effective for annual periods beginning on or after 1 January 2023G.
- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024G.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), effective for annual periods beginning on or after 1 January 2024G.
- Non-current Liabilities with Covenants (Amendments to IAS 1), effective for annual periods beginning on or after 01 January 2024G.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) with effective annual periods yet to be determined.

The above-mentioned standards are not expected to have a significant impact on the financial statements of the Company.

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022G
(All amounts in Saudi Riyals unless otherwise stated)

6. PROPERTY AND EQUIPMENT

	Land	Buildings	Elevators	Medical equipment and tools	Office equipment	Furniture and Fixture	Motor vehicles	Construction work in Progress	Total
Cost									
1 January 2021G	219,462,830	135,290,988	4,542,590	171,459,376	43,089,857	33,653,576	4,874,093	468,046,483	1,080,419,793
Reclassification	-	-	-	-	(117,962)	117,962	-	-	-
Additions	14,092,005	-	-	4,892,759	1,783,621	2,508,528	61,956	295,132,982	318,471,851
Transfers	-	-	-	140,939	91,000	4,209	-	(236,148)	-
Transfers to intangible assets	-	-	-	-	-	-	-	(930,134)	(930,134)
Disposals	-	-	-	(14,800)	(295,560)	(255,375)	(100,000)	-	(665,735)
Write-offs	-	-	-	(56,385)	(562,957)	(258,664)	-	-	(878,006)
31 December 2021G	**233,554,835**	**135,290,988**	**4,542,590**	**176,421,889**	**43,987,999**	**35,770,236**	**4,836,049**	**762,013,183**	**1,396,417,769**
Additions	**-**	**7,699,277**	**4,338,722**	**33,850,459**	**7,520,434**	**4,444,040**	**28,500**	**249,297,679**	**307,179,111**
Transfers	**-**	**443,299,986**	**2,775,563**	**78,061,390**	**16,378,080**	**19,396,487**	**-**	**(559,911,506)**	**-**
Disposals	**-**	**-**	**-**	**(700,938)**	**(66,300)**	**(12,121)**	**(159,000)**	**-**	**(938,359)**
Write-offs	**-**	**-**	**-**	**(29,700)**	**(118,788)**	**(225,342)**	**-**	**-**	**(373,830)**
31 December 2022G	**233,554,835**	**586,290,251**	**11,656,875**	**287,603,100**	**67,701,425**	**59,373,300**	**4,705,549**	**451,399,356**	**1,702,284,691**

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6. PROPERTY AND EQUIPMENT (Continued)

	Land	Buildings	Elevators	Medical equipment and tools	Office equipment	Furniture and Fixture	Motor vehicles	Construction work in Progress	Total
Accumulated depreciation									
1 January 2021G	-	51,825,832	3,678,563	109,855,404	34,427,605	21,737,392	3,997,107	-	225,521,903
Reclassification	-	-	-	-	(2,256,922)	2,256,922	-	-	-
Charge for the year	-	2,794,009	438,528	8,929,796	4,285,998	3,937,298	404,951	-	20,790,580
Disposals	-	-	-	(13,084)	(258,379)	(208,853)	(100,000)	-	(580,316)
Write-offs	-	-	-	(47,249)	(562,455)	(257,982)	-	-	(867,686)
31 December 2021G	**-**	**54,619,841**	**4,117,091**	**118,724,867**	**35,635,847**	**27,464,777**	**4,302,058**	**-**	**244,864,481**
Depreciation charge for the year	**-**	**16,096,657**	**1,141,688**	**20,945,454**	**5,284,692**	**5,807,901**	**306,587**	**-**	**49,582,979**
Disposals	**-**	**-**	**-**	**(700,938)**	**(66,300)**	**(12,121)**	**(159,000)**	**-**	**(938,359)**
Write-offs	**-**	**-**	**-**	**(26,644)**	**(114,507)**	**(218,086)**	**-**	**-**	**(359,237)**
31 December 2022G	**-**	**70,716,498**	**5,258,779**	**138,942,739**	**40,739,732**	**33,042,471**	**4,449,645**	**-**	**293,149,864**
Carrying amount									
As at 31 December 2022G	**233,554,835**	**515,573,753**	**6,398,096**	**148,660,361**	**26,961,693**	**26,330,829**	**255,904**	**451,399,356**	**1,409,134,827**
As at 31 December 2021G	233,554,835	80,671,147	425,499	57,697,022	8,352,152	8,305,459	533,991	762,013,183	1,151,553,288

The title deed of land for South Tower is in name of Mr. Abdulaziz Al Moosa (a shareholder) for which beneficial ownership is fully transferred to the Company. The Company is in process of transferring the title deed of this land.

Depreciation charge for the year has been allocated as follow:

	Note	2022G	2021G
Cost of revenues	23	**23,389,563**	11,216,231
Selling and distribution expenses	24	**102,315**	70,507
General and administration expenses	25	**26,091,101**	9,503,842
		49,582,979	20,790,580

Construction Work in progress:

Capital work-in-progress mainly represents cost incurred and advances paid towards the construction of the building and other assets for rehabilitation center.

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7. INTANGIBLE ASSETS

	2022G	2021G
Cost		
Balance at 1 January	**13,795,065**	12,553,536
Additions during the year	**2,890,139**	311,395
Transfer from capital work-in-progress	**-**	930,134
Balance at 31 December	**16,685,204**	13,795,065
Accumulated amortization		
Balance at 1 January	**8,834,439**	7,389,101
Amortization for the year	**1,637,653**	1,445,338
Balance at 31 December	**10,472,092**	8,834,439
Carrying amount	**6,213,112**	4,960,626

The amortization of intangible assets has been allocated as follows:

	2022G	2021G
Cost of revenues (note 23)	**174,100**	56,624
Selling and distribution expenses (note 24)	**1,740**	-
General and administration expenses (note 25)	**1,461,813**	1,388,714
	1,637,653	1,445,338

8. INVENTORIES

	2022G	2021G
Surgical and consumable tools	**23,290,440**	16,249,084
Pharmaceuticals and cosmetic materials	**14,798,475**	27,032,718
Spare parts and consumables	**12,049,931**	6,693,784
	50,138,846	49,975,586
Less: provision against expired inventories	**(58,556)**	(58,556)
	50,080,290	49,917,030

The movement of provision against expired inventories is as follows:

	2022G	2021G
Balance at 1 January	**58,556**	130,865
Write-off during the year	**-**	(18,280)
Reversal during the year	**-**	(54,029)
Balance at 31 December	**58,556**	58,556

9. ACCOUNTS RECEIVABLE

	2022G	2021G
Accounts receivable	**283,518,736**	218,471,936
Less: Impairment loss	**(2,778,266)**	(2,945,310)
	280,740,470	215,526,626
Due from related parties (note 30.2)	**4,177,939**	3,007,501
	284,918,409	218,534,127

The Company's credit terms require receivables to be repaid within 60-90 days of the claim date depending on the type of customer, which is in line with healthcare industry. It is not the practice of the Company to obtain collateral over receivables and therefore are unsecured. No interest is charged on outstanding balance. As at 31 December 2022G, approximately 96% of the Company's accounts receivable balance was due from various governmental and insurance entities (31 December 2021G: 92%)

The Company always measures the loss allowance for accounts receivable at an amount equal to lifetime ECL. The expected credit losses are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of accounts receivable based on the Company's provision matrix. The Company's historical credit loss experience does not show significantly different loss pattern for different customer segments.

	Accounts receivable – days past due					
31 December 2022G	Not past due	1-90	91 -180	181-360	>361	Total
Expected credit loss %	**-**	**0.24%**	**0.77%**	**1.30%**	**1.80%**	
Gross carrying amount	**48,245,335**	**67,037,270**	**24,749,241**	**31,154,299**	**112,332,591**	**283,518,736**
Lifetime ECL	**-**	**(160,007)**	**(191,045)**	**(403,634)**	**(2,023,580)**	**(2,778,266)**
	48,245,335	**66,877,263**	**24,558,196**	**30,750,665**	**110,309,011**	**280,740,470**

	Accounts receivable – days past due					
31 December 2021G	Not past due	1-90	91 -180	181-360	>361	Total
Expected credit loss %	-	0.33%	0.92%	1.07%	3.06%	
Gross carrying amount	45,523,568	47,012,799	21,544,817	30,353,087	74,037,665	218,471,936
Lifetime ECL	-	(155,139)	(197,219)	(325,298)	(2,267,654)	(2,945,310)
	45,523,568	46,857,660	21,347,598	30,027,789	71,770,011	215,526,626

9. ACCOUNTS RECEIVABLE (Continued)

9.1 Following is the movement of allowance for expected credit losses:

	2022G	2021G
Balance at 1 January	**2,945,310**	1,726,192
Provision for expected credit loss during the year (note 24)	**-**	1,219,118
Reversal during the year (note 24)	**(167,044)**	-
Balance at 31 December	**2,778,266**	2,945,310

10. ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

	2022G	2021G
Prepaid expenses	**14,154,195**	16,855,826
Advances to suppliers	**3,418,629**	2,119,682
Employees' advances	**931,842**	1,606,222
Other assets	**55,418**	162,682
	18,560,084	20,744,412

11. CASH AND CASH EQUIVALENTS

	2022G	2021G
Cash in hand	**14,567,615**	57,454,325
Bank balances	**672,130**	665,887
	15,239,745	58,120,212

Cash and cash equivalents comprise cash at banks and cash on hand, which are subject to an insignificant risk of changes in value.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

12. SHARE CAPITAL

The share capital is divided into 100,000 shares (2021G: 100,000 shares) of SR 10 each (2021G: 10 each). The shareholders of the Company and their respective shareholdings as of 31 December 2022G and 2021G were as follows.

Name	Ownership percentage	No. of shares	SR
Abdulaziz Abdullah AlMoosa	90%	90,000	900,000
Habiba Abdulrahman AlMoosa	1%	1,000	10,000
Mohammad Abdulaziz AlMoosa	1%	1,000	10,000
Sara Abdulaziz AlMoosa	1%	1,000	10,000
Zainab Abdulaziz AlMoosa	1%	1,000	10,000
Omaima Abdulaziz AlMoosa	1%	1,000	10,000
Malik Abdulaziz AlMoosa	1%	1,000	10,000
Yaser Abdulaziz AlMoosa	1%	1,000	10,000
Lama Abdulaziz AlMoosa	1%	1,000	10,000
Yousef Abdulaziz AlMoosa	1%	1,000	10,000
Ahmed Abdulaziz AlMoosa	1%	1,000	10,000
	100%	100,000	1,000,000

13. STATUTORY RESERVE

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

14. CONTRIBUTION FROM A SHAREHOLDER

This represents net assets transferred from the branch at the date of conversion (refer note 1). There is no obligation on the Company to repay this amount and it is interest free, essentially considered as part of equity. In 2020G, one of the shareholders of the Company contributed land of SR 53.7 million owned by him at a value determined by an independent Taqeem registered valuer.

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15. LONG TERM LOANS

	2022G	2021G
Long term loans		
Loans from commercial banks – 1	**37,500,000**	62,500,000
Loans from commercial banks – 2	**317,166,667**	191,000,000
Loans from commercial banks – 3	**162,500,000**	198,000,000
Loans from commercial banks – 4	**150,000,000**	-
Loan from Ministry of Finance (MoF)	**19,901,464**	22,744,531
Less: deferred income on loan from MoF	**(4,671,904)**	(5,992,030)
Less: amortization of transaction cost	**(1,114,286)**	(1,376,471)
	681,281,941	466,876,030
Current portion of long term loans		
Loan from MoF	**2,843,067**	2,843,067
Loans from commercial banks	**97,583,333**	25,000,000
	100,426,400	27,843,067

Loans from commercial banks – 1

In 2018, the Company entered into a term loan agreement for SR 100 million with a local bank to finance the expansion of the hospital through the construction of new medical tower and utilized SR 100 million as at 31 December 2022G (31 December 2021G: SR 100 million). The loan is repayable in equal quarterly installments commencing from September 2021G and will continue up to 2025G. The loan carries an interest rate of 3 months SAIBOR+ 1.45% and is secured against personal guarantees of Mr. Malik Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of certain parcels of land.

Loans from commercial banks – 2

In 2019G, the Company entered into long term murabaha liquidity financing agreement for SR 100 million through a local bank to finance the construction of new medical tower and rehabilitation center. During the year, an additional limit was obtained amounting to SR 300 million through a revised facility letter and the total utilized facility was SR 346 million as at 31 December 2022G. The loan is repayable in 24 equal quarterly installments commencing from 1 July 2023G. The loan carries interest rate of 3 months SAIBOR + 0.9% and is secured against a personal guarantee of Mr. Abdulaziz AlMoosa and mortgage of rehabilitation and new medical tower project.

Loans from commercial banks – 3

In 2020G, the Company entered into an additional term loan agreement for SR 200 million with a local bank to finance the expansion of the hospital through the construction of new medical tower and utilized SR 198 million as at 31 December 2022G. The loan is repayable in 16 equal quarterly installments commencing on the earlier of one year from full draw down or from the end of the loan limit availability period i.e., 30 April 2022G. The loan carries interest rate of 3 months SAIBOR + 1 % and is secured against the personal guarantees of Mr. Malik Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of main hospital building.

Loans from commercial banks – 4

During the year, the Company entered into a long term loan agreement for SR 480 million through a local bank to finance the construction of rehabilitation center and utilized SR 150 million as at 31 December 2022G. The loan is repayable in 20 equal quarterly installments commencing from 1 June 2025G. The loan carries interest rate of 3 months SAIBOR + 1.1% and is secured against personal guarantee of Mr. Abdulaziz AlMoosa and Malek Al-Moosa and mortgage over the long term care hospital land.

15. LONG TERM LOANS (Continued)

Loans from Ministry of Finance

In 2010, the Company entered into a loan agreement for SR 42.6 million with Ministry of Finance to finance the construction of hospital building. The loan is repayable in equal annual instalments of SR 2.8 million each which commenced from 2015 and will continue up to 2030G. The loan provided is interest free and does not require any collaterals and securities from the Company.

The Company is required to comply with certain covenants under the loan facility agreements mentioned above. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. The Company was in compliance with financial covenants as of and during the year ended 31 December 2022G.

Following are the combined aggregate amounts of future maturities representing principal amounts of the term loans as at 31 December:

	2022G	2021G
Within one year	**100,426,400**	27,843,067
Later than one year but not later than five years	**524,538,935**	370,788,935
Later than five years	**162,529,196**	103,455,596
	787,494,531	502,087,598

16. EMPLOYEES' BENEFITS

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The Company has recognised the benefits in the statement of profit or loss and other comprehensive income. The benefit is based on employees' salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The amounts recognised in the statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

Total amount recognized in profit or loss:

	2022G	2021G
Current service cost	**16,990,253**	12,971,720
Interest cost on defined benefit obligation	**1,955,294**	1,542,546
	18,945,547	14,514,266

Total amount recognised in other comprehensive income

Remeasurement loss arising from:	2022G	2021G
Actuarial loss due to change in experience adjustments	**1,280,054**	6,339,645
Actuarial gain due to change in financial assumptions	**(424,877)**	-
	855,177	6,339,645

Movement in the present value of defined benefit obligation:

	2022G	2021G
Balance at 1 January	**78,211,779**	61,701,849
Current service cost	**16,990,253**	12,971,720
Interest cost	**1,955,294**	1,542,546
Re-measurement loss on employees' benefits	**855,177**	6,339,645
Benefits paid during the year	**(8,835,259)**	(4,343,981)
Balance at 31 December	**89,177,244**	78,211,779

16. EMPLOYEES' BENEFITS (Continued)

Significant assumptions used in determining the post-employment defined benefit obligation includes the following:

	2022G	2021G
Discount rate	**4.25%**	2.50%
Future salary increases	**4.75%**	3.00%
Mortality rates	**WHO SA16-75%**	WHO SA16-75%
Rates of employee turnover	**15%**	15%

Assumptions regarding future mortality have been based on published statistics and mortality tables. For current year World Health Organization "WHO" 16 mortality table has been used (2021G: World Health Organization "WHO" 16 mortality table was used) for Kingdom of Saudi Arabia. There is no major deviation in the mortality tables used.

A quantitative sensitivity analysis for discount rate assumption on the defined benefit obligation as at 31 December is shown below:

Assumptions	Discount rate	
Sensitivity analysis	1% increase	1% decrease
Defined benefit obligation as at 2022G	84,554,895	94,325,813
Defined benefit obligation as at 2021G	74,044,057	82,867,176
	Future salary	
	1% increase	1% decrease
Defined benefit obligation as at 2022G	94,248,724	84,533,771
Defined benefit obligation as at 2021G	82,796,198	74,024,712

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected against the defined benefit liability in future years:

	2022G	2021G
Year 1	**20,937,935**	18,894,350
Year 2	**13,890,275**	11,321,113
Year 3	**15,322,444**	11,888,888
Year 4	**16,135,627**	12,988,346
Year 5	**16,175,376**	13,936,810
Beyond 5 years	**214,454,906**	164,993,440
	296,916,563	234,022,947

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17. ACCOUNTS PAYABLE

	2022G	2021G
Accounts payable	**147,011,426**	132,809,065
Payable to contractors	**60,562,375**	124,523,157
	207,573,801	257,332,222

The average credit period on purchases of goods is 3 months. No interest is charged on the accounts payable outstanding balance. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. ACCRUALS AND OTHER CURRENT LIABILITIES

	2022G	2021G
Accrued employees benefits	**14,814,739**	60,725,814
Accrued interest expense	**5,026,793**	1,360,122
Goods received but not invoiced	**3,474,932**	2,961,626
Accrual for NPHIES fee	**3,289,427**	-
Advances from patients	**1,090,741**	1,394,447
Value added tax (VAT) payable	**14,124,763**	7,801,645
Others	**1,704,385**	2,851,830
	43,525,780	77,095,484

19. DERIVATIVE FINANCIAL INSTRUMENTS

During the year, the Company has entered into interest rate swap contracts with the various commercial banks. The total notional amount of contract is SR 1.27 billion (31 December 2021G: SR Nil). The Company has recognized liability for the derivative financial instruments at the year-end amounting to SR 2.23 million (31 December 2021G: SR Nil). In addition, the Company has recognized SR 1.91 million in statement of profit or loss for derivative financial instruments.

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20. ZAKAT

The principle elements of zakat base are as follows:

	2022G	2021G
Non-current assets	**1,427,390,152**	1,141,582,330
Non-current liabilities	**775,519,479**	545,087,809
Opening shareholders' equity	**597,981,990**	583,168,451
Profit before zakat	**55,556,611**	71,879,064
Dividend paid	**-**	48,087,575

Movement of zakat provision is as follow:

	2022G	2021G
Balance at 1 January	**6,283,134**	5,071,313
Provision during the year	**4,540,995**	6,283,134
Provision for prior years	**-**	3,176,362
Payments during the year	**(6,238,039)**	(8,247,675)
Balance at 31 December	**4,586,090**	6,283,134

The Company has submitted its zakat returns up to year 2021G and has obtained the required certificates and official receipts, however, all returns since inception are still under ZATCA review.

21. LEASES

The Company leases buildings and apartment rooms for its employees. The leases typically run for a period of 3 to 6 years. Prior to adoption of IFRS-16, these leases were classified as operating leases under IAS 17. The Company has elected not to recognise right-of-use assets and lease liabilities for the short-term and/or leases of low-value items. Information about leases for which the Company is a lessee is presented below.

Right-of-use-assets	1 January 2022G	Additions	31 December 2022G
Cost	**25,762,875**	**-**	**25,762,875**
Accumulated depreciation	**6,675,080**	**7,045,582**	**13,720,662**
Carrying amount	**19,087,795**		**12,042,213**
	1 January 2021G	Additions	31 December 2021G
Cost	2,630,400	23,132,475	25,762,875
Accumulated depreciation	417,917	6,257,163	6,675,080
Carrying amount	2,212,483		19,087,795

Lease Liabilities

	2022G	2021G
Balance at 1 January	**18,362,530**	1,944,039
Additions during the year	**-**	23,132,475
Interest charge for the year	**617,780**	821,032
Payments during the year	**(7,535,016)**	(7,535,016)
Balance at 31 December	**11,445,294**	18,362,530

Non-current portion	5,060,294	10,827,514
Current portion	**6,385,000**	7,535,016
Balance as at end of the year	**11,445,294**	18,362,530

Amount recognised in statement of profit or loss and other comprehensive income:

	2022G	2021G
Interest on lease liabilities	**617,780**	821,032
Expenses relating to short term leases	**6,542,209**	8,931,325
Depreciation	**7,045,582**	6,257,163

Amount recognised in statement of cash flows:

	31 December 2022G	31 December 2021G
Total cash outflow for leases	**7,535,016**	7,535,016

The Company has no leases as a lessor.

22. REVENUE

The Company generates revenue primarily from:

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

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by service lines and timing of revenue recognition.

All revenues are generated within the Kingdom of Saudi Arabia.

	2022G	2021G
Revenue by service lines		
Medical services	**661,448,432**	584,707,754
Pharmaceuticals	**154,590,707**	116,834,484
	816,039,139	701,542,238

Timing of revenue recognition	2022G	2021G
Medical services and pharmaceuticals sales transferred at a point in time	**359,771,303**	401,300,043
Medical services transferred over time	**456,267,836**	300,242,195
	816,039,139	701,542,238

As at 31 December	2022G	2021G
Refund liability (note 22.1)	**36,775,424**	15,284,210

22.1 Refund liability:

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

	2022G	2021G
Balance at 1 January	**15,284,210**	8,371,726
Addition during the year	**21,491,214**	16,797,590
Adjusted during the year	**-**	(9,885,106)
Balance at 31 December	**36,775,424**	15,284,210

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23. COST OF REVENUES

	2022G	2021G
Employees' cost	**328,095,603**	293,524,435
Material consumption	**179,485,336**	161,272,945
Depreciation (note 6)	**23,389,563**	11,216,231
Repair and maintenance	**12,187,917**	5,096,942
Support services	**12,676,439**	2,818,570
Utilities	**10,229,072**	4,353,730
Depreciation o right-of-use of asset (note 21)	**7,045,582**	6,257,163
Amortization (note 7)	**174,100**	56,624
Others	**3,730,915**	2,305,723
	577,014,527	486,902,363

24. SELLING AND DISTRIBUTION EXPENSES

	2022G	2021G
Employees' cost	**2,861,159**	2,272,612
Advertisement and promotion	**10,583,976**	7,202,174
Depreciation (note 6)	**102,315**	70,507
(Reversal) / charge for expected credit losses (note 9)	**(167,044)**	1,219,118
Amortization (note 7)	**1,740**	-
Others	**715,214**	186,742
	14,097,360	10,951,153

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25. GENERAL AND ADMINISTRATION EXPENSES

	2022G	2021G
Employees' cost	**115,219,426**	107,884,760
Depreciation (note 6)	**26,091,101**	9,503,842
Repair and maintenance	**10,711,094**	5,924,992
Support services	**8,951,837**	6,826,703
Training and development	**2,307,179**	2,304,356
Utilities	**1,665,512**	1,723,875
Amortization (note 7)	**1,461,813**	1,388,714
Others	**2,960,001**	1,381,386
	169,367,963	136,938,628

26. OTHER INCOME - NET

	2022G	2021G
Human Resource Development Fund (HRDF) income	**11,370,530**	4,433,320
Training courses income	**3,098,180**	361,128
Scientific support income	**1,564,693**	2,919,149
Cafeteria income	**2,661,722**	1,106,515
Gain / (loss) on disposal of property and equipment	**27,500**	(66,917)
Property and equipment written-off	**(14,593)**	(10,320)
Others	**759,324**	1,238,237
	19,467,356	9,981,112

27. FINANCE COST

	2022G	2021G
Interest cost on long term loans	**11,484,247**	-
Unwinding of deferred income on MoF loan	**1,320,126**	1,455,772
Interest cost on defined benefit obligation	**1,955,294**	1,542,546
Interest cost on lease liabilities	**617,780**	821,032
Bank charges	**2,183,079**	1,032,792
	17,560,526	4,852,142

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28. CONTINGENT LIABILITIES AND COMMITMENTS

The details of the contingencies and commitments of the Company as at the year-end are as follows:

	2022G	2021G
Letter of guarantee	**5,100,000**	-
Letter of credit	**32,129,117**	44,595,198
Capital commitment	**240,881,459**	408,703,060

29. DIVIDEND

During the year, shareholders of the Company has distributed dividend cash amounting to SR Nil (2021G: SR 15.7 million) and in-kind amounting to SR Nil (2021G: SR 32.4 million) respectively.

30. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's shareholders, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Terms and conditions of these transactions are approved by the Company's management. The following are the nature and transactions with the related parties during the period and its related balances as at end of the year.

Name of entity	Relationship
Abdulaziz AlMoosa	Shareholder
Sara Abdulaziz AlMoosa	Shareholder
Zainab Abdulaziz AlMoosa	Shareholder
Omaima Abdulaziz AlMoosa	Shareholder
Malik Abdulaziz AlMoosa	Shareholder
Ahmed Abdulaziz AlMoosa	Shareholder
AlMoosa Automatic Doors Factory	Affiliate
AlMoosa College of Health Sciences	Affiliate
AlMoosa Home Health Care	Affiliate
AlMoosa Real-estate	Affiliate

30. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

30.1 The following significant transactions were carried out with related parties during the year:

	2022G	2021G
Shareholders		
Purchase of land adjusted against due from a shareholder	**-**	12,893,575
Dividend paid in cash and in-kind	**-**	(48,087,575)
Affiliates		
Expenses paid by a related party on behalf of the Company	**-**	(2,558,663)
Expenses paid by the Company on behalf of a related party	**1,104,547**	10,458,961
Purchase of goods	**994,974**	-

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

30.2 Due from related parties

	2022G	2021G
AlMoosa Automatic Doors Factory	**3,330,606**	3,007,501
AlMoosa College of Health Sciences	**847,333**	-
	4,177,939	3,007,501

Prices and terms of payments for the above transactions are approved by the management. Due from related parties is unsecured in nature and bears no interest. There is no provision held against amount due from related parties.

30.3 Due from a shareholder

The balance of due from a shareholder represents receivable from Mr. Abdulaziz AlMoosa. The amount is not subject to interest and is unsecured. Balance is repayable within next twelve months from statement of financial position date as per arrangement and is classified as a current asset. During the year 2021G, the shareholder contributed land with a value of SR 12.8 million against this balance.

30.4 Compensation of key management personnel

Key management includes the Board of Directors (executive and non-executive) and all members of Company's Management. The compensation paid or payable to key management for employee services is shown below:

	2022G	2021G
Short-term benefits	**8,955,161**	7,217,044
Termination benefits	**609,660**	427,502
	9,564,821	7,644,546

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

31.1 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise loans, lease liability, accounts payable, accrual and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include accounts receivable, due from a shareholder and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management regularly review the policies and procedures to ensure that all the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company does not engage into any hedging activities. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include long term loans and certain other financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Management monitors the changes in interest rates and believes that fair value and cash flow interest rate risks to the Company are not significant.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of long term loans. With all other variables held constant, the Company's profit before zakat is affected through the impact on floating rate borrowings, as follows:

	2022G	2021G
Increase by 50 basis points	**(3,937,473)**	-
Decrease by 50 basis points	**3,937,473**	-

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. Since Saudi Riyal is on a fixed parity with the US Dollar, the management believes that the Company does not have any significant exposure to currency risk.

Commodity price risk

The Company is exposed to the impact of market fluctuations of the prices of various inputs to cost of revenues including pharmaceuticals supplies. The Company prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of such materials to manage the risk.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

31.1 Financial instruments risk management objectives and policies (Continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for accounts receivable) and from its investing activities, including deposits with banks and financial institutions.

	2022G	2021G
Cash and cash equivalents	**15,239,745**	58,120,212
Accounts receivable	**287,696,675**	221,479,437
Due from a shareholder	**28,979,269**	22,352,956
Other current assets	**4,405,889**	3,888,586
	336,321,578	305,841,191

Accounts receivable

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Accounts receivable of the Company are spread across large number of customers comprising of Ministries, insurance companies, semi-government companies and individual patients. The Company holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow ups. The management has established a credit policy under which each new insurance company is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual historical data. The Company evaluates the concentration of risk with respect to accounts receivable as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Accounts receivable and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, management has fully exhausted recoveries through legal means and a failure to make contractual payments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company seeks to manage its credit risk with respect to banks by only dealing with reputable banks. At the reporting date, no significant concentration of credit risk was identified by the management.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realise financial assets quickly at an amount close to its fair value. The Company manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis. The Company manages its liquidity risk by ensuring that bank facilities are available. The Company's term of sales and services require amounts to be paid within 30 to 60 days of the date of submitting the invoice. Accounts payable are normally settled within 60 to 120 days of the date of purchase.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

31.1 Financial instruments risk management objectives and policies (Continued)

Liquidity risk (Continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 December 2022G	Carrying amount	Contractual undiscounted cash flows			
		Within 12 months	2 to 5 years	> 5 years	Total
Accounts payable	**207,573,801**	**207,573,801**	**-**	**-**	**207,573,801**
Accruals and other payable	**29,401,017**	**29,401,017**	**-**	**-**	**29,401,017**
Long term loans	**787,494,531**	**119,292,273**	**602,433,309**	**169,752,720**	**891,478,302**
Derivative financial instruments	**2,233,546**	**2,233,546**	**-**	**-**	**2,233,546**
Lease liabilities	**11,445,294**	**6,385,000**	**5,570,000**	**-**	**11,955,000**
	1,038,148,189	**364,885,637**	**608,003,309**	**169,752,720**	**1,142,641,666**

As at 31 December 2021G	Carrying amount	Contractual undiscounted cash flows			
		Within 12 months	2 to 5 years	> 5 years	Total
Accounts payable	257,332,222	257,332,222	-	-	257,332,222
Accruals and other payable	69,293,839	69,293,839	-	-	69,293,839
Long term loans	502,087,598	38,824,150	396,221,150	106,121,569	541,166,869
Lease liabilities	18,362,530	7,335,000	11,955,000	-	19,290,000
	847,076,189	372,785,211	408,176,150	106,121,569	887,082,930

31.2 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the long term loans that define capital structure requirements. Breaches in meeting the financial covenants may lead to call-back of facilities. There have been no breaches of the financial covenants of any long term loans in the current period. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2022G and 31 December 2021G.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

31.3 Accounting classifications and fair values

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

Financial assets

	2022G	2021G
Cash and cash equivalent	**15,239,745**	58,120,212
Accounts receivable	**287,696,675**	221,479,437
Due from a shareholder	**28,979,269**	22,352,956
Other current assets	**4,405,889**	3,888,586
Total financial assets not measured at fair value	**336,321,578**	305,841,191

Financial liabilities

	2022G	2021G
Financial liabilities measured at fair value		
Derivative financial instruments	**2,233,546**	-
Financial liabilities not measured at fair value		
Long term loans (note 15)	**787,494,531**	502,087,598
Lease liabilities (note 21)	**11,445,294**	18,362,530
Accounts payable (note 17)	**207,573,801**	257,332,222
Other current liabilities	**29,401,017**	69,293,839
Total financial liabilities not measured at fair value	**1,035,914,643**	847,076,189
Total financial liabilities	**1,038,148,189**	847,076,189

31.4 Measurement of fair values

The Company's principal financial assets include cash and cash equivalents, accounts receivable and certain other receivables that arise directly from its operations. The Company's principal financial liabilities comprise long-term borrowings and accounts payable and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Due to the short-term nature of the financial assets and financial liabilities classified as current assets and current liabilities, their carrying amounts are approximate to be the same as their fair values. For non-current financial liabilities, management consider that the fair values not significantly different from their carrying amounts.

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32. NET DEBT RECONCILIATION

Reconciliation of movements of liabilities to cash flows arising from financing activities

This note sets out an analysis of liabilities and the movements in liabilities to cash flows arising from financing activities for each of the periods presented.

	Cash and cash equivalent	Long term loans	Lease liabilities	Total
Balance at 1 January 2021G	50,179,203	344,352,280	1,944,039	396,475,522
Cash flows movements				
Net movement in cash and cash equivalents	7,941,009	-	-	7,941,009
Proceeds from long term loans	-	148,911,045	-	148,911,045
Lease payments	-	-	(7,535,016)	(7,535,016)
Total changes from financing cashflows	7,941,009	148,911,045	(7,535,016)	149,317,038
Non-cash changes				
Unwinding of interest free loan from MoF	-	1,455,772	-	1,455,772
Additions to lease liabilities	-	-	23,132,475	23,132,475
Interest on lease liabilities	-	-	821,032	821,032
Total non-cash changes	-	1,455,772	23,953,507	25,409,279
Balance as at 31 December 2021G	58,120,212	494,719,097	18,362,530	571,201,839
Cash flows movements				
Net movement in cash and cash equivalents	**(42,880,467)**	**-**	**-**	**(42,880,467)**
Proceeds from long term loans	**-**	**285,669,118**	**-**	**285,669,118**
Lease payments	**-**	**-**	**(7,535,016)**	**(7,535,016)**
Total changes from financing cashflows	**(42,880,467)**	**285,669,118**	**(7,535,016)**	**235,253,635**
Non-cash changes				
Unwinding of interest free loan from MoF	**-**	**1,320,126**	**-**	**1,320,126**
Interest on lease liabilities	**-**	**-**	**617,780**	**617,780**
Total non-cash changes	**-**	**1,320,126**	**617,780**	**1,937,906**
Balance as at 31 December 2022G	**15,239,745**	**781,708,341**	**11,445,294**	**808,393,380**

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33. TRANSITION TO IFRS AND RECLASSIFICATIONS

As stated in note 2(a), these are the Company's first financial statements prepared in accordance with IFRS as endorsed in in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA (IFRS). In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the previous IFRS for SMEs. The following is a reconciliation of the Company's statement of financial position reported in accordance with previous IFRS for SMEs to its statement of financial position under IFRS at the transition date 1 January 2021G:

	As per IFRS for SMEs	Reclassifications (note 31c)	Adjustments / remeasurements	As per IFRS
ASSETS:				
Non-current assets				
Property and equipment	848,049,299	-	6,848,591	854,897,890
Intangible assets	5,164,435	-	-	5,164,435
Right-of-use asset	-	-	2,212,483	2,212,483
Investment at FVOCI	3,104,605	(3,104,605)	-	-
Total non-current assets	856,318,339	(3,104,605)	9,061,074	862,274,808
Current assets:				
Inventories	42,125,299	-	-	42,125,299
Accounts receivables	233,094,044	8,371,726	-	241,465,770
Prepaid expenses and other assets	17,788,831	-	(295,844)	17,492,987
Investment at FVTPL	-	3,104,605	-	3,104,605
Due from a shareholder	35,246,531	-	-	35,246,531
Cash and cash equivalents	50,179,203	-	-	50,179,203
Total current assets	378,433,908	11,476,331	(295,844)	389,614,395
Total assets	1,234,752,247	8,371,726	8,765,230	1,251,889,203
EQUITY AND LIABILITIES				
Equity				
Share capital	1,000,000	-	-	1,000,000
Statutory reserve	300,000	-	-	300,000
Contribution from a shareholder	395,743,221	-	-	395,743,221
Unrealized gain on available for sale investment	266,109	(266,109)	-	-
Retained earnings	185,859,121	266,109	6,821,191	192,946,421
Total equity	583,168,451	-	6,821,191	589,989,642
Liabilities				
Non-current liabilities:				
Long term loans	329,009,213	-	-	329,009,213
Lease liabilities	-	-	1,199,023	1,199,023
Employees benefits	61,701,849	-	-	61,701,849
Total non-current liabilities	390,711,062	-	1,199,023	391,910,085
Current liabilities:				
Accounts payable	182,079,658	-	-	182,079,658
Accrued expenses and other current liabilities	58,378,696	-	-	58,378,696
Refund liabilities	-	8,371,726	-	8,371,726
Long term loans – current portion	15,343,067	-	-	15,343,067
Lease liabilities – current portion	-	-	745,016	745,016
Zakat payable	5,071,313	-	-	5,071,313
Total current liabilities	260,872,734	8,371,726	745,016	269,989,476
Total liabilities	651,583,796	8,371,726	1,944,039	661,899,561
Total equity and liabilities	1,234,752,247	8,371,726	8,765,230	1,251,889,203

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33. TRANSITION TO IFRS AND RECLASSIFICATIONS (Continued)

The following is a reconciliation of the Company's statement of financial position reported in accordance with previous IFRS for SMEs to its statement of financial position under IFRS at the transition date 31 December 2021G:

	As per IFRS for SMEs	Reclassifications (note 31c)	Adjustments / remeasurements	As per IFRS
ASSETS:				
Non-current assets				
Property and equipment	1,136,621,704	-	14,931,584	1,151,553,288
Intangible assets	4,960,626	-	-	4,960,626
Right-of-use asset	-	2,212,483	16,875,312	19,087,795
Total non-current assets	1,141,582,330	2,212,483	31,806,896	1,175,601,709
Current assets:				
Inventories	49,917,030	-	-	49,917,030
Accounts receivables	203,249,917	15,284,210	-	218,534,127
Prepaid expenses and other assets	22,183,600	(295,844)	(1,143,344)	20,744,412
Due from a shareholder	22,352,956	-	-	22,352,956
Cash and cash equivalents	58,120,212	-	-	58,120,212
Total current assets	355,823,715	14,988,366	(1,143,344)	369,668,737
Total assets	1,497,406,045	17,200,849	30,663,552	1,545,270,446
EQUITY AND LIABILITIES				
Equity				
Share capital	1,000,000	-	-	1,000,000
Statutory reserve	300,000	-	-	300,000
Contribution from a shareholder	395,743,221	-	-	395,743,221
Retained earnings	186,721,108	-	14,217,661	200,938,769
Total equity	583,764,329	-	14,217,661	597,981,990
Liabilities				
Non-current liabilities:				
Long term loans	466,876,030	-	-	466,876,030
Lease liabilities	-	1,944,039	8,883,475	10,827,514
Employees benefits	78,211,779	-	-	78,211,779
Total non-current liabilities	545,087,809	1,944,039	8,883,475	555,915,323
Current liabilities:				
Accounts payable	257,332,222	-	-	257,332,222
Accrued expenses and other current liabilities	77,095,484	-	-	77,095,484
Refund liabilities	-	15,284,210	-	15,284,210
Long term loans – current portion	27,843,067	-	-	27,843,067
Lease liabilities – current portion	-	-	7,535,016	7,535,016
Zakat payable	6,283,134	-	-	6,283,134
Total current liabilities	368,553,907	15,284,210	7,535,016	391,373,133
Total liabilities	913,641,716	17,228,249	16,418,491	947,288,456
Total equity and liabilities	1,497,406,045	17,228,249	30,636,152	1,545,270,446

33. TRANSITION TO IFRS AND RECLASSIFICATIONS (Continued)

Reconciliation of statement of profit or loss and other comprehensive income for the year ended 31 December 2021G:

	As per IFRS for SMEs	Reclassifications (note 31c)	Adjustments / remeasurements	As per IFRS
Revenue	701,542,238	-	-	701,542,238
Cost of revenues	(488,517,536)	1,480,664	134,509	(486,902,363)
Gross profit	213,024,702	1,480,664	134,509	214,639,875
Selling and distribution expenses	(12,600,276)	1,649,123	-	(10,951,153)
General and administrative expenses	(133,808,841)	(3,129,787)	-	(136,938,628)
Operating profit	66,615,585	-	134,509	66,750,094
Other income, net	10,247,221	171,713	(437,822)	9,981,112
Finance cost	(12,114,103)	-	7,261,961	(4,852,142)
Profit before zakat	64,748,703	171,713	6,958,648	71,879,064
Zakat	(9,459,496)	-	-	(9,459,496)
Profit for the year	55,289,207	171,713	6,958,648	62,419,568
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent period				
Re-measurement loss on employees' Benefit	(6,339,645)	-	-	(6,339,645)
Unrealized gain on remeasurement of available for sale investment	171,713	(171,713)	-	-
Total other comprehensive loss for the year	(6,167,932)	(171,713)	-	(6,339,645)
Total comprehensive income for the year	49,121,275	-	6,958,648	56,079,923

Reconciliation of retained earnings from previous IFRS for SMEs to IFRS:

	31 December 2021G	01 January 2021G
Retained earnings as per IFRS for SMEs	186,721,108	185,859,121
Add: Increase in retained earnings on account of reclassification of FV impact of Investment at FVTPL	-	266,109
Add: Increase in retained earnings on account of reclassification of interest expense to PPE	14,931,584	6,848,591
Less: Difference in depreciation, interest expenses as per IFRS 16 vs actual lease rental expensed to statement of profit or loss	(713,923)	(27,400)
Retained earnings as per IFRS	200,938,769	192,946,421

Reconciliation of cash flow from previous IFRS for SMEs to IFRS:

	As per IFRS for SMEs	Reclassifications (note 31c)	Adjustments / remeasurements	As per IFRS
Net cash generated from operating activities	182,098,613	171,713	15,446,296	197,716,622
Net cash generated from Investing activities	(307,405,433)	-	(8,082,993)	(315,488,426)
Net cash generated from financing activities	133,247,829	-	(7,535,016)	125,712,813

33. TRANSITION TO IFRS AND RECLASSIFICATIONS (Continued)

IFRS adoption remeasurements, reclassifications and other adjustments

A. Right of use assets and lease liabilities

Under IFRS for SME, the Company accounted for payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease. Upon transition to IFRS, in accordance with IFRS 16 the Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. There are certain recognition exemptions for short-term leases and leases of low value items, which is availed by the management. As at the transition date, SR 2.63 million was recognized as a right-of -use assets with corresponding recognition of lease liabilities of SR 2.63 million (refer note 21).

The Company presents right-of-use assets as separate line item. The carrying amounts of right-of-use assets are as below:

	Total
Recognition of right-of-use asset on initial application of IFRS 16 as at 1 January 2021G	2,630,400

The following table shows the reconciliation of operating lease commitments under IFRS for SMEs to thelease liabilities under IFRS 16:

	Total
Operating lease commitments under IFRS for SMEs as at 1 January 2021G	2,689,055
Discounted using the incremental borrowing rate as at 1 January 2021G	(58,655)
Lease liability recognized at 1 January 2021G	2,630,400

The Company presents 'lease liabilities' in the statement of financial position (refer note 21). Subsequent to recognition of right of use assets and lease liabilities, the Company recognised an addition expense amounting to SR 0.46 million for the year ended 31 December 2021G i.e., difference between the actual rent expensed to statement of profit or loss in accordance with IFRS for SMEs vs the depreciation expenses on right of use assets and unwinding of interest on lease liability as per IFRS 16.

B. Capitalization of interest cost on long term loans

Under IFRS for SME, the Company accounted for the interest on long term loans obtained for the purpose of construction of hospital buildings under the finance costs. Upon transition to IFRS, in accordance with IAS 23, the Company has recognized the borrowing cost used for the constructions of hospitals buildings under property and equipment.

C. Reclassifications

In addition to above IFRS adoption adjustments (as shown in column reclassification), certain items in the statements of financial position and profit or loss have been reclassified for better presentation purpose, which do not have any additional impact on equity or net income for the comparative figures.

34. SUBSEQUENT EVENTS

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022G) (hereinafter referred as "the Law") came into force on 26/6/1444H (corresponding to 19 January 2023G). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023G). The management is in process of assessing the impact of the New Companies Law and will amend its By-laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended By-laws to the shareholders in their Annual General Assembly meeting for their ratification.

Except for above, no other significant subsequent events have occurred subsequent since 31 December 2022G that would have a material impact on the financial position or financial performance of the Company.

35. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 27 Shawwal 1444H, corresponding to 17 May 2023G.

ALMOOSA HEALTH COMPANY

(formerly “Almoosa Specialist Hospital Company”)

(CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021G

WITH INDEPENDENT AUDITOR’S REPORT

KPMG Professional Services
16th Floor, Al Barghash Tower
6189 Prince Turki Road, Al Corniche
P.O. Box 4803
Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
الطابق 16، برج البرغش
6189 طريق الأمير تركي، الكورنيش
ص.ب 4803
الخبر 34412 - 3146
المملكة العربية السعودية
سجل تجاري رقم 2051062328

المركز الرئيسي في الرياض

Independent auditor's report

To the Shareholders of Al Moosa Health Company (formerly "Almoosa Specialist Hospital Company")

Opinion

We have audited the financial statements of **Al Moosa Health Company** ("the Company") (formerly "Almoosa Specialist Hospital Company"), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 2(a) to the financial statements, which describes that these financial statements have been prepared by the Company's management solely for the purpose of the IPO and submission to the Capital Market Authority ("CMA").

Our report intended solely for the management use and should not be distributed to or used by other parties. Our opinion is not modified in respect of this matter.

Other matter

The statutory financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 Dhu Al-Qa'dah 1443H corresponding to 26 June 2022G.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Board of Directors, are responsible for overseeing the Company's financial reporting process.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Commercial Registration of the headquarters in Riyadh is 1010425494.

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KPMG

Independent auditor's report

To the Shareholders of Al Moosa Health Company (formerly "Almoosa Specialist Hospital Company") (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Al Moosa Health Company** ("the Company") (formerly "Almoosa Specialist Hospital Company").

KPMG Professional Services

Mohammed Najeeb Alkhlaiwi
License No: 481

Al Khobar, 28 February 2024G
Corresponding to: 17 Shaban 1445H

Lic No. 46
C.R. 2051062328

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ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021G
(All amounts in Saudi Riyals unless otherwise stated)

ASSETS	Note	31 December 2021G	31 December 2020G	1 January 2020G
			(Note 32)	(Note 32)
Non-current assets				
Property and equipment	6	**1,151,553,288**	854,897,890	403,515,142
Right-of-use assets	20	**19,087,795**	2,212,483	-
Intangible assets	7	**4,960,626**	5,164,435	5,460,329
Total non-current assets		**1,175,601,709**	862,274,808	408,975,471
Current assets				
Inventories	8	**49,917,030**	42,125,299	35,678,593
Accounts receivable	9	**218,534,127**	241,465,770	197,284,466
Advances, prepayments and other current assets	10	**20,744,412**	17,492,987	17,128,968
Investment at FVTPL		**-**	3,104,605	3,126,781
Due from a shareholder	24.3	**22,352,956**	35,246,531	-
Cash and cash equivalents	11	**58,120,212**	50,179,203	44,368,469
Total current assets		**369,668,737**	389,614,395	297,587,277
Total assets		**1,545,270,446**	1,251,889,203	706,562,748
EQUITY AND LIABILITIES				
Equity				
Share capital	12	**1,000,000**	1,000,000	1,000,000
Statutory reserve	13	**300,000**	300,000	300,000
Contribution from a shareholder	14	**395,743,221**	395,743,221	337,018,216
Retained earnings		**200,938,769**	192,946,421	98,499,797
Total equity		**597,981,990**	589,989,642	436,818,013
Liabilities				
Non-current liabilities				
Long term loans	15	**466,876,030**	329,009,213	46,556,425
Lease liabilities	20	**10,827,514**	1,199,023	-
Employees' benefits	16	**78,211,779**	61,701,849	47,340,088
Total non-current liabilities		**555,915,323**	391,910,085	93,896,513
Current liabilities				
Accounts payable	17	**257,332,222**	182,079,658	101,154,953
Accruals and other current liabilities	18	**77,095,484**	58,378,696	53,646,892
Refund liabilities	21	**15,284,210**	8,371,726	6,912,485
Long term loans – current portion	15	**27,843,067**	15,343,067	5,686,134
Short term loan		**-**	-	1,000,000
Lease liabilities – current portion	20	**7,535,016**	745,016	-
Zakat payable	19	**6,283,134**	5,071,313	7,447,758
Total current liabilities		**391,373,133**	269,989,476	175,848,222
Total liabilities		**947,288,456**	661,899,561	269,744,735
Total liabilities and equity		**1,545,270,446**	1,251,889,203	706,562,748

These financial statements were authorized for issue by the Board of Directors and signed on its behalf by:

Malek Al Moosa	**Shailesh Chander**
(Chief Executive Officer)	(Group Chief Financial Officer)

The accompanying notes on pages 5 to 42 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021G
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2021G	2020G (Note 32)
Revenue	21	**701,542,238**	628,965,231
Cost of revenues	22	**(486,902,363)**	(408,793,620)
Gross profit		**214,639,875**	220,171,611
Selling and distribution expenses	23	**(10,951,153)**	(5,686,337)
General and administrative expenses	24	**(136,938,628)**	(108,124,046)
Operating profit		**66,750,094**	106,361,228
Other income - net	25	**9,981,112**	5,666,176
Finance cost	26	**(4,852,142)**	(3,587,089)
Profit before zakat		**71,879,064**	108,440,315
Zakat expense	19	**(9,459,496)**	(3,668,022)
Profit for the year		**62,419,568**	104,772,293
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period			
Re-measurement loss on employees' benefits		**(6,339,645)**	(10,303,493)
Other comprehensive loss for the year		**(6,339,645)**	(10,303,493)
Total comprehensive income for the year		**56,079,923**	94,468,800

The accompanying notes on pages 5 to 42 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021G
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Contribution from a share-holder	Retained earnings	Total
Balance at 1 January 2020G, as previously reported	1,000,000	300,000	337,018,216	97,013,492	435,331,708
Impact of transition to IFRS (Note 32)	-	-	-	1,464,129	1,464,129
Balance as on 1 January 2020G – Restated	1,000,000	300,000	337,018,216	98,477,621	436,795,837
Profit for the year	-	-	-	104,772,293	104,772,293
Other comprehensive loss for the year	-	-	-	(10,303,493)	(10,303,493)
Total comprehensive income for the year	-	-	-	94,468,800	94,468,800
Contribution from shareholders	-	-	58,725,005	-	58,725,005
Balance as on 31 December 2020G (Note 32)	1,000,000	300,000	395,743,221	192,946,421	589,989,642
Profit for the year	**-**	**-**	**-**	**62,419,568**	**62,419,568**
Other comprehensive loss for the year	**-**	**-**	**-**	**(6,339,645)**	**(6,339,645)**
Total comprehensive income for the year	**-**	**-**	**-**	**56,079,923**	**56,079,923**
Dividend (Note 28)	**-**	**-**	**-**	**(48,087,575)**	**(48,087,575)**
Balance as on 31 December 2021G	**1,000,000**	**300,000**	**395,743,221**	**200,938,769**	**597,981,990**

The accompanying notes on pages 5 to 42 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021G
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2021G	2020G
Cash flows from operating activities:			
Profit before zakat		**71,879,064**	104,772,293
Adjustments for:			
Depreciation on property and equipment	6	**20,790,580**	21,394,807
Amortization on intangibles	7	**1,445,338**	1,546,208
Depreciation on right-of-use assets	20	**6,257,163**	417,917
Loss / (gain) on disposal of property and equipment	25	**66,917**	(3,447)
Property and equipment write-off	25	**10,320**	548,977
Bank charges and interest expense on long term loans	26	**1,032,792**	-
Impact of unwinding on interest free loan from government	26	**1,455,772**	1,583,376
Interest expenses on lease liability	20	**821,032**	58,655
Employees' defined benefit expense	16	**14,514,266**	11,798,618
Provision for doubtful debts	9	**1,215,559**	148,338
Inventory (written off)/ charged during the year	8	**(18,280)**	18,666
		119,470,523	142,284,408
Changes in:			
Accounts receivable		**(10,708,275)**	(28,817,699)
Due from a shareholder		**12,893,575**	(35,246,531)
Inventories		**(7,773,451)**	(6,465,372)
Advances, prepayments and other current assets		**(3,251,425)**	(659,863)
Accounts payable		**75,252,564**	80,924,705
Accruals and other current liabilities		**18,654,443**	4,863,196
Refund liabilities		**6,912,484**	6,912,485
Cash generated from operations		**211,450,438**	163,795,329
Finance charges paid		**(1,142,160)**	(1,438,735)
Zakat paid	19	**(8,247,675)**	(6,044,467)
Employees benefits paid	16	**(4,343,981)**	(6,389,474)
Net cash (used in) / generated from operating activities		**197,716,622**	149,922,653
Cash flows from investing activities:			
Additions to property and equipment	6	**(318,471,851)**	(436,814,654)
Additions to intangible assets	7	**(311,395)**	(1,118,366)
Proceeds from disposal of property and equipment		**18,502**	39,772
Sale of investment		**3,276,318**	-
Net cash used in investing activities		**(315,488,426)**	(437,893,248)
Cash flows from financing activities:			
Proceeds from long term loans, net of repayments		**148,911,045**	290,526,345
Short term loan		**-**	(1,000,000)
Lease payments	20	**(7,535,016)**	(745,016)
Dividend paid	28	**(15,663,216)**	-
Net movement in shareholder's contribution account		**-**	5,000,000
Net cash generated from financing activities		**125,712,813**	293,781,329
Net movement in cash and cash equivalents		**7,941,009**	5,810,734
Cash and cash equivalents at beginning of the year		**50,179,203**	44,368,469
Cash and cash equivalents at end of the year	11	**58,120,212**	50,179,203

The accompanying notes on pages 5 to 42 form an integral part of these financial statements.

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021G
(All amounts in Saudi Riyals unless otherwise stated)

1. GENERAL INFORMATION

Almoosa Health Company (the "Company") (formerly "Almoosa Specialist Hospital Company") is a closed joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration number 2252022248 dated 6 Shaban 1435H (4 June 2014).

The Company was previously registered as a Branch of a sole proprietorship formed in the Kingdom of Saudi Arabia registered under commercial registration number 2252012962 dated 6 Ramadan 1414H (17 February 1994). Abdulaziz AlMoosa Establishment was a sole proprietorship owned by Mr. Abdulaziz AlMoosa registered under commercial registration number 2252023498 dated 14 Jum'ada II 1409H (22 January 1989) in Al-Ahsa, Kingdom of Saudi Arabia. On 6 Shaban 1435 (4 June 2014), the name and commercial registration number of the Branch was changed to Almoosa Specialist Hospital and 2252022248 respectively.

In 2018, the legal status of the Company was changed from a Branch to a Limited Liability Company and the related ministerial approval on the conversion was obtained on 10 Shawwal, 1439H (24 June 2018). In 2020G, the shareholders of the Company resolved to convert the Company from a Limited Liability Company to a Closed Joint Stock Company. The shareholder passed the resolution to convert the legal entity from single member limited liability company into closed joint stock company dated 14 Safar 1442H (1 October 2020G).

The principal activities of the Company are to act as a private healthcare provider, storing medical items and selling medicine, cosmetics and disposable medical items. The Company's registered office is in Al-Ahsa, Kingdom of Saudi Arabia.

The financial statements of the Company include activities and results of the following branches having commercial registrations, also assets and liabilities of these are included in these financial statements:

Branch Name	Commercial Registration No.	Registration Date	Location
AlMoosa Medical Pharmacy	2252023498	9 Sha'aban 1415H -10 January 1995G	Al-Ahsa
Abdul Aziz AlMoosa Drug Store	2252053792	22 Ramadan 1434H -30 July 2013G	Al-Ahsa
Almoosa Hospital Medical Consumables Warehouse	2252069957	28 Rabia'l Thani 1439H - 15 January 2018G	Al-Ahsa
Administrative Office	2252105384	04 Rajab 1442 H - 16 February 2021G	Al-Ahsa
Sidra Lounge – cafeteria	2252106018	22 Rabia I 1443 H - 28 Oct 2021G	Al-Ahsa

2. BASIS OF PREPARATION

A. Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA"). The financial statements have been prepared by the Company's management solely for the purpose of the IPO and submission to the Capital Market Authority ("CMA").

The Company has also prepared statutory financial statements for the year ended 31 December 2021G under IFRS for SME and statutory financial statements for the year ended 31 December 2022G under IFRS as endorsed in KSA.

B. Basis of measurement

These financial statements have been prepared on a historical cost basis except for employees' end-of-service benefits obligation which is measured at the present value of the obligations as explained in the relevant accounting policy.

C. Functional and presentation currency

These financial statements are presented in Saudi Riyals (SR) which is the Company's functional currency. All financial information presented in these financial statements have been rounded off to the nearest Saudi Riyals, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Current and non-current assets

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

B. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fair value measurement (continued)

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

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

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

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

External valuers are involved for valuation of significant assets, whenever required. The involvement of external valuer is decided by the Company after discussion and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Company's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

C. Revenue recognition

The Company generates its revenue from sale of pharmaceuticals and rendering of inpatient and outpatient services over time and at a point in time. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The goods and services are sold both on their own in separately identified contracts with customers and together as a bundled package of goods and/or services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Operating revenue

Revenues are measured at the transaction price which is the amount of consideration that the Company expects to be entitled to in exchange for the services provided. Revenue primarily comprises fees charged for inpatient and outpatient hospital services. For operating revenues, the revenue is recognized when the treatment is provided, and the invoice is generated (i.e., after satisfaction of performance obligation). Net patient services revenue is recognised at the estimated net realisable amounts from the third-party payers (insurance companies) and others for the services rendered, net of estimated retroactive revenue adjustments (rejection of claims) when the related services are rendered. Unbilled revenue is recorded for the service rendered where the patients are not discharged, and final invoice is not raised for the services.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Revenue recognition (Continued)

Some contracts include variable considerations such as claims disallowed (rejection of claims) which is not paid by third-party payor, volume discount and prompt payment discount. Discounts comprise retrospective volume discounts granted to certain insurance companies on attainment of certain levels of business and constitute variable consideration. These are accrued over the course of the arrangement based on estimates of the level of business expected and are adjusted against revenue at the end of the arrangement to reflect actual volumes. The normal business process associated with transactions with insurers includes amount of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Accordingly, the Company expects an amount of consideration that is less than what was originally invoiced. These disallowances constitute a variable consideration and are assessed based on all information (historical, current and forecast) that is reasonably available to the Company and identify a reasonable number of possible consideration amounts. Management estimates variable consideration using the single most likely amount method for prompt payment discount.

Revenue from inpatient services is recognized over a period of time and outpatient services are recognized at the point in time.

Sale of goods

Sales of goods represents the invoiced value of medicines and drugs supplied by the Company. The Company's contracts with customers for the sale of medicines and drugs generally include one performance obligation. Revenue from sale of medicines and drugs is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery/dispensing of the medicines and drugs.

D. Property and equipment

Property and equipment excluding land and construction work in progress (CWIP) are carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Freehold land and properties under construction are not depreciated.

The following useful lives are used in the calculation of depreciation:

	Years
Buildings	33 years
Elevators and office equipment	6.67 years
Medical equipment and tools	10 years
Furniture and fixture	6.67 years
Motor Vehicles	4 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Construction work in progress (CWIP)

CWIP is recognized at cost less accumulated impairment, if any. CWIP is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

Land is recognised at cost, less impairment, if any.

E. Intangible assets

Intangible assets represent the software license and operating license of hospital. They are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives ranging between 3 to 10 years. Useful lives are reviewed at each reporting date.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(x) Company as a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Currently, Company has no contract which includes lease and non-lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets to restore the underlying assets or the site on which it is located less any lease incentive returned.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability mainly comprise of fixed lease payments.

The lease liability is subsequently carried at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short term leases including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(xi) Company as a lessor

The Company enters into lease agreements as a lessor with respect to some of its building properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Leases (Continued)

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate consideration under the contract to each component.

G. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

H. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Accounts receivable and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through OCI ("FVOCI"); or fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Financial instruments

(iii) Financial assets - Business model and assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(iv) Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(v) Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Financial instruments

(vi) Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(vii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ix) Derivative financial instruments

The Company holds derivative financial instruments to hedge its interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

I. Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies the general approach to provide for ECLs on all other financial instruments. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivable and contract assets, the Company applies a simplified approach in calculating ECLs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Impairment of financial assets (continued)

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company assesses all the information available, including past due status, credit ratings, the existence of third party insurance and forward-looking economic factors in the measurement of the expected credit losses associated with its accounts receivable and contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Impairment of financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

J. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time. An asset's recoverable amount is the higher of an asset's or Cash Generating Units ("CGU's") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

K. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition and calculated on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

L. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet, if any.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liability

Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at a rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed in the statement of profit or loss and other comprehensive income as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied, are added to or deducted from the cost of the asset.

N. Contingencies

Contingent liabilities are not recognised in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable. A contingent asset becomes a realized asset recordable on the statement of financial position when the realization of cash flows associated with it becomes relatively certain.

O. Zakat and tax

Zakat

The Company is subject to the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is charged to the statement of profit or loss on an accruals basis. The Zakat charge is computed on the Saudi shareholders' share of the zakat base or adjusted net profit whichever is higher. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

Value added tax

Expenses and assets are recognised net of the amount of value added tax ("VAT"), except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.
- The net amount of VAT recoverable from, or payable

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Employees' benefits

Retirement benefit costs and termination benefits

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in profit or loss in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Q. Statutory reserve

In accordance with Company's By-laws, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 30% of the share capital. This reserve is not available for dividend distribution.

R. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company’s financial statements in conformity with IFRS, as endorsed in KSA, requires management to make judgements, 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 Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Further, certain estimates and assumptions include the direct and indirect impact of the COVID-19 pandemic on the Company’s business, financial condition and results of operations. The economic impact of the pandemic on the Company’s business depends on its severity and duration, which in turn depend on highly uncertain factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Provision for expected credit losses of accounts receivable

The Company uses a provision matrix to calculate ECLs for accounts receivable. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. payor groups). The provision matrix is initially based on the Company’s historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

(ii) Employees’ end-of-service benefits

The cost of the employees’ end-of-service benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Revenue recognition – estimating variable consideration

The Company estimates variable considerations to be included in the transaction price in respect of each of its agreement with customers. In making such estimate the Company assess the impact of any variable consideration in the contract, customers’ right to volume discounts, prompt payment discounts and claims disallowance of certain services provided to the patients upon submission of invoices to the customers. The Company uses its accumulated historical experience to estimate the percentage. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected adjustments estimated by the Company.

(iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash flows (“DCF”) model. The cash flows are derived from the budget and marketing terms forecast for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset’s performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the growth rate used for extrapolation purposes.

(v) Useful lives of property and equipment

Management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(vi) Useful lives of intangible assets

Management reviews the amortization period and the amortization method for any intangible asset with a finite useful life at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the Company changes the amortization period accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the Company changes the amortization method to reflect the changed pattern.

(vii) Incremental borrowing rate for lease agreements

The Company cannot readily determine the interest rate implicit in the lease agreement, therefore, it uses its Incremental Borrowing Rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

(viii) Determining the lease term of contracts

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(ix) Zakat

The Company is subject to zakat in accordance with the Zakat, Tax and Customs Authority ("ZATCA") regulations. zakat computation involves relevant knowledge and judgement of the zakat rules and regulations to assess the impact of zakat liability at a particular period end. This liability is considered an estimate until the final assessment by ZATCA is carried out until which the Company retains exposure to additional zakat liability.

5. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS

A. New and revised standards with no material effect on the financial statements

The following revised IFRSs have been adopted. The application of these revised IFRSs did not have any material impact on the amounts reported for current and prior periods.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16), effective for annual periods beginning on or after 1 June 2020G
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16), effective for annual periods beginning on or after 1 January 2021G.

However, these amendments did not have an impact on the financial statements of the Company.

5. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS (Continued)

B. New and revised standards issued but not yet effective

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

- COVID-19-Related Rent Concessions beyond 30 June 2021G (Amendment to IFRS 16), effective for annual periods beginning on or after 1 April 2021G
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37), effective for annual periods beginning on or after 1 January 2022G
- Annual Improvements to IFRS Standards 2018-2020G, effective for annual periods beginning on or after 1 January 2022G
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16), effective for annual periods beginning on or after 1 January 2022G.
- Reference to the Conceptual Framework (Amendments to IFRS 3), effective for annual periods beginning on or after 1 January 2022G.
- IFRS 17 Insurance Contracts, effective for annual periods beginning on or after 1 January 2023G.
- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2023G.
- Amendments to IFRS 17, effective for annual periods beginning on or after 1 January 2023G.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), effective for annual periods beginning on or after 1 January 2023G.
- Definition of Accounting Estimate (Amendments to IAS 8), effective for annual periods beginning on or after 1 January 2023G.
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transactions – Amendments to IAS 12 Income Taxes), effective for annual periods beginning on or after 1 January 2023G.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) with effective annual period yet to be determined.

The above-mentioned standards are not expected to have a significant impact on the financial statements of the Company.

6. PROPERTY AND EQUIPMENT

	Land	Buildings	Elevators	Medical equipment and tools	Office equipment	Furniture and Fixture	Motor vehicles	Construction work in Progress	Total
Cost									
1 January 2020G	43,209,000	134,199,163	4,542,590	158,472,426	39,647,144	31,784,705	4,909,019	195,566,840	612,330,887
Additions from CWIP	175,835,437	757,454	-	13,201,945	2,993,208	2,052,496	112,524	295,586,595	490,539,659
Transfers	418,393	334,371	-	615,971	530,244	110,838	-	(2,141,765)	(131,948)
Transfer to related party	-	-	-	-	-	-	-	(20,965,187)	(20,965,187)
Disposals	-	-	-	(10,506)	-	(10,035)	(147,450)	-	(167,991)
Write-offs	-	-	-	(820,460)	(80,739)	(284,428)	-	-	(1,185,627)
31 December 2020G	**219,462,830**	**135,290,988**	**4,542,590**	**171,459,376**	**43,089,857**	**33,653,576**	**4,874,093**	**468,046,483**	**1,080,419,793**
Additions	**14,092,005**	**-**	**-**	**4,892,759**	**1,783,621**	**2,508,528**	**61,956**	**295,132,982**	**318,471,851**
Reclassifications	**-**	**-**	**-**	**-**	**(117,962)**	**117,962**	**-**	**-**	**-**
Transfers from CWIP	**-**	**-**	**-**	**140,939**	**91,000**	**4,209**	**-**	**(236,148)**	**-**
Transfers to intangible assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(930,134)**	**(930,134)**
Disposals	**-**	**-**	**-**	**(14,800)**	**(295,560)**	**(255,375)**	**(100,000)**	**-**	**(665,735)**
Write-offs	**-**	**-**	**-**	**(56,385)**	**(562,957)**	**(258,664)**	**-**	**-**	**(878,006)**
31 December 2021G	**233,554,835**	**135,290,988**	**4,542,590**	**176,421,889**	**43,987,999**	**35,770,236**	**4,836,049**	**762,013,183**	**1,396,417,769**

6. PROPERTY AND EQUIPMENT (Continued)

	Land	Buildings	Elevators	Medical equipment and tools	Office equipment	Furniture and Fixture	Motor vehicles	Construction work in Progress	Total
Accumulated depreciation									
1 January 2020G	-	49,013,214	3,103,269	101,791,680	29,586,438	17,771,670	3,629,141	-	204,895,412
Charge for the year	-	2,812,618	575,294	8,378,942	4,913,563	4,230,912	483,478	-	21,394,807
Disposals	-	-	-	(10,506)	-	(5,648)	(115,512)	-	(131,666)
Write-offs	-	-	-	(304,712)	(72,396)	(259,542)	-	-	(636,650)
31 December 2020G	**-**	**51,825,832**	**3,678,563**	**109,855,404**	**34,427,605**	**21,737,392**	**3,997,107**	**-**	**225,521,903**
Depreciation charge for the year	**-**	**2,794,009**	**438,528**	**8,929,796**	**4,285,998**	**3,937,298**	**404,951**	**-**	**20,790,580**
Disposals	**-**	**-**	**-**	**(13,084)**	**(258,379)**	**(208,853)**	**(100,000)**	**-**	**(580,316)**
Reclassification		**-**	**-**	**-**	**(2,256,922)**	**2,256,922**	**-**		
Write-offs	**-**	**-**	**-**	**(47,249)**	**(562,455)**	**(257,982)**	**-**	**-**	**(867,686)**
31 December 2021G	**-**	**54,619,841**	**4,117,091**	**118,724,867**	**35,635,847**	**27,464,777**	**4,302,058**	**-**	**244,864,481**
Carrying amount									
As at 31 December 2021G	**233,554,835**	**80,671,147**	**425,499**	**57,697,022**	**8,352,152**	**8,305,459**	**533,991**	**762,013,183**	**1,151,553,288**
As at 31 December 2020G	219,462,830	83,465,156	864,027	61,603,972	8,662,252	11,916,184	876,986	468,046,483	854,897,890

The title deed of land for South Tower is in name of Mr. Abdulaziz Al Moosa (a shareholder) for which beneficial ownership is fully transferred to the Company. The Company is in process of transferring the title deed of this land.

Depreciation charge for the year has been allocated as follow:

	Note	2021G	2020G
Cost of revenues	22	**16,687,889**	17,270,265
General and administration expenses	24	**4,102,691**	4,124,542
		20,790,580	21,394,807

Construction Work in progress:

Capital work-in-progress mainly represents cost incurred and advances paid towards the construction of the building and other assets for rehabilitation center and north tower.

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7. INTANGIBLE ASSETS

	2021G	2020G
Cost		
Balance at 1 January	**12,553,536**	11,303,222
Additions during the year	**311,395**	1,118,366
Transfer from capital work-in-progress	**930,134**	131,948
Balance at 31 December	**13,795,065**	12,553,536
Accumulated amortization		
Balance at 1 January	**7,389,101**	5,842,893
Amortization for the year	**1,445,338**	1,546,208
Balance at 31 December	**8,834,439**	7,389,101
Carrying amount	**4,960,626**	5,164,435

The amortization of intangible assets has been allocated as follows:

	2021G	2020G
Cost of revenues (note 22)	**780,482**	834,952
General and administration expenses (note 24)	**664,856**	711,256
	1,445,338	1,546,208

8. INVENTORIES

	2021G	2020G
Surgical and consumable tools	**16,249,084**	25,601,925
Pharmaceuticals and cosmetic materials	**27,032,718**	12,170,345
Spare parts and consumables	**6,693,784**	4,483,894
	49,975,586	42,256,164
Less: write-down of inventories against expired inventories	**(58,556)**	(130,865)
	49,917,030	42,125,299

The movement of write-down of inventories against expired inventories is as follows:

	2021G	2020G
Balance at 1 January	**130,865**	157,417
Charged / (write-off) during the year	**(18,280)**	18,666
Reversal during the year	**(54,029)**	(45,218)
Balance at 31 December	**58,556**	130,865

9. ACCOUNTS RECEIVABLE

	2021G	2020G
Accounts receivable	**218,471,936**	206,283,019
Less: Impairment loss	**(2,945,310)**	(1,726,192)
	215,526,626	204,556,827
Due from related parties (note 29.2)	**3,007,501**	36,908,943
	218,534,127	241,465,770

The Company's credit terms require receivables to be repaid within 60-90 days of the claim date depending on the type of customer, which is in line with healthcare industry. It is not the practice of the Company to obtain collateral over receivables and therefore are unsecured. No interest is charged on outstanding balance. As at 31 December 2021G, approximately 92% of the Company's accounts receivable balance was due from various governmental and insurance entities (31 December 2020G: 77%)

The Company always measures the loss allowance for accounts receivable at an amount equal to lifetime ECL. The expected credit losses are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of accounts receivable based on the Company's provision matrix. The Company's historical credit loss experience does not show significantly different loss pattern for different customer segments.

Accounts receivable – days past due						
31 December 2021G	Not past due	1-90	91 -180	181-360	>361	Total
Expected credit loss %	**-**	**0.33%**	**0.92%**	**1.07%**	**3.06%**	
Gross carrying amount	**45,523,569**	**47,012,799**	**21,544,817**	**30,353,087**	**74,037,665**	**218,471,937**
Lifetime ECL	**-**	**(155,139)**	**(197,219)**	**(325,298)**	**(2,267,654)**	**(2,945,310)**
	45,523,569	**46,857,660**	**21,347,598**	**30,027,789**	**71,770,011**	**215,526,627**

Accounts receivable – days past due						
31 December 2020G	Not past due	1-90	91 -180	181-360	>361	Total
Expected credit loss %	0.00%	0.11%	0.04%	0.06%	4.03%	
Gross carrying amount	93,049,164	34,503,006	48,714,761	25,925,425	40,999,606	243,191,962
Lifetime ECL	-	(36,274)	(19,152)	(16,636)	(1,654,130)	(1,726,192)
	93,049,164	34,466,732	48,695,609	25,908,789	39,345,476	241,465,770

9. ACCOUNTS RECEIVABLE (Continued)

9.1 Following is the movement of allowance for expected credit losses:

	2021G	2020G
Balance at 1 January	**1,726,192**	1,577,854
Provision for expected credit loss during the year (note 23)	**1,215,559**	148,338
Balance at 31 December	**2,941,751**	1,726,192

10. ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

	2021G	2020G
Prepaid expenses	**16,855,826**	14,344,198
Advances to suppliers	**2,119,682**	916,341
Employees' advances	**1,606,222**	1,619,161
Other assets	**162,682**	613,287
	20,744,412	17,492,987

11. CASH AND CASH EQUIVALENTS

	2021G	2020G
Cash in hand	**57,454,325**	49,647,051
Bank balances	**665,887**	532,152
	58,120,212	50,179,203

Cash and cash equivalents comprise cash at banks and cash on hand, which are subject to an insignificant risk of changes in value.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

12. SHARE CAPITAL

The share capital is divided into 100,000 shares (2020: 100,000 shares) of SR 10 each (2020G: 10 each). The shareholders of the Company and their respective shareholdings as of 31 December 2021G and 2020G were as follows.

Name	Ownership percentage	No. of shares	SR
Abdulaziz Abdullah AlMoosa	90%	90,000	900,000
Habiba Abdulrahman AlMoosa	1%	1,000	10,000
Mohammad Abdulaziz AlMoosa	1%	1,000	10,000
Sara Abdulaziz AlMoosa	1%	1,000	10,000
Zainab Abdulaziz AlMoosa	1%	1,000	10,000
Omaima Abdulaziz AlMoosa	1%	1,000	10,000
Malik Abdulaziz AlMoosa	1%	1,000	10,000
Yaser Abdulaziz AlMoosa	1%	1,000	10,000
Lama Abdulaziz AlMoosa	1%	1,000	10,000
Yousef Abdulaziz AlMoosa	1%	1,000	10,000
Ahmed Abdulaziz AlMoosa	1%	1,000	10,000
	100%	100,000	1,000,000

13. STATUTORY RESERVE

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

14. CONTRIBUTION FROM A SHAREHOLDER

This represents net assets transferred from the branch at the date of conversion (refer note 1). There is no obligation on the Company to repay this amount and it is interest free, essentially considered as part of equity. In 2020G, one of the shareholders of the Company contributed land of SR 53.7 million owned by him at a value determined by an independent Taqeem registered valuer.

15. LONG TERM LOANS

	2021G	2020G
Long term loans		
Loans from commercial banks – 1	**62,500,000**	87,500,000
Loans from commercial banks – 2	**191,000,000**	61,000,000
Loans from commercial banks – 3	**196,623,529**	162,369,412
Loan from Ministry of Finance (MoF)	**22,744,531**	25,587,603
Less: deferred income on loan from MoF	**(5,992,030)**	(7,447,802)
	466,876,030	329,009,213
Current portion of long term loans		
Loan from MoF	**2,843,067**	2,843,067
Loans from commercial banks	**25,000,000**	12,500,000
	27,843,067	15,343,067

Loans from commercial banks – 1

In 2018, the Company entered into a term loan agreement for SR 100 million with a local bank to finance the expansion of the hospital through the construction of new medical tower and utilized SR 100 million as at 31 December 2021G (31 December 2020G: SR 100 million). The loan is repayable in equal quarterly installments commencing from September 2020G and will continue up to 2025G. The loan carries an interest rate of 3 months SAIBOR+ 1.45% and is secured against personal guarantees of Mr. Malik Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of certain parcels of land.

Loans from commercial banks – 2

In 2019G, the Company entered into long term murabaha liquidity financing agreement for SR 100 million through a local bank to finance the construction of new medical tower and rehabilitation center. During the year, an additional limit was obtained amounting to SR 300 million through a revised facility letter and the total utilized facility was SR 346 million as at 31 December 2021G. The loan is repayable in 24 equal quarterly installments commencing from 1 July 2023G. The loan carries interest rate of 3 months SAIBOR + 0.9% and is secured against a personal guarantee of Mr. Abdulaziz AlMoosa and mortgage of rehabilitation and new medical tower project.

Loans from commercial banks – 3

In 2020G, the Company entered into an additional term loan agreement for SR 200 million with a local bank to finance the expansion of the hospital through the construction of new medical tower and utilized SR 198 million as at 31 December 2021G. The loan is repayable in 16 equal quarterly installments commencing on the earlier of one year from full draw down or from the end of the loan limit availability period i.e., 30 April 2021G. The loan carries interest rate of 3 months SAIBOR + 1 % and is secured against the personal guarantees of Mr. Malik Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of main hospital building.

15. LONG TERM LOANS (Continued)

Loans from Ministry of Finance

In 2010, the Company entered into a loan agreement for SR 42.6 million with Ministry of Finance to finance the construction of hospital building. The loan is repayable in equal annual instalments of SR 2.8 million each which commenced from 2015 and will continue up to 2030G. The loan provided is interest free and does not require any collaterals and securities from the Company.

The Company is required to comply with certain covenants under the loan facility agreements mentioned above. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. The Company was in compliance with financial covenants as of and during the year ended 31 December 2021G.

Following are the combined aggregate amounts of future maturities representing principal amounts of the term loans as at 31 December:

	2021G	2020G
Within one year	**27,843,067**	19,896,082
Later than one year but not later than five years	**370,788,935**	369,886,920
Later than five years	**103,455,596**	132,771,360
	502,087,598	522,554,362

16. EMPLOYEES' BENEFITS

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The Company has recognised the benefits in the statement of profit or loss and other comprehensive income. The benefit is based on employees' salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The amounts recognised in the statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

Total amount recognized in profit or loss:

	2021G	2020G
Current service cost	**12,971,720**	10,421,021
Interest cost on defined benefit obligation	**1,542,546**	1,377,597
	14,514,266	11,798,618

Total amount recognised in other comprehensive income

Remeasurement loss arising from:	2021G	2020G
Actuarial loss due to change in experience adjustments	**6,339,645**	3,598,722
Actuarial gain due to change in financial assumptions	**-**	6,704,771
	6,339,645	10,303,493

Movement in the present value of defined benefit obligation:

	2021G	2020G
Balance at 1 January	**61,701,849**	47,340,088
Current service cost	**12,971,720**	10,421,021
Interest cost	**1,542,546**	1,377,597
Transfer to current liabilities	**-**	(1,350,876)
Re-measurement loss on employees' benefits	**6,339,645**	10,303,493
Benefits paid during the year	**(4,343,981)**	(6,389,474)
Balance at 31 December	**78,211,779**	61,701,849

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021G
(All amounts in Saudi Riyals unless otherwise stated)

16. EMPLOYEES' BENEFITS (Continued)

Significant assumptions used in determining the post-employment defined benefit obligation includes the following:

	2021G	2020G
Discount rate	**2.50%**	2.50%
Future salary increases	**3.00%**	3.00%
Mortality rates	**WHO SA16- 75%**	WHO SA16- 75%
Rates of employee turnover	**15%**	15%

Assumptions regarding future mortality have been based on published statistics and mortality tables. For current year World Health Organization "WHO" 16 mortality table has been used (2020G: World Health Organization "WHO" 16 mortality table was used) for Kingdom of Saudi Arabia. There is no major deviation in the mortality tables used.

A quantitative sensitivity analysis for discount rate assumption on the defined benefit obligation as at 31 December is shown below:

Assumptions	Discount rate	
Sensitivity analysis	1% increase	1% decrease
Defined benefit obligation as at 2021G	**74,044,057**	**82,867,176**
Defined benefit obligation as at 2020G	58,341,970	65,456,869
	Future salary	
	1% increase	1% decrease
Defined benefit obligation as at 2021G	**82,796,198**	**74,024,712**
Defined benefit obligation as at 2020G	65,393,686	58,331,753

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected against the defined benefit liability in future years:

	2021G	2020G
Year 1	**18,894,350**	14,168,133
Year 2	**11,321,113**	9,924,814
Year 3	**11,888,888**	9,206,874
Year 4	**12,988,346**	9,510,318
Year 5	**13,936,810**	10,495,785
Beyond 5 years	**164,993,440**	125,172,707
	234,022,947	178,478,631

17. ACCOUNTS PAYABLE

	2021G	2020G
Accounts payable	**132,809,065**	116,614,322
Payable to contractors	**124,523,157**	65,465,336
	257,332,222	182,079,658

The average credit period on purchases of goods is 3 months. No interest is charged on the accounts payable outstanding balance. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. ACCRUALS AND OTHER CURRENT LIABILITIES

	2021G	2020G
Accrued employees benefits	**60,725,814**	52,353,507
Value added tax (VAT) payable	**7,801,645**	-
Goods received but not invoiced	**2,961,626**	1,988,835
Advances from patients	**1,394,447**	2,138,771
Others	**4,211,952**	1,897,583
	77,095,484	58,378,696

19. ZAKAT

The principle elements of zakat base are as follows:

	2021G	2020G
Non-current assets	**1,175,601,709**	862,274,808
Non-current liabilities	**555,915,323**	391,910,085
Opening shareholders' equity	**589,989,642**	436,818,013
Profit before zakat	**71,879,064**	108,440,315
Dividend paid	**48,087,575**	-

Movement of zakat provision is as follow:

	2021G	2020G
Balance at 1 January	**5,071,313**	7,447,758
Provision during the year	**6,283,134**	4,651,313
Provision for prior years	**3,176,362**	(983,291)
Payments during the year	**(8,247,675)**	(6,044,467)
Balance at 31 December	**6,283,134**	5,071,313

The Company has submitted its zakat returns up to year 2022G and has obtained the required certificates and official receipts, however, all returns since inception are still under ZATCA review.

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20. LEASES

The Company leases buildings and apartment rooms for its employees. The leases typically run for a period of 3 to 6 years. Prior to adoption of IFRS-16, these leases were classified as operating leases under IAS 17. The Company has elected not to recognise right-of-use assets and lease liabilities for the short-term and/or leases of low-value items. Information about leases for which the Company is a lessee is presented below.

Right-of-use-assets	1 January 2021G	Additions	31 December 2021G
Cost	**2,630,400**	**23,132,475**	**25,762,875**
Accumulated depreciation	**(417,917)**	**(6,257,163)**	**(6,675,080)**
Carrying amount	**2,212,483**		**19,087,795**
	1 January 2020G	Additions	31 December 2020G
Cost	-	2,630,400	2,630,400
Accumulated depreciation	-	(417,917)	(417,917)
Carrying amount	-		2,212,483

Lease Liabilities

	2021G	2020G
Balance at 1 January	**1,944,039**	-
Additions during the year	**23,132,475**	2,630,400
Interest charge for the year	**821,032**	58,655
Payments during the year	**(7,535,016)**	(745,016)
Balance at 31 December	**18,362,530**	1,944,039
Non-current portion	**10,827,514**	1,199,023
Current portion	**7,535,016**	745,016
Balance as at end of the year	**18,362,530**	1,944,039

Amount recognised in statement of profit or loss and other comprehensive income:

	2021G	2020G
Interest on lease liabilities	**821,032**	58,655
Depreciation	**6,257,163**	417,917

Amount recognised in statement of cash flows:

Total cash outflow for leases	**7,535,016**	745,016

The Company has no leases as a lessor.

21. REVENUE

The Company generates revenue primarily from:

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

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by service lines and timing of revenue recognition.

All revenues are generated within the Kingdom of Saudi Arabia.

	2021G	2020G
Revenue by service lines		
Medical services	**584,707,754**	526,444,429
Pharmaceuticals	**116,834,484**	102,520,802
	701,542,238	628,965,231

Timing of revenue recognition	2021G	2020G
Medical services and pharmaceuticals sales transferred at a point in time	**401,300,043**	259,653,854
Medical services transferred over time	**300,242,195**	369,311,377
	701,542,238	628,965,231

As at 31 December	2021G	2020G
Refund liability (Note 21.1)	**15,284,210**	8,371,726

21.1 Refund liability:

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

	2021G	2020G
Balance at 1 January	**8,371,726**	6,912,485
Addition during the year	**16,797,590**	17,886,363
Adjusted during the year	**(9,885,106)**	(16,427,122)
Balance at 31 December	**15,284,210**	8,371,726

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22. COST OF REVENUES

	2021G	2020G
Employees' cost	**293,524,435**	235,361,154
Material consumption	**161,272,945**	121,076,488
Depreciation (note 6)	**11,216,231**	26,931,546
Repair and maintenance	**5,096,942**	7,702,929
Support services	**2,818,570**	5,162,981
Utilities	**4,353,730**	4,431,402
Depreciation o right-of-use of asset (note 20)	**6,257,163**	417,917
Amortization (note 7)	**56,624**	58,206
Others	**2,305,723**	7,650,997
	486,902,363	408,793,620

23. SELLING AND DISTRIBUTION EXPENSES

	2021G	2020G
Employees' cost	**2,272,612**	1,845,336
Advertisement and promotion	**7,202,174**	3,597,896
Depreciation (note 6)	**70,507**	43,230
(Reversal) / charge for expected credit losses (note 9)	**1,215,559**	-
Others	**190,301**	199,875
	10,951,153	5,686,337

24. GENERAL AND ADMINISTRATION EXPENSES

	2021G	2020G
Employees' cost	**107,884,760**	85,691,618
Depreciation (note 6)	**9,503,842**	7,001,221
Repair and maintenance	**5,924,992**	3,075,305
Support services	**6,826,703**	2,079,882
Training and development	**2,304,356**	459,208
Utilities	**1,723,875**	1,243,666
Amortization (note 7)	**1,388,714**	1,488,002
Others	**1,381,386**	7,085,144
	136,938,628	108,124,046

25. OTHER INCOME - NET

	2021G	2020G
Human Resource Development Fund (HRDF) income	**4,433,320**	1,577,500
Scientific support income	**2,919,149**	691,139
Cafeteria income	**1,106,515**	610,930
Training courses income	**361,128**	607,018
(Loss) / gain on disposal of property and equipment	**(66,917)**	3,447
Property and equipment written-off	**(10,320)**	(548,977)
Others	**1,238,237**	2,725,119
	9,981,112	5,666,176

26. FINANCE COST

	2021G	2020G
Interest cost on long term loans	**-**	-
Unwinding of deferred income on MoF loan	**1,455,772**	1,583,376
Interest cost on defined benefit obligation	**1,542,546**	1,377,597
Interest cost on lease liabilities	**821,032**	58,655
Bank charges	**1,032,792**	567,461
	4,852,142	3,587,089

27. CONTINGENT LIABILITIES AND COMMITMENTS

The details of the contingencies and commitments of the Company as at the year-end are as follows:

	2021G	2020G
Letter of guarantee	**-**	5,000,000
Letter of credit	**44,595,198**	23,608,287
Capital commitment	**408,703,060**	446,261,041

28. DIVIDEND

During the year, shareholders of the Company has distributed dividend cash amounting to SR 48.09 million (2020G: SR Nil).

29. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's shareholders, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Terms and conditions of these transactions are approved by the Company's management. The following are the nature and transactions with the related parties during the period and its related balances as at end of the year.

Name of entity	Relationship
Abdulaziz AlMoosa	Shareholder
Sara Abdulaziz AlMoosa	Shareholder
Zainab Abdulaziz AlMoosa	Shareholder
Omaima Abdulaziz AlMoosa	Shareholder
Malik Abdulaziz AlMoosa	Shareholder
Ahmed Abdulaziz AlMoosa	Shareholder
AlMoosa Automatic Doors Factory	Affiliate
AlMoosa College of Health Sciences	Affiliate
AlMoosa Home Health Care	Affiliate
AlMoosa Real-estate	Affiliate

29.1 The following significant transactions were carried out with related parties during the year:

	2021G	2020G
Shareholders		
Purchase of land adjusted against due from a shareholder	**12,893,575**	-
Dividend paid in cash and in-kind	**(48,087,575)**	-
Shareholders contribution		58,725,005
Affiliates		
Expenses paid by a related party on behalf of the Company	**(2,558,663)**	(99,196)
Expenses paid by the Company on behalf of a related party	**10,458,961**	8,408,012
Purchase of goods	**-**	20,965,187

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

29.2 Due from related parties

	2021G	2020G
AlMoosa Automatic Doors Factory	**3,007,501**	4,484,584
AlMoosa College of Health Sciences	**-**	32,424,359
	3,007,501	36,908,943

Prices and terms of payments for the above transactions are approved by the management. Due from related parties is unsecured in nature and bears no interest. There is no provision held against amount due from related parties.

29. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

29.3 Due from a shareholder

The balance of due from a shareholder represents receivable from Mr. Abdulaziz AlMoosa. The amount is not subject to interest and is unsecured. Balance is repayable within next twelve months from statement of financial position date as per arrangement and is classified as a current asset. During the year 2020G, the shareholder contributed land with a value of SR 12.8 million against this balance.

29.4 Compensation of key management personnel

Key management includes the Board of Directors (executive and non-executive) and all members of Company's Management. The compensation paid or payable to key management for employee services is shown below:

	2021G	2020G
Short-term benefits	**7,217,044**	6,695,946
Termination benefits	**427,502**	380,504
	7,644,546	7,076,450

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

30.1 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise loans, lease liability, accounts payable, accrual and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include accounts receivable, due from a shareholder and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management regularly review the policies and procedures to ensure that all the financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company does not engage into any hedging activities. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include long term loans and certain other financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. Management monitors the changes in interest rates and believes that fair value and cash flow interest rate risks to the Company are not significant.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of long term loans. With all other variables held constant, the Company's profit before zakat is affected through the impact on floating rate borrowings, as follows:

	2021G	2020G
Increase by 50 basis points	**2,315,697**	1,616,847
Decrease by 50 basis points	**2,315,697**	1,616,847

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. Since Saudi Riyal is on a fixed parity with the US Dollar, the management believes that the Company does not have any significant exposure to currency risk.

Commodity price risk

The Company is exposed to the impact of market fluctuations of the prices of various inputs to cost of revenues including pharmaceuticals supplies. The Company prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of such materials to manage the risk.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

30.1 Financial instruments risk management objectives and policies (Continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for accounts receivable) and from its investing activities, including deposits with banks and financial institutions.

	2021G	2020G
Cash and cash equivalents	**57,454,325**	49,647,051
Accounts receivable	**218,534,127**	241,465,770
Due from a shareholder	**22,352,956**	35,246,531
Other current assets	**162,682**	613,287
	298,504,090	326,972,639

Accounts receivable

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Accounts receivable of the Company are spread across large number of customers comprising of Ministries, insurance companies, semi-government companies and individual patients. The Company holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow ups. The management has established a credit policy under which each new insurance company is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual historical data. The Company evaluates the concentration of risk with respect to accounts receivable as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Accounts receivable and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, management has fully exhausted recoveries through legal means and a failure to make contractual payments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company seeks to manage its credit risk with respect to banks by only dealing with reputable banks. At the reporting date, no significant concentration of credit risk was identified by the management.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realise financial assets quickly at an amount close to its fair value. The Company manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis. The Company manages its liquidity risk by ensuring that bank facilities are available. The Company's term of sales and services require amounts to be paid within 30 to 60 days of the date of submitting the invoice. Accounts payable are normally settled within 60 to 120 days of the date of purchase.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

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30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

30.1 Financial instruments risk management objectives and policies (Continued)

Liquidity risk (Continued)

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 December 2021G	Carrying amount	Contractual undiscounted cash flows			
		Within 12 months	2 to 5 years	> 5 years	Total
Accounts payable	**257,332,222**	**257,332,222**	**-**	**-**	**257,332,222**
Accruals and other payable	**67,899,392**	**67,899,392**	**-**	**-**	**67,899,392**
Long term loans	**494,719,097**	**38,824,150**	**396,221,150**	**106,121,569**	**541,166,869**
Lease liabilities	**26,111,724**	**7,335,000**	**11,955,000**	**-**	**19,290,000**
	838,313,241	**371,390,764**	**408,176,150**	**106,121,569**	**885,688,483**

As at 31 December 2020G	Carrying amount	Contractual undiscounted cash flows			
		Within 12 months	2 to 5 years	> 5 years	Total
Accounts payable	182,079,658	182,079,658	-	-	182,079,658
Accruals and other payable	56,239,925	56,239,925	-	-	56,239,925
Long term loans	344,352,280	19,896,082	369,886,920	132,771,360	522,554,362
Lease liabilities	1,944,039	745,016	2,090,032	-	2,835,048
	584,615,902	258,960,681	371,976,952	132,771,360	763,708,993

30.2 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the long term loans that define capital structure requirements. Breaches in meeting the financial covenants may lead to call-back of facilities. There have been no breaches of the financial covenants of any long term loans in the current period. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2021G and 31 December 2020G.

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

30.3 Accounting classifications and fair values

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

Financial assets

	2021G	2020G
Cash and cash equivalent	**57,454,325**	49,647,051
Accounts receivable	**218,534,127**	241,465,770
Due from a shareholder	**22,352,956**	35,246,531
Other current assets	**162,682**	613,287
Total financial assets not measured at fair value	**298,504,090**	326,972,639

Financial liabilities

	2021G	2020G
Financial liabilities not measured at fair value		
Long term loans (note 15)	**494,719,097**	344,352,280
Lease liabilities (note 20)	**26,111,724**	1,944,039
Accounts payable (note 17)	**257,332,222**	182,079,658
Other current liabilities	**67,899,392**	56,239,925
Total financial liabilities	**846,062,435**	584,615,902

30.4 Measurement of fair values

The Company's principal financial assets include cash and cash equivalents, accounts receivable and certain other receivables that arise directly from its operations. The Company's principal financial liabilities comprise long-term borrowings and accounts payable and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Due to the short-term nature of the financial assets and financial liabilities classified as current assets and current liabilities, their carrying amounts are approximate to be the same as their fair values. For non-current financial liabilities, management consider that the fair values not significantly different from their carrying amounts.

31. NET DEBT RECONCILIATION

Reconciliation of movements of liabilities to cash flows arising from financing activities

This note sets out an analysis of liabilities and the movements in liabilities to cash flows arising from financing activities for each of the periods presented.

	Cash and cash equivalent	Long term loans	Lease liabilities	Total
Balance at 1 January 2020G	44,368,469	53,242,559	-	97,611,028
Cash flows movements				
Net movement in cash and cash equivalents	5,810,734	-	-	5,810,734
Proceeds from long term loans	-	289,526,345	-	289,526,345
Lease payments	-	-	(745,016)	(745,016)
Total changes from financing cashflows	**5,810,734**	**289,526,345**	**(745,016)**	**294,592,063**
Non-cash changes				
Unwinding of interest free loan from MoF	-	1,583,376	-	1,583,376
Additions to lease liabilities	-	-	2,630,400	2,630,400
Interest on lease liabilities	-	-	58,655	58,655
Total non-cash changes	**-**	**1,583,376**	**2,689,055**	**4,272,431**
Balance as at 31 December 2020G	50,179,203	344,352,280	1,944,039	396,475,522
Cash flows movements				
Net movement in cash and cash equivalents	**7,941,009**	**-**	**-**	**7,941,009**
Proceeds from long term loans	**-**	**148,911,045**	**-**	**148,911,045**
Lease payments	**-**	**-**	**(7,535,016)**	**(7,535,016)**
Total changes from financing cashflows	**7,941,009**	**148,911,045**	**(7,535,016)**	**149,317,038**
Non-cash changes				
Unwinding of interest free loan from MoF	**-**	**1,455,772**	**-**	**1,455,772**
Additions to lease liabilities	**-**	**-**	**23,132,475**	**23,132,475**
Interest on lease liabilities	**-**	**-**	**821,032**	**821,032**
Total non-cash changes	**-**	**1,455,772**	**23,953,507**	**25,409,279**
Balance as at 31 December 2021G	**58,120,212**	**494,719,097**	**18,362,530**	**571,201,839**

32. TRANSITION TO IFRS AND RECLASSIFICATIONS

As stated in note 2(a), these are the Company's first financial statements prepared in accordance with IFRS as endorsed in in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA (IFRS). In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the previous IFRS for SMEs. The following is a reconciliation of the Company's statement of financial position reported in accordance with previous IFRS for SMEs to its statement of financial position under IFRS at the transition date 1 January 2020G:

	As per IFRS for SMEs	Reclassifications Adjustment (note 32c)	Adjustments / remeasurements	As per IFRS
ASSETS:				
Non-current assets				
Property and equipment	402,051,013	-	1,464,129	403,515,142
Intangible assets	5,460,329	-	-	5,460,329
Investment at FVOCI	3,126,781	(3,126,781)	-	-
Total non-current assets	**410,638,123**	**(3,126,781)**	**1,464,129**	**408,975,471**
Current assets:				
Inventories	35,678,593	-	-	35,678,593
Accounts receivables	190,371,981	-	6,912,485	197,284,466
Prepaid expenses and other assets	17,128,968	-	-	17,128,968
Investment at FVTPL	-	3,126,781	-	3,126,781
Cash and cash equivalents	44,368,469	-	-	44,368,469
Total current assets	**287,548,011**	**3,126,781**	**-**	**297,587,277**
Total assets	**698,186,134**	**-**	**8,376,614**	**706,562,748**
EQUITY AND LIABILITIES				
Equity				
Share capital	1,000,000	-	-	1,000,000
Statutory reserve	300,000	-	-	300,000
Contribution from a shareholder	337,018,216	-	-	337,018,216
Unrealized gain on available for sale investment	288,285	(288,285)	-	-
Retained earnings	96,747,383	288,285	1,464,129	98,499,797
Total equity	**435,353,884**	**-**	**1,464,129**	**436,818,013**
Liabilities				
Non-current liabilities:				
Long term loans	46,556,425	-	-	46,556,425
Employees benefits	47,340,088	-	-	47,340,088
Total non-current liabilities	**93,896,513**	**-**	**-**	**93,896,513**
Current liabilities:				
Accounts payable	101,154,953	-	-	101,154,953
Accrued expenses and other current liabilities	53,646,892	-	-	53,646,892
Refund liabilities	-	-	6,912,485	6,912,485
Long term loans – current portion	5,686,134	-	-	5,686,134
Short term loan	1,000,000	-	-	1,000,000
Zakat payable	7,447,758	-	-	7,447,758
Total current liabilities	**168,935,737**	**-**	**6,912,485**	**175,848,222**
Total liabilities	**262,832,250**	**-**	**6,912,485**	**269,744,735**
Total equity and liabilities	**698,186,134**	**-**	**8,376,614**	**706,562,748**

32. TRANSITION TO IFRS AND RECLASSIFICATIONS (Continued)

The following is a reconciliation of the Company's statement of financial position reported in accordance with previous IFRS for SMEs to its statement of financial position under IFRS at the transition date 31 December 2020G:

	As per IFRS for SMEs	Reclassifications (note 32c)	Adjustments / remeasurements	As per IFRS
ASSETS:				
Non-current assets				
Property and equipment	848,049,299	-	6,848,591	854,897,890
Right-of-use asset	-	-	2,212,483	2,212,483
Intangible assets	5,164,435	-	-	5,164,435
Investment at FVTOCI	3,104,605	(3,104,605)	-	-
Total non-current assets	**856,318,339**	**(3,104,605)**	**9,061,074**	**862,274,808**
Current assets:				
Inventories	42,125,299	-	-	42,125,299
Accounts receivables	233,094,044	8,371,726	-	241,465,770
Prepaid expenses and other assets	17,788,831	-	(295,844)	17,492,987
Due from a shareholder	35,246,531	-	-	35,246,531
Investment at FVTPnL	-	3,104,605	-	3,104,605
Cash and cash equivalents	50,179,203	-	-	50,179,203
Total current assets	**378,433,908**	**11,476,331**	**(295,844)**	**389,614,395**
Total assets	**1,234,752,247**	**8,371,726**	**8,765,230**	**1,251,889,203**
EQUITY AND LIABILITIES				
Equity				
Share capital	1,000,000	-	-	1,000,000
Statutory reserve	300,000	-	-	300,000
Contribution from a shareholder	395,743,221	-	-	395,743,221
Unrealized gain on available for sale investment	266,109	(266,109)	-	-
Retained earnings	185,859,121	266,109	6,821,191	192,946,421
Total equity	**583,168,451**	**-**	**6,821,191**	**589,989,642**
Liabilities				
Non-current liabilities:				
Long term loans	329,009,213	-	-	329,009,213
Lease liabilities	-	-	1,199,023	1,199,023
Employees benefits	61,701,849	-		61,701,849
Total non-current liabilities	**390,711,062**	**-**	**1,199,023**	**391,910,085**
Current liabilities:				
Accounts payable	182,079,658	-	-	182,079,658
Accrued expenses and other current liabilities	58,378,696	-	-	58,378,696
Refund liabilities	-	8,371,726	-	8,371,726
Long term loans – current portion	15,343,067	-	-	15,343,067
Lease liabilities – current portion	-	-	745,016	745,016
Zakat payable	5,071,313			5,071,313
Total current liabilities	**260,872,734**	**8,371,726**	**745,016**	**269,989,476**
Total liabilities	**651,583,796**	**8,371,726**	**1,944,039**	**661,899,561**
Total equity and liabilities	**1,234,752,247**	**8,371,726**	**8,765,230**	**1,251,889,203**

ALMOOSA HEALTH COMPANY (formerly "Almoosa Specialist Hospital Company")
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021G
(All amounts in Saudi Riyals unless otherwise stated)

32. TRANSITION TO IFRS AND RECLASSIFICATIONS (Continued)

Reconciliation of statement of profit or loss and other comprehensive income for the year ended 31 December 2020G:

	As per IFRS for SMEs	Reclassifications (note 32c)	Adjustments / remeasurements	As per IFRS
Revenue	628,965,231	-	-	628,965,231
Cost of revenues	(411,193,688)	2,368,813	31,255	(408,793,620)
Gross profit	**217,771,543**	**2,368,813**	**31,255**	**220,171,611**
Selling and distribution expenses	(7,044,235)	1,357,898	-	(5,686,337)
General and administrative expenses	(104,397,335)	(3,726,711)	-	(108,124,046)
Operating profit	**106,329,973**	**-**	**31,255**	**106,361,228**
Other income, net	5,666,176	-	-	5,666,176
Finance cost	(8,912,896)	5,384,462	(58,655)	(3,587,089)
Profit before zakat	103,083,253	5,384,462	(27,400)	108,440,315
Zakat	(3,668,022)	-	-	(3,668,022)
Profit for the year	**99,415,231**	**5,384,462**	**(27,400)**	**104,772,293**
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent period				
Re-measurement loss on employees' Benefit	(10,303,493)	-	-	(10,303,493)
Unrealized gain on remeasurement of available for sale investment	(22,176)	22,176	-	-
Total other comprehensive loss for the year	**(10,325,669)**	**22,176**	**-**	**(10,303,493)**
Total comprehensive income for the year	**89,089,562**	**5,406,638**	**(27,400)**	**94,468,800**

Reconciliation of retained earnings from previous IFRS for SMEs to IFRS:

	31 December 2020G	01 January 2020G
Retained earnings as per IFRS for SMEs	185,859,121	96,747,383
Add: Increase in retained earnings on account of reclassification of FV impact of Investment at FVTPL	266,109	288,285
Add: Increase in retained earnings on account of reclassification of interest expense to PPE	6,848,591	1,464,129
Less: Difference in depreciation, interest expenses as per IFRS 16 vs actual lease rental expensed to statement of profit or loss	(27,400)	-
Retained earnings as per IFRS	192,946,421	98,499,797

Reconciliation of cash flow from previous IFRS for SMEs to IFRS:

	As per IFRS for SMEs	Reclassifications (note 32c)	Adjustments / remeasurements	As per IFRS
Net cash generated from operating activities	147,713,508	27,400	2,181,745	149,922,653
Net cash generated from Investing activities	(436,429,119)	-	(1,464,129)	(437,893,248)
Net cash generated from financing activities	294,526,345	-	(745,016)	293,781,329

32. TRANSITION TO IFRS AND RECLASSIFICATIONS (Continued)

IFRS adoption remeasurements, reclassifications and other adjustments

A. Right of use assets and lease liabilities

Under IFRS for SME, the Company accounted for payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease. Upon transition to IFRS, in accordance with IFRS 16 the Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. There are certain recognition exemptions for short-term leases and leases of low value items, which is availed by the management. There were no agreements under IFRS 16 scope on 1 January 2020G. The management has recognized the right of use asset and lease liability during the year 2020G as per IFRS 16.

The Company presents right-of-use assets as separate line item. The carrying amounts of right-of-use assets are as below:

	Total
Recognition of right-of-use asset on initial application of IFRS 16 as at 31 December 2020G	2,630,400

The following table shows the reconciliation of operating lease commitments under IFRS for SMEs to the

lease liabilities under IFRS 16:

	Total
Operating lease commitments under IFRS for SMEs as at 31 December 2020G	2,689,055
Discounted using the incremental borrowing rate as at 31 December 2020G	(58,655)
Lease liability recognized at 31 December 2020G	2,630,400

The Company presents 'lease liabilities' in the statement of financial position (refer note 20). Subsequent to recognition of right of use assets and lease liabilities, the Company recognised an addition expense amounting to SR 0.027 million for the year ended 31 December 2020G i.e., difference between the actual rent expensed to statement of profit or loss in accordance with IFRS for SMEs vs the depreciation expenses on right of use assets and unwinding of interest on lease liability as per IFRS 16.

B. Capitalization of interest cost on long term loans

Under IFRS for SME, the Company accounted for the interest on long term loans obtained for the purpose of construction of hospital buildings under the finance costs. Upon transition to IFRS, in accordance with IAS 23, the Company has recognized the borrowing cost used for the constructions of hospitals buildings under property and equipment.

C. Reclassifications

In addition to above IFRS adoption adjustments (as shown in column reclassification), certain items in the statements of financial position and profit or loss have been reclassified for better presentation purpose, which do not have any additional impact on equity or net income for the comparative figures.

33. SEGMENT REPORTING

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenue or incur expenses. An operating segments operating results are reviewed regularly by the chief executive operating of the Company to make the decision about the resources allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to board of directors includes items directly attributable to a segment as well as those that can be allocated on reasonable basis. The nosiness segments are engaged in providing product or services which are subject to risks and rewards which differ from the risk and rewards of the other segment. Segments reported are Hospital and Pharmacy.

	2021G			2020G		
	Hospital	Pharmacy	Total	Hospital	Pharmacy	Total
Revenue	**577,231,129**	**124,311,109**	**701,542,238**	519,645,832	109,319,399	628,965,231
Cost of revenues	**(399,161,825)**	**(87,740,538)**	**(486,902,363)**	(331,622,334)	(77,171,286)	(408,793,620)
Gross profit	**178,069,304**	**36,570,571**	**214,639,875**	188,023,498	32,148,113	220,171,611
Selling and distribution expenses	**(9,010,643)**	**(1,940,510)**	**(10,951,153)**	(4,698,004)	(988,333)	(5,686,337)
General expenses	**(112,673,528)**	**(24,265,100)**	**(136,938,628)**	(89,331,186)	(18,792,860)	(108,124,046)
Operating profit	**56,385,133**	**10,364,961**	**66,750,094**	93,994,308	12,366,920	106,361,228
Other income - net	**9,981,112**	**-**	**9,981,112**	5,666,176	-	5,666,176
Finance cost	**(3,992,357)**	**(859,785)**	**(4,852,142)**	(2,963,623)	(623,466)	(3,587,089)
Profit before zakat	**62,373,888**	**9,505,176**	**71,879,064**	96,696,861	11,743,454	108,440,315
Zakat expense	**(7,783,303)**	**(1,676,193)**	**(9,459,496)**	(3,030,489)	(637,533)	(3,668,022)
Profit for the year	**54,590,585**	**7,828,983**	**62,419,568**	93,666,372	11,105,922	104,772,293

34. SUBSEQUENT EVENTS

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022G) (hereinafter referred as "the Law") came into force on 26/6/1444H (corresponding to 19 January 2023G). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023G). The management is in process of assessing the impact of the New Companies Law and will amend its By-laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended By-laws to the shareholders in their Annual General Assembly meeting for their ratification.

Except for above, no other significant subsequent events have occurred subsequent since 31 December 2021G that would have a material impact on the financial position or financial performance of the Company.

35. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors on 17 Shaban 1445H, corresponding to 28 February 2024G.

ALMOOSA SPECIALIST HOSPITAL COMPANY

(CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2021G

Deloitte.

Deloitte and Touche & Co.
Chartered Accountants
Dammam branch office
License # 323/11/96/2
Date 24/4/1419
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the shareholders
AlMoosa Specialist Hospital Company
Al-Ahsa, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of AlMoosa Specialist Hospital Company ("the Company"), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities ("IFRS for SMEs") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion
We conducted our audit, in accordance with International Standards on Auditing endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are enclosed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALMOOSA SPECIALIST HOSPITAL COMPANY (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants

License. 323/11/96/2

Abdul Rahman S. Al-Suwayegh
License No. 461
27 Dhu Al-Qa'dah, 1443H
June 26, 2022

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021G

	Note	2021G SR	2020G SR
ASSETS			
Current assets			
Cash and cash equivalents	4	**58,120,212**	50,179,203
Accounts receivable	5	**203,249,917**	233,094,044
Due from a shareholder	15	**22,352,956**	35,246,531
Prepaid expenses and other assets	6	**22,183,600**	17,788,831
Inventories	7	**49,917,030**	42,125,299
Total current assets		**355,823,715**	378,433,908
Non-current assets			
Property and equipment	8	**1,136,621,704**	848,049,299
Intangible assets	9	**4,960,626**	5,164,435
Investment	10	**-**	3,104,605
Total non-current assets		**1,141,582,330**	856,318,339
TOTAL ASSETS		**1,497,406,045**	1,234,752,247
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable	11	**257,332,222**	182,079,658
Accrued expenses and other liabilities	12	**77,095,484**	58,378,696
Long term loans – current portion	13	**27,843,067**	15,343,067
Zakat payable	16	**6,283,134**	5,071,313
Total current liabilities		**368,553,907**	260,872,734
Non-current liabilities			
Long term loans	13	**466,876,030**	329,009,213
Employees' defined benefit obligations	14	**78,211,779**	61,701,849
Total non-current liabilities		**545,087,809**	390,711,062
TOTAL LIABILITIES		**913,641,716**	651,583,796
EQUITY			
Share capital	1	**1,000,000**	1,000,000
Statutory reserve	18	**300,000**	300,000
Contribution from a shareholder	17	**395,743,221**	395,743,221
Unrealized gain on available for sale investment		**-**	266,109
Retained earnings		**186,721,108**	185,859,121
Total equity		**583,764,329**	583,168,451
TOTAL LIABILITIES AND EQUITY		**1,497,406,045**	1,234,752,247

The accompanying notes form an integral part of these financial statements

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021G

	Note	2021G SR	2020G SR
Revenues	19	**701,542,238**	628,965,231
Cost of revenues	20	**(488,517,536)**	(411,193,688)
Gross profit		**213,024,702**	217,771,543
Selling and distribution expenses	21	**(12,600,276)**	(7,044,235)
General and administrative expenses	22	**(133,808,841)**	(104,397,335)
Other income, net	23	**10,247,221**	5,666,176
Finance charges	24	**(12,114,103)**	(8,912,896)
Profit before zakat		**64,748,703**	103,083,253
Zakat	16	**(9,459,496)**	(3,668,022)
PROFIT FOR THE YEAR		**55,289,207**	99,415,231
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of employees' defined benefit obligations	14	**(6,339,645)**	(10,303,493)
Items that will be reclassified subsequently to profit or loss			
Unrealized gain (loss) on remeasurement of available for sale investment	10	**171,713**	(22,176)
Other comprehensive loss for the year		**(6,167,932)**	(10,325,669)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**49,121,275**	89,089,562

The accompanying notes form an integral part of these financial statements

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021G

	2021G SR	2020G SR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before zakat	**64,748,703**	103,083,253
Adjustments for:		
Depreciation of property and equipment	**20,790,580**	21,394,807
Amortization of intangible assets	**1,445,338**	1,546,208
Loss (gain) from disposal of property and equipment	**66,917**	(3,447)
Gain on sale of available for sale investment	**(437,822)**	-
Property and equipment written-off	**10,320**	548,977
Bank charges and interest cost on long term loan	**9,115,785**	5,951,923
Impact of unwinding charge on interest free loan from government	**1,455,772**	1,583,376
Employees' defined benefit obligations – current service cost	**12,971,720**	10,421,021
Employees' defined benefit obligations – interest cost	**1,542,546**	1,377,597
Inventory written off during the year	**18,280**	-
Provision against expired inventories	**-**	18,666
Provision against doubtful receivables	**1,219,118**	148,338
Movement in working capital:		
Accounts receivable	**(3,799,350)**	(21,905,214)
Due from a shareholder	**12,893,575**	(35,246,531)
Inventories	**(7,810,011)**	(6,465,372)
Prepaid expenses and other assets	**(4,394,769)**	(659,863)
Accounts payable	**75,252,564**	80,924,705
Accrued expenses and other liabilities	**18,005,122**	4,193,547
Cash generated from operations	**203,094,388**	166,911,991
Finance charges paid	**(8,404,119)**	(6,764,542)
Zakat paid	**(8,247,675)**	(6,044,467)
Employees' defined benefit obligations paid	**(4,343,981)**	(6,389,474)
Net cash generated from operating activities	**182,098,613**	147,713,508
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	**(310,388,858)**	(435,350,525)
Sale of investment	**3,276,318**	-
Additions to intangible assets	**(311,395)**	(1,118,366)
Proceeds from disposal of property and equipment	**18,502**	39,772
Net cash used in investing activities	**(307,405,433)**	(436,429,119)

The accompanying notes form an integral part of these financial statements

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021G

	2021G SR	2020G SR
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans, net	**148,911,045**	290,526,345
Short term loan, net	**-**	(1,000,000)
Dividend paid	**(15,663,216)**	-
Movement in cash contribution from a shareholder	**-**	5,000,000
Net cash generated from financing activities	**133,247,829**	294,526,345
Net increase in cash and cash equivalents	**7,941,009**	5,810,734
Cash and cash equivalents, January 1	**50,179,203**	44,368,469
CASH AND CASH EQUIVALENTS, DECEMBER 31	**58,120,212**	50,179,203

Non-cash transactions:

Related party balance transferred as dividend-in-kind (note 15 and 26)	**(32,424,359)**	-
Land adjusted against due from a shareholder (note 8 and 15)	**12,893,575**	-
Intangible asset transfer from capital-work-in-progress (note 8 and 9)	**930,134**	131,948
Capital work-in-progress transferred to a related party (note 8)	**-**	(20,965,187)
Property and equipment contributed by a shareholder (note 8)	**-**	53,725,005
Employees' defined benefit liabilities transferred to accrued expenses and other liabilities (note 14)	**-**	(1,350,876)

The accompanying notes form an integral part of these financial statements

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021G

	Note	Share capital	Statutory reserve	Contribution from a shareholder	Unrealized gain on available for sale investment	Retained earnings	Total
		SR	SR	SR	SR	SR	
Balance at January 1, 2020G		1,000,000	300,000	337,018,216	288,285	96,747,383	435,353,884
Profit for the year		-	-		-	99,415,231	99,415,231
Other comprehensive loss		-	-		(22,176)	(10,303,493)	(10,325,669)
Total comprehensive income for the year		-	-		(22,176)	89,111,738	89,089,562
Movement	19	-	-	58,725,005	-	-	58,725,005
Balance at December 31, 2020G		1,000,000	300,000	395,743,221	266,109	185,859,121	583,168,451
Profit for the year		**-**	**-**		**-**	**55,289,207**	**55,289,207**
Other comprehensive loss		**-**	**-**		**171,713**	**(6,339,645)**	**(6,167,932)**
Total comprehensive income for the year		**-**	**-**		**171,713**	**48,949,562**	**49,121,275**
Dividend paid	26	**-**	**-**		**-**	**(48,087,575)**	**(48,087,575)**
Sale of available for sale investment		**-**	**-**		**(437,822)**	**-**	**(437,822)**
Balance at December 31, 2021G		**1,000,000**	**300,000**	**395,743,221**	**-**	**186,721,108**	**583,764,329**

The accompanying notes form an integral part of these financial statements

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021G

1. GENERAL INFORMATION

AlMoosa Specialist Hospital Company Limited (the "Company") is a closed joint stock company registered in Saudi Arabia under Commercial Registration number 2252022248 dated 6 Shaban 1435 (June 4, 2014).

The Company was previously registered as a Branch of a sole proprietorship formed in the Kingdom of Saudi Arabia registered under commercial registration number 2252012962 dated 6 Ramadan, 1414H (February 17, 1994). Abdulaziz AlMoosa Establishment is a sole proprietorship owned by Mr. Abdulaziz AlMoosa registered under commercial registration number 2252023498 dated 14 Jum'ada II 1409H (January 22, 1989) in Al-Ahsa, Kingdom of Saudi Arabia. On 6 Shaban 1435 (June 4, 2014), the name and commercial registration number of the Branch was changed to Almoosa Specialist Hospital and 2252022248 respectively.

In 2018, the legal status of the Company was changed from a Branch to a Limited Liability Company and the related ministerial approval on the conversion was obtained on 10 Shawwal, 1439H (June 24, 2018).

In 2020G, the shareholders of the Company resolved to convert the Company from a Limited Liability Company to a Closed Joint Stock Company. The shareholder passed the resolution to convert the legal entity from single member limited liability company into closed joint stock company dated 14 Safar 1442H (October 1, 2020G).

The stockholders of the Company and their respective stockholdings as at December 31, 2021G and 2020G are as follows:

Name	SR	%
Abdulaziz Abdullah AlMoosa	**900,000**	**90**
Habiba Abdulrahman AlMoosa	**10,000**	**1**
Mohammad Abdulaziz AlMoosa	**10,000**	**1**
Sara Abdulaziz AlMoosa	**10,000**	**1**
Zainab Abdulaziz AlMoosa	**10,000**	**1**
Omaima Abdulaziz AlMoosa	**10,000**	**1**
Malik Abdulaziz AlMoosa	**10,000**	**1**
Yaser Abdulaziz AlMoosa	**10,000**	**1**
Lama Abdulaziz AlMoosa	**10,000**	**1**
Yousef Abdulaziz AlMoosa	**10,000**	**1**
Ahmed Abdulaziz AlMoosa	**10,000**	**1**
	1,000,000	**100**

The principal activities of the Company are to act as a private healthcare provider, storing medical items and selling medicine, cosmetics and disposable medical items.

The Company's registered office is in Al-Ahsa, Kingdom of Saudi Arabia.

The financial statements of the Company include activities and results of the following commercial registrations, also assets and liabilities of these are included in these financial statements:

Branch Name	Commercial Registration No.	Registration Date	Branch Location
AlMoosa Medical Pharmacy	2252023498	9 Sha'aban 1415H (January 10, 1995)	Al-Ahsa
Abdul Aziz AlMoosa Drug Store	2252053792	22 Ramadan 1434H (July 30, 2013)	Al-Ahsa
Almoosa Hospital Medical Consumables Warehouse	2252069957	28 Rabeea'l Thani 1439H (January 15, 2018)	Al-Ahsa
Almoosa Specialist Hospital Company	2252105384	04 Rajab 1442H (February 16, 2021G)	Al-Ahsa

1. GENERAL INFORMATION (CONTINUED)

COVID-19

COVID-19 was confirmed in early 2020G and has spread throughout the world, causing disruptions to the general economic activity and business operations among other effects. The Company considers the COVID-19 outbreak to be a situation that is still very active and evolving. The Company continues to monitor the COVID-19 situation closely. During the year, there was no significant impact of COVID-19 on the accounting estimates and operations of the Company However, as the situation is fluid and rapidly evolving the management continues to monitor it and is taking necessary steps to ensure the continuity of its operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SMEs") that are endorsed in the Kingdom of Saudi Arabia and other relevant pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") and the requirements of the laws and regulations in the Kingdom of Saudi Arabia.

The principal accounting policies applied in the preparation of these financial statements are set out below:

Basis of preparation

These financial statements have been prepared under the historical cost basis unless otherwise disclosed in the below accounting policies.

The financial statements are presented in Saudi Riyals ("SR") being the functional currency of the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when services are rendered to customers, net of discounts and other similar allowances. Net patient services revenue (net of discounts and rejections) is recognized at the estimated net realisable amounts from the third-party payers (insurance and corporate companies) and others (Government institution) for the services rendered at the time of providing services to the patients.

For certain patient-rate contracts, the Company recognizes revenue under the contractual obligations of the amount to which the entity has a right to invoice as per registered patients of the Company.

Sales represent the invoiced value of medicines and drugs supplied by the Company and are recognized, net of discounts, if any, when the significant risks and rewards of ownership of those goods have passed to the buyer and the amount of revenue can be measured reliably, normally on delivery to the customer / patient.

Expenses

Selling and distribution expenses principally comprise of costs incurred on sale and distribution of the Company's products and allowance for doubtful debts. All other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required. Allocations between general and administrative expenses and cost of revenues, when required, are made on a consistent basis.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances and time deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cover Key Dates TOC Financial Statements

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021G

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

Accounts receivable are stated at original invoice amount net of allowance for doubtful debts and an estimate of discounts and rejections. An allowance against doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Inventories are stated at the lower of cost or net realizable value. All inventories are valued on a weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Property and equipment

Property and equipment is recognised initially at cost. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property and equipment are valued at historical cost less accumulated depreciation and any accumulated impairment losses, if any except for land and capital work-in-progress which are stated at cost.

The Company adds to the carrying amount of an item of property and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to statement of comprehensive income during the period in which they are incurred.

Depreciation is charged to the statement of comprehensive income using the straight-line method whereby the cost of an operating asset less its estimated residual value is written off over its estimated useful life.

The estimated useful lives of the principal classes of assets are as follows:

	Years
Buildings	33
Elevators	6-7
Machinery and medical equipment	10
Air conditioners	6-7
Vehicles	4
Furniture and fixtures	6-7
Computers	6-7
Tools	6-7

The residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Depreciation is provided over the estimated useful lives of assets using the straight-line method.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets include costs incurred for software licenses and operating licenses of the Company. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful lives, up to 7 years. The estimated useful life and amortisation method are reviewed if the indicators are present which provide objective evidence, with the effect of any changes in estimate being accounted for on a prospective basis.

Borrowing cost

All borrowing costs are recognized as expense in statement of comprehensive income in the period in which these are incurred.

Impairment on non-financial assets other than inventory

Assets that are subject to depreciation, amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset might be impaired, the carrying value of the asset (or CGU to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset. This present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal; and applying the appropriate discount rate to those future cash flows.

At each reporting date, the Company reviews the carrying amounts of its property and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and if it is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Available for sale investments

Investment in financial instruments is classified according to the Company's intent with respect to those securities. Available for sale investments are stated at fair value, and unrealized gains and losses thereon are included in the statement of changes in equity. Where the fair value is not readily determinable, such financial instruments are stated at cost less allowance for impairment in value. Fair value is determined by reference to the market value if an open market exists, or on the basis of the most recent financial statements. Otherwise, cost is considered to be the fair value. Gains and losses from sale of investments in financial instruments are credited or charged to the statement of comprehensive income. Income from these investments is recognized when dividends are received.

The Company applied the recognition and measurement requirements of IAS 39 Financial Instruments: Recognition and Measurement and the disclosure requirements of Sections 11 and 12 of IFRS for SMEs.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Cover Key Dates TOC Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Accounts payable and accruals

Financial liabilities for accounts and other payables are recognized when the Company becomes liable to pay. Accounts and other payable are recognized for amounts to be paid in the future for goods/services when risks and rewards attributable to goods are transferred to the Company or services are received, whether or not billed to the Company. Accounts and other payables are subsequently measured at amortised cost using the effective interest method.

Employees' defined benefit obligations

The employee defined benefit liability is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which these occur. Remeasurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to statement of comprehensive income in subsequent periods. Changes in the present value of the defined benefit liabilities resulting from plan amendments or curtailments are recognized immediately in statement of comprehensive income as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- remeasurements.

The Company presents the first two components of defined benefit costs of profit or loss in relevant line items and remeasurements are presented in other comprehensive income.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of shortterm employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Retirement benefits

Retirement benefits made to state funded defined contribution plans in respect of its Saudi employees, are expensed when incurred

Government grant

Government grant that imposes specified future performance conditions on the recipient is recognized as income only when the performance conditions are met and grant received before the revenue recognition criteria is satisfied is recognized as liability. The grant is measured at the fair value of the asset received or receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Zakat

The Company is subject to the regulations of the Zakat, Tax, and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided on an accruals basis and charged to the statement of comprehensive income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared. The Zakat charge in these financial statements represents the zakat liability on the Company on an estimated basis.

Withholding tax

The Company withholds taxes on certain transactions with non-resident parties in the KSA, as required under Saudi Arabian Income Tax Law.

Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of comprehensive income.

Leasing

Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the term of the operating lease. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of comprehensive income.

Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets or financial liabilities are initially recognized at the transaction price (including transaction cost. Subsequently at each financial position date, the Company measure financial instruments at amortized cost using effective interest method.

Financial assets include, cash and cash equivalent, accounts receivable, due from a shareholder and other assets and financial liabilities include accounts payable, accrued expenses, long term loans and other liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence of impairment of any financial assets. If there is objective evidence of impairment, the entity shall recognize an impairment in the statement of comprehensive income immediately.

Objective evidence that a financial asset or group of assets is impaired includes observable data that come to the attention of the holder of the asset about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider;
- it has become probable that the debtor will enter bankruptcy or other financial reorganization; or
- observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

Other factors may also be evidence of impairment, including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates.

The Company measures an impairment loss on the financial assets as the difference between the asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Dividends

Dividends are recognized as a liability at the time of their approval by the Board of Directors represented by the shareholders.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, as described in note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property and equipment and residual values

Estimated useful lives of property and equipment are determined for calculating depreciation, taking into account the expected usage of assets and physical wear and tear. Residual values and estimated useful lives are reviewed annually, see accounting policy for further details.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (continued)

Provision for employees' defined benefit obligations

The present value of employees' defined benefit obligations depend on a number of factors that are determined using a number of assumptions. Further, determination of defined benefit obligations requires assumptions to be made for future outcomes which mainly include future service and the discount rate used to convert future cash flows to current values. Any changes in these assumptions will impact the carrying amount of these liabilities.

Discounts and rejections

The Company is required to determine the transaction price in respect of each of its agreements with customers (mainly insurance companies). In making such judgment the Company assess the impact due to discounts, insurance claims rejection or any other variable items in the contract. At the time of sale/service, an estimate for discounts and rejections is determined and a corresponding adjustment to revenue is recognised for the services rendered to customers. The Company uses its accumulated historical experience to estimate for discounts and rejections including but not limited to recent settlements and on-going discussions with customers. The management considers detailed criteria to assess provisions, however, actual costs can vary from initial estimates.

4. CASH AND CASH EQUIVALENTS

	2021G	2020G
	SR	SR
Cash at banks	**57,454,325**	49,647,051
Cash in hand	**665,887**	532,152
	58,120,212	50,179,203

5. ACCOUNTS RECEIVABLE

	2021G	2020G
	SR	SR
Accounts receivable – trade, net	**203,187,726**	197,911,293
Less: provision for doubtful debts	**(2,945,310)**	(1,726,192)
	200,242,416	196,185,101
Due from related parties (note 15)	**3,007,501**	36,908,943
	203,249,917	233,094,044

Movement of provision during the year:

	2021G	2020G
	SR	SR
January 1	**1,726,192**	1,577,854
Provision charged during the year (note 21)	**1,219,118**	148,338
December 31	**2,945,310**	1,726,192

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6. PREPAID EXPENSES AND OTHER ASSETS

	2021G	2020G
	SR	SR
Prepaid expenses	**18,295,014**	14,640,042
Advances to suppliers	**2,119,682**	916,341
Employees' advances	**1,606,222**	1,619,161
Value added tax (VAT) receivable	**-**	398,734
Others	**162,682**	214,553
	22,183,600	17,788,831

7. INVENTORIES

	2021G	2020G
	SR	SR
Pharmaceuticals, cosmetics and others	**16,249,084**	12,170,345
Consumables	**27,032,718**	25,601,925
Spare parts	**6,693,784**	4,483,894
	49,975,586	42,256,164
Less: provision against expired inventories	**(58,556)**	(130,865)
	49,917,030	42,125,299

Movement of provision during the year:

	2021G	2020G
	SR	SR
January 1	**130,865**	157,417
Provision charged during the year	**-**	18,666
Write-off during the year	**(18,280)**	-
Reversal during the year	**(54,029)**	(45,218)
December 31	**58,556**	130,865

8. PROPERTY AND EQUIPMENT

	Land SR	Buildings SR	Elevators SR	Machinery and medical equipment SR	Air conditioner SR	Vehicles SR	Furniture and fixtures SR	Computers SR	Tools SR	Capital work-in-progress SR	Total SR
Cost											
January 1, 2021G	219,462,830	135,290,988	4,542,590	171,459,376	22,463,018	4,874,093	33,653,576	13,803,797	6,823,042	461,197,892	1,073,571,202
Reclassification	-	-	-	-	-	-	**117,962**	**1,904,091**	**(2,022,053)**	-	-
Additions	**14,092,005**	-	-	**4,892,759**	**603,282**	**61,956**	**2,508,528**	**860,028**	**320,311**	**287,049,989**	**310,388,858**
Transfers	-	-	-	**140,939**	-	-	**4,209**	-	**91,000**	**(236,148)**	-
Transfer to intangible assets (note 9)	-	-	-	-	-	-	-	-	-	**(930,134)**	**(930,134)**
Disposals	-	-	-	**(14,800)**	**(40,190)**	**(100,000)**	**(255,375)**	**(255,370)**	-	-	**(665,735)**
Write-off	-	-	-	**(56,385)**	**(65,305)**	-	**(258,664)**	**(497,167)**	**(485)**	-	**(878,006**
December 31, 2021G	**233,554,835**	**135,290,988**	**4,542,590**	**176,421,889**	**22,960,805**	**4,836,049**	**35,770,236**	**15,815,379**	**5,211,815**	**747,081,599**	**1,381,486,185**
Accumulated depreciation											
January 1, 2021G	-	**51,825,832**	**3,678,563**	**109,855,404**	**19,080,773**	**3,997,107**	**21,737,392**	**10,818,114**	**4,528,718**	-	**225,521,903**
Reclassification	-	-	-	-	-	-	**2,256,922**	**(1,079,550)**	**(1,177,372)**	-	-
Charge for the year	-	**2,794,009**	**438,528**	**8,929,796**	**2,008,652**	**404,951**	**3,937,298**	**1,760,809**	**516,537**	-	**20,790,580**
Disposals	-	-	-	**(13,084)**	**(40,190)**	**(100,000)**	**(208,853)**	**(218,189)**	-	-	**(580,316)**
Write-off	-	-	-	**(47,249)**	**(65,305)**	-	**(257,982)**	**(496,885)**	**(265)**		**(867,686)**
December 31, 2021G	-	**54,619,841**	**4,117,091**	**118,724,867**	**20,983,930**	**4,302,058**	**27,464,777**	**10,784,299**	**3,867,618**	-	**244,864,481**
Net book value as at											
December 31, 2021G	**233,554,835**	**80,671,147**	**425,499**	**57,697,022**	**1,976,875**	**533,991**	**8,305,459**	**5,031,080**	**1,344,197**	**747,081,599**	**1,136,621,704**
December 31, 2020G	219,462,830	83,465,156	864,027	61,603,972	3,382,245	876,986	11,916,184	2,985,683	2,294,324	461,197,892	848,049,299

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8. PROPERTY AND EQUIPMENT (CONTINUED)

Capital work-in-progress mainly represents cost incurred and advances paid on construction of two buildings; north tower and rehabilitation building.

The title deed of land for South Tower is in name of Mr. Abdulaziz AlMoosa (a shareholder) which is currently being used by the Company. Risks and rewards of this land have been given to the Company.

In 2020G, the Company changed its estimates of the useful lives of its buildings and machinery and medical equipment to better reflect the estimated periods during which these assets will remain in service. This change in estimate has been accounted for prospectively in 2020G. The effect of this change resulted in decrease in depreciation expense and increase in profit including net assets for the year by SR 12.6 million for the year ended December 31, 2020G.

Allocation of depreciation charge is as follows:

	2021G	2020G
	SR	SR
Cost of revenues (note 20)	**16,687,889**	17,270,265
General and administration expenses (note 22)	**4,102,691**	4,124,542
	20,790,580	21,394,807

9. INTANGIBLE ASSETS

	2021G	2020G
	SR	SR
Cost		
January 1	**12,553,536**	11,303,222
Additions	**311,395**	1,118,366
Transfer from capital work-in-progress (note 8)	**930,134**	131,948
December 31	**13,795,065**	12,553,536
Accumulated amortization		
January 1	**7,389,101**	5,842,893
Charge for the year	**1,445,338**	1,546,208
December 31	**8,834,439**	7,389,101
Net book value as at December 31	**4,960,626**	5,164,435

Allocation of amortization charge is as follows:

	2021G	2020G
	SR	SR
Cost of revenues (note 20)	**780,482**	834,952
General and administration expenses (note 22)	**664,856**	711,256
	1,445,338	1,546,208

ALMOOSA SPECIALIST HOSPITAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021G

10. INVESTMENT

	2021G	2020G
	SR	SR
January 1	**3,104,605**	3,126,781
Change in fair value	**171,713**	(22,176)
Investment sold during the year	**(3,276,318)**	-
December 31	**-**	3,104,605

11. ACCOUNTS PAYABLE

	2021G	2020G
	SR	SR
Trade payables	**132,809,065**	118,097,736
Payable to contractors	**124,523,157**	63,981,922
	257,332,222	182,079,658

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	2021G	2020G
	SR	SR
Salaries and other employee benefits related accruals	**60,725,814**	52,353,507
Goods received but invoices not received	**2,961,626**	1,988,835
Advances from patients	**1,394,447**	2,138,771
Rent payable	**2,183,426**	638,588
Value added tax (VAT) payable	**7,801,645**	-
Others	**2,028,526**	1,258,995
	77,095,484	58,378,696

13. LONG TERM LOANS

	2021G	2020G
	SR	SR
Ministry of Finance Government loan	**25,587,598**	28,430,670
Less: deferred income	**(5,992,030)**	(7,447,802)
	19,595,568	20,982,868
Term loan – 1	**87,500,000**	100,000,000
Term loan – 2	**191,000,000**	61,000,000
Term loan – 3	**196,623,529**	162,369,412
Total loans	**494,719,097**	344,352,280
Less: current portions		
Ministry of Finance Government loan	**(2,843,067**	(2,843,067
Term loans	**(25,000,000**	(12,500,000
Total current portions	**(27,843,067**	(15,343,067
Total non-current portions	**466,876,030**	329,009,213

Ministry of Finance Government loan:

In 2010, the Company entered into a loan agreement for SR 42.6 million with Ministry of Finance to finance the construction of hospital building. The loan is repayable in equal annual instalments of SR 2.8 million each which commenced from 2015 and will continue up to 2030G. The loan provided is interest free and does not require any collaterals and securities from the Company.

Aggregate maturities of loan outstanding at December 31 is as follows:

	2021G	2020G
	SR	SR
2021G	-	2,843,067
2022G	**2,843,067**	2,843,067
2023G	**2,843,067**	2,843,067
2024G	**2,843,067**	2,843,067
2025G	**2,843,067**	2,843,067
2026G	**2,843,067**	2,843,067
2027G	**2,843,067**	2,843,067
2028G	**2,843,067**	2,843,067
2029G	**2,843,067**	2,843,067
2030G	**2,843,062**	2,843,067
Less: deferred income	**(5,992,030)**	(7,447,802)
	19,595,568	20,982,868

13- LONG TERM LOANS (CONTINUED)

Term loan - 1

In 2018, the Company entered into a term loan agreement for SR 100 million with a local bank to finance the expansion of the hospital through the construction of new medical tower and utilized SR 100 million as at December 31, 2021G (2020G: SR 100 million). The loan is repayable in equal quarterly installments commenced from September 2021G and will continue upto 2025G. The loan carries an interest rate of 3 months SAIBOR+1.45% and is secured against personal guarantees of Mr. Malik Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of certain parcels of land.

Term loan - 2

In 2019G, the Company entered into long term murabaha liquidity financing agreement for SR 100 million through a local bank to finance the construction of new medical tower and rehabilitation center. During the year, this limit was increased to SR 300 million through a revised facility letter and utilized SR 191 million as at December 31, 2021G. The loan is repayable in 48 equal monthly installments commencing from December 31, 2022G. The loan carries an interest rate of 3 months SAIBOR + 1.25% and is recoverable against a personal guarantee of Mr. Abdulaziz AlMoosa and mortgage of rehabilitation and new medical tower project.

Term loan - 3

In 2020G, the Company entered into an additional term loan agreement for SR 200 million with a local bank to finance the expansion of the hospital through the construction of new medical tower and utilized SR 198 million as at December 31, 2021G. The loan is repayable in 16 equal quarterly installments commencing on the earlier of one year from full draw down or from the end of the loan limit availability period i.e., April 30, 2022G. The loan carries an interest rate of 3 months SAIBOR + 1% and is secured against the personal guarantees of Mr. Malik Abdulaziz AlMoosa and Mr. Abdulaziz AlMoosa including mortgage of main hospital building.

Aggregate maturities of outstanding term loans are as follows:

	2021G	2020G
	SR	SR
2021G	-	12,500,000
2022G	**25,000,000**	40,250,000
2023G	**86,000,000**	71,000,000
2024G	**106,333,333**	81,250,000
2025G	**93,833,333**	77,750,000
2026G	**81,333,333**	41,000,000
2027G	**44,208,333**	10,250,000
2028G	**31,833,333**	-
2029G	**7,958,333**	-
Less: transaction cost	**(1,376,469)**	(1,630,588)
	475,123,529	332,369,412

14. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

Movement in employees' defined benefit liabilities is as follows:

	2021G	2020G
	SR	SR
January 1	**61,701,849**	47,340,088
Current service cost	**12,971,720**	10,421,021
Interest cost	**1,542,546**	1,377,597
Actuarial losses	**6,339,645**	10,303,493
Payments during the year	**(4,343,981)**	(6,389,474)
Transferred to current liabilities	**-**	(1,350,876)
December 31	**78,211,779**	61,701,849

Actuarial valuations were performed by an independent qualified actuary using the projected unit credit method at December 31, 2021G.

The principal assumptions used for the purposes of the actuarial valuation as at December 31, 2021G and 2020G were as follows:

	2021G	2020G
Discount rate	**2.50%**	2.50%
Expected rate of salary increases – 1st year	**3.00%**	5.00%
Expected rate of salary increases – Long term	**3.00%**	3.00%
Mortality rate	**WHO SA16 – 75%**	WHO SA16 – 75%
Employee turnover rate: equally distributed involuntary and voluntary rates	**15.00%**	15.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in the Kingdom of Saudi Arabia.

All movements in the employees' defined benefit liabilities are recognized in statement of comprehensive income except for the actuarial losses or gains which are recognized in other comprehensive income.

The weighted average duration of the defined benefit obligation is 5.5 years (2020G: 5.5 years).

15. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the Company mainly transacted with the following related parties:

Name	Relationship
Abdulaziz AlMoosa	Shareholder
Sara Abdulaziz AlMoosa	Shareholder
Zainab Abdulaziz AlMoosa	Shareholder
Omaima Abdulaziz AlMoosa	Shareholder
Malik Abdulaziz AlMoosa	Shareholder
Ahmed Abdulaziz AlMoosa	Shareholder
AlMoosa Automatic Doors Factory	Affiliate
AlMoosa College of Health Sciences	Affiliate
AlMoosa Home Health Care	Affiliate
AlMoosa Real-estate	Affiliate

The significant transactions and the related approximate amounts are as follows:

	2021G	2020G
	SR	SR
Shareholders		
Net movement in contribution from a shareholder	-	58,725,005
Purchase of land adjusted against due from a shareholder	**12,893,575**	-
Dividend paid in cash and in-kind	**(48,087,575**	-
Affiliates		
Expenses paid by a related party on behalf of the Company	**(2,558,663**	(99,196
Expenses paid by the Company on behalf of a related party	**10,458,961**	8,408,012
Capital work-in-progress transferred to a related party	-	20,965,187

Due from related parties consist of below:

	2021G	2020G
	SR	SR
AlMoosa Automatic Doors Factory	**3,007,501**	4,484,584
AlMoosa College of Health Sciences	-	32,424,359
	3,007,501	36,908,943

Prices and terms of payments for the above transactions are approved by the management.

Due from related parties is unsecured in nature and bears no interest. There is no provision held against amount due from related parties.

Due from a shareholder

The entire amount of due from a shareholder represents receivable from Abdulaziz AlMoosa. The amount is not subject to interest and is unsecured. Balance is repayable within next twelve months from statement of financial position date as per arrangement and is classified as a current asset. During the year, the shareholder contributed Land of SR 12.8 million (2020G: nil) against this balance.

15. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Compensation of key management personnel

Key management includes the Board of Directors (executive and non-executive) and all members of Company's Management. The compensation paid or payable to key management for employee services is shown below:

	2021G	2020G
	SR	SR
Short-term benefits	**7,217,044**	6,695,946
Termination benefits	**427,502**	380,504
	7,644,546	7,076,450

16. ZAKAT

The principal elements of the zakat base are as follows:

	2021G	2020G
	SR	SR
Non-current liabilities	**545,087,809**	390,711,062
Opening equity	**583,168,451**	435,353,884
Profit before zakat	**64,748,703**	103,083,253
Dividend paid	**48,087,575**	-

Some of these amounts have been adjusted in arriving at the zakat charge for the year.

The movement in the zakat is as follows:

	2021G	2020G
	SR	SR
January 1	**5,071,313**	7,447,758
Provision for the year	**6,283,134**	4,651,313
Payment made during the year	**(8,247,675**	(6,044,467
Under (over) provision in prior years	**3,176,362**	(983,291
December 31	**6,283,134**	5,071,313

The charge for the year for zakat is as follows:

	2021G	2020G
	SR	SR
Zakat for current year	**6,283,134**	4,651,313
Under (over) provision in prior years	**3,176,362**	(983,291
Charged to statement of comprehensive income	**9,459,496**	3,668,022

The Company has submitted its zakat returns upto year 2020G and has obtained the required certificates and official receipts, however, all returns since inception are still under the ZATCA review.

17. CONTRIBUTION FROM A SHAREHOLDER

This represents net assets transferred from the branch at the date of conversion (refer note 1). There is no obligation on the Company to repay this amount and it is interest free, essentially considered as part of equity. In 2020G, one of the shareholders of the Company contributed land of SR 53.7 million owned by him at a value determined by a Taqeem registered valuer, Tameed associates.

18. STATUTORY RESERVE

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equaled 30% of the share capital. This reserve is not available for dividend distribution.

19. REVENUES

	2021G	2020G
	SR	SR
Hospital revenue	**584,707,754**	526,444,429
Pharmacy revenue	**116,834,484**	102,520,802
	701,542,238	628,965,231

20. COST OF REVENUES

	2021G	2020G
	SR	SR
Employees' salaries and related costs	**292,749,022**	229,695,620
Inventory consumption	**162,755,288**	152,788,034
Depreciation (note 8)	**16,687,889**	17,270,265
Amortization (note 9)	**780,482**	834,952
Others	**15,544,855**	10,604,817
	488,517,536	411,193,688

21. SELLING AND DISTRIBUTION EXPENSES

	2021G	2020G
	SR	SR
Employees' salaries and related costs	**2,270,235**	1,845,336
Advertising and publications	**8,659,887**	4,949,610
Travel, entertainment and public relations	**438,855**	90,144
Provision against doubtful debts (note 5)	**1,219,118**	148,338
Others	**12,181**	10,807
	12,600,276	7,044,235

ALMOOSA SPECIALIST HOSPITAL COMPANY
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22. GENERAL AND ADMINISTRATIVE EXPENSES

	2021G	2020G
	SR	SR
Employees' salaries and related costs	**107,513,776**	85,690,718
Depreciation (note 8)	**4,102,691**	4,124,542
Amortization (note 9)	**664,856**	711,256
Utilities	**1,723,875**	1,243,666
Repairs and maintenance	**1,799,030**	3,054,495
Fees and subscription	**4,303,923**	2,419,480
Entertainment and public relations	**226,987**	947,740
Legal and professional fees	**361,471**	435,669
Security expenses	**2,283,415**	1,000,804
Cleaning services	**5,389,656**	3,568,667
Others	**5,439,161**	1,200,298
	133,808,841	104,397,335

23. OTHER INCOME, NET

	2021G	2020G
	SR	SR
Human resources development fund (HRDF) income	**4,433,320**	1,577,500
Scientific support revenue	**2,919,149**	691,139
Cafeteria income	**1,106,515**	610,930
Rental income	**690,377**	1,863,210
Realized gain on sale of available for sale investment	**437,822**	-
Training course income	**361,128**	607,018
Dividend income on investment	**93,617**	100,163
(Loss) gain on disposal of property and equipment	**(66,917**	3,447
Property and equipment written-off	**(10,320)**	(548,977)
Others	**282,530**	761,746
	10,247,221	5,666,176

ALMOOSA SPECIALIST HOSPITAL COMPANY
(CLOSED JOINT STOCK COMPANY)
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FOR THE YEAR ENDED DECEMBER 31, 2021G

24. FINANCE CHARGES

	2021G	2020G
	SR	SR
Impact of unwinding charge on interest free loan from Government (note 13)	**1,455,772**	1,583,376
Interest on long term loan (note 13)	**8,082,993**	5,384,462
Bank charges	**1,032,792**	567,461
Interest cost on employees' defined benefit obligations (note 14)	**1,542,546**	1,377,597
	12,114,103	8,912,896

25. CONTINGENCIES AND COMMITMENTS

	2021G	2020G
	SR	SR
Letters of guarantee	**-**	5,000,000
Letters of credit	**44,595,198**	23,608,287
Capital commitments	**408,703,060**	446,261,041

26. DIVIDEND

During the year, shareholders of the Company resolved to distribute dividend in-cash and in-kind of SR 15.7 million (2020G: nil) and SR 32.4 million (2020G: nil) respectively.

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one enterprise and a financial liability or equity instrument of another enterprise.

As at December 31, financial assets are as follows:

	2021G	2020G
	SR	SR
Cash and bank balances	**58,120,212**	50,179,203
Accounts receivable	**203,249,917**	233,094,044
Due from a shareholder	**22,352,956**	35,246,531
Other assets	**1,768,904**	1,833,714
Investment	**-**	3,104,605
	285,491,989	323,458,097

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As at December 31, financial liabilities are as follows:

	2021G	2020G
	SR	SR
Accounts payable	**257,332,222**	182,079,658
Accrued expenses and other liabilities	**67,899,392**	56,239,925
Long term loans	**494,719,097**	344,352,280
	819,950,711	582,671,863

The Company's financial instruments carried on the statement of financial position include cash and cash equivalents, account receivable, due from a shareholder, due from related parties, accounts payable, accrued expenses and other liabilities, due to related parties, short term loan and long term loans. The Company is exposed to the following risks and its processes for managing these risks are set out below:

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company deals mainly in US Dollars and Saudi Riyal. As the Saudi Riyal is pegged to the US Dollars, the Company is not exposed to significant foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets which potentially subject the Company to concentrations of credit risk consist principally of cash at bank and receivables. Cash at bank is placed with reliable financial institutions. Outstanding receivables are monitored by the management.

The five largest customers of the Company are Government, quasi-Government organization and insurance companies with sound credit rating, and the risk of loss is insignificant. Revenue from these major customers amounted to SR 558 million (2020G: SR 529.5 million) which accounted for approximately 80% (2020G: 84%) of total revenue. Outstanding balance of accounts receivable from these customers as at December 31, 2021G amounted to SR 298.5 million (2020G: SR 187.1 million) respectively.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Company's exposure to interest rate risk is mainly on long term borrowings from commercial banks excluding government loans. The Company received and pays floating interest rates on its interest bearing amounts.

Profit or loss and equity is sensitive to higher / lower interest expense from long term borrowings as a result of changes in interest rates. The Company's profit/loss is affected as follows:

	2021G	2020G
	SR	SR
Interest rate – increase by 50 basis points	**2,375,618**	1,616,847
Interest rate – decrease by 50 basis points	**(2,375,618**	(1,616,847

28. EMPLOYEES' DEFINED CONTRIBUTION PLAN

The Company makes contributions for a defined contribution retirement benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. The total amount expensed during the year in respect of this plan was SR 9.09 million (2020G: SR 7.4 million).

29. OPERATING LEASE ARRANGEMENTS

	2021G	2020G
	SR	SR
Payments under operating leases recognized as an expense during the year	**10,750,324**	8,903,072

Operating lease payments represent rentals payable by the Company for office premises and employees' accommodations. Leases are negotiated for an average term of one year and rentals are fixed for an average of one year.

30. EVENT AFTER THE REPORTING PERIOD

There were no events subsequent to December 31, 2021G and occurring before the date of the approval of the financial statements report that are expected to have a significant impact on these financial statements.

31. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue on June 26, 2022G.

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