

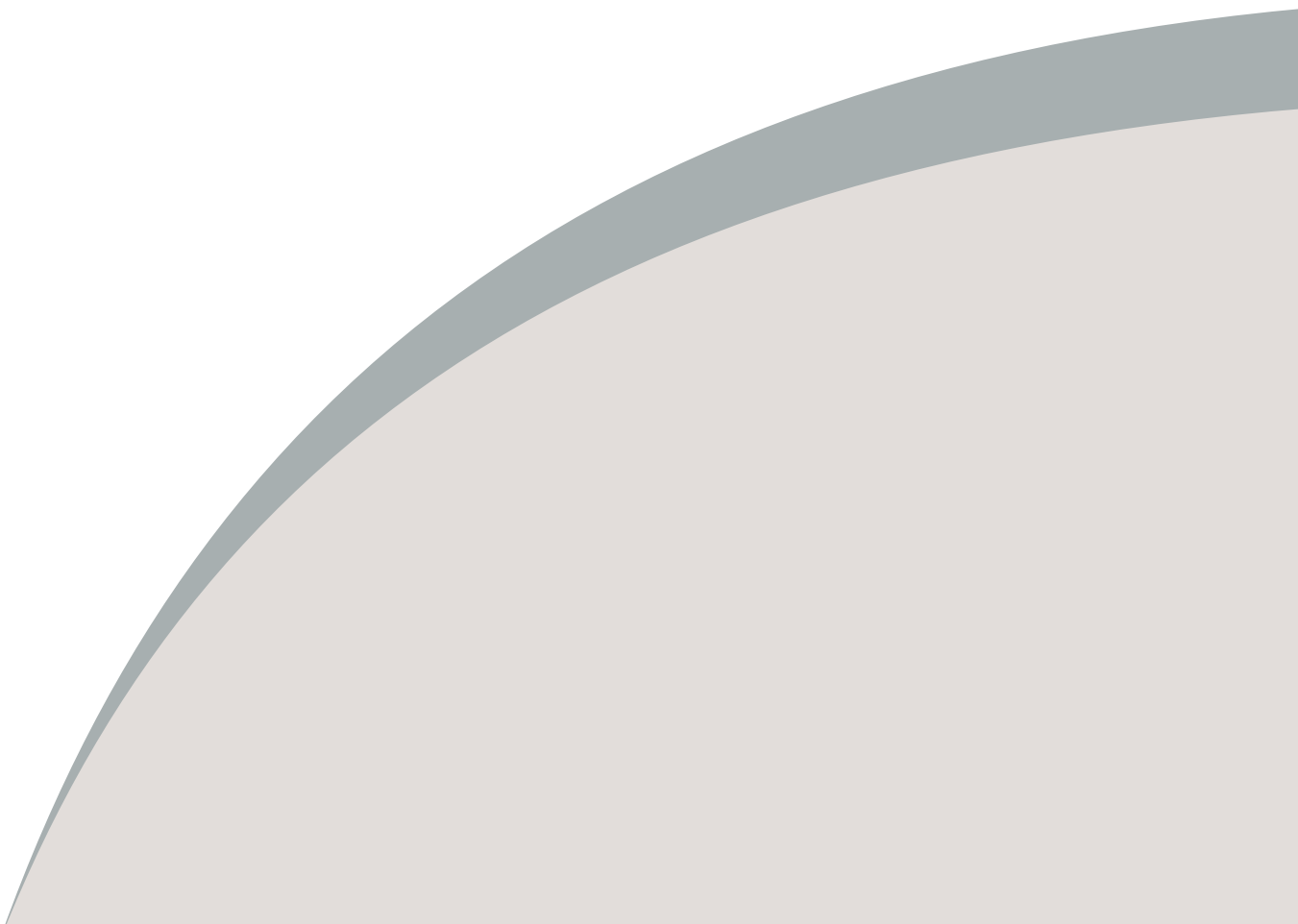
Pioneership Crafted By Our People



**Annual Report
2023**

د. سليمان الحبيب
DR SULAIMAN AL HABIB
المجموعة الطبية medical group





بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



King Salman bin Abdulaziz Al Saud

Custodian of the Two Holy Mosques,
The King of the Kingdom of Saudi Arabia



**His Royal Highness Prince Mohammed
bin Salman bin Abdulaziz Al Saud**

Crown Prince and Prime Minister of Saudi Arabia and
The Chairman of the Council of Economic and
Development Affairs

At a Glance

HMG continues to elevate healthcare delivery and innovation across the Kingdom and the region. Our reputation for providing personalized patient experience supported by cutting-edge technology across our broad and integrated portfolio of hospitals, healthcare facilities, pharmacies and specialized subsidiaries positions us at the forefront of the industry as we continually seek to expand our footprint, enhance our service and create additional value for all our stakeholders.

Our Values

Our Core Values define us. Together they compose our corporate identity. Our Core Values are in our DNA. They drive us and motivate us to always deliver the best results for our patients and customers.



Care for Patients and Communities

Patients always come first. We serve the health and wellness needs of our patients, customers and the community. We care for the environment we live and operate in. We provide our services where they are needed, when they are needed, by the best qualified people, in a sustainable way.



Safety and Security

We avoid errors and reduce risks. We prioritize the wellbeing of everyone within our facilities, and while using our services elsewhere. We promote a culture which embraces proactive measures to ensure physical and digital safety. We create an environment where everyone feels secure to heal and thrive.



Integrity and Trust

We do the right thing. We make humble, ethical, transparent and well-informed decisions. We foster positive relationships at all levels within the organization, with our patients, customers and other stakeholders. We have respect for each individual.



Attract and Invest in the Best People

We attract top-tier professionals as a cornerstone of our organizational philosophy. We recognize that our success is driven by the quality and commitment of our people. We offer ongoing development opportunities by investing in our team's knowledge and experience, to cultivate a culture of exceptional individuals.



Excellence and Quality

We strive for perfection and world-class standards of quality through a commitment to continuous improvement, patient-centered innovation and sound corporate governance. We are dedicated to deliver exceptional services by upholding the highest standards in every aspect of our work.



One Team

We have a shared sense of purpose and work collaboratively towards common goals. We create an environment where everyone feels supported to perform at the top of their skillset, bringing creativity and compassion to life. We believe that the combined efforts of our team surpass the achievements separate individuals can bring.



Accountability

We own our actions, decisions and their outcomes. We ensure that every team member is responsible for their contributions and shares in the success of our collective achievements. By doing so, we encourage leadership and continuously enhance the efficiency, effectiveness and credibility of the organization.



Innovate, Simplify and Always Improve

We develop unique solutions to complex challenges. We introduce new ideas and accelerate existing ones in the healthcare ecosystem. We empower our teams to explore new methods and technologies. We always find new ways of thinking, learning, and doing to continuously improve and make an impact on people's lives.



Think Big and Act Fast

We take intelligent risks to achieve sustainable long-term growth in a dynamic environment. We create transformative value for the society and our stakeholders, by combining bold aspirations with efficient implementation. We courageously shape the future of healthcare for the Kingdom of Saudi Arabia and beyond.

Our Vision

To be the most trusted healthcare provider in medical excellence and patient experience globally.

Our Mission

To develop and operate state-of-the-art medical facilities and provide innovative healthcare services to create value for people.

Financial Highlights

HMG kept its momentum and delivered a year of remarkable financial performance

SAR billion total dividend declared for the year

1.51

Return on equity

33%

SAR billion in cash and equivalents

2.62

Approximate annual dividend payout

74%

Return on assets

14%

Net debt/EBITDA

1.04x

Operational Highlights

We have leveraged our leading position to expand on our strategic achievements

Beds

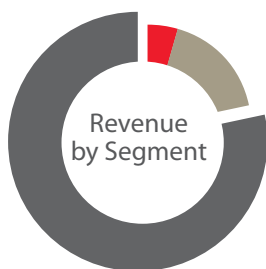
1,900+

Staff

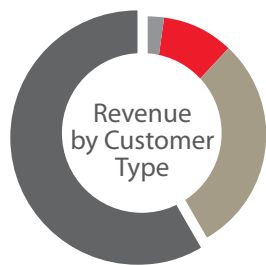
17,000+

Patients

6m+



- Hospitals/Healthcare Facilities **77.0%**
- Pharmacies **20.9%**
- HMG Solutions/Others **2.1%**



- Insurance **73.3%**
- Cash **22.4%**
- Government **2.3%**
- Others **2.0%**



Pioneership Crafted by Our People

For three decades, HMG has stood as a beacon of compassionate care and innovation in the Saudi healthcare sector, largely thanks to our diverse, dynamic and dedicated workforce. In 2023, our more than 17,000 employees came together to provide world-class care to over six million patients, demonstrating unparalleled devotion and professionalism.

The sustainable success of our team is fueled by HMG's unwavering commitment to continuous education and skill enhancement, underscored by extensive training programs and international collaborations aimed at fostering the next generation of healthcare leaders. We cherish a culture of respect, equality, and acknowledgment, which is reflected in our high physician retention rates and staff satisfaction, ensuring the highest standards of patient care.

The remarkable success we experienced this year has been driven by our team, who delivered an extraordinary financial performance with revenue surging by over 14% while our net profit saw an unprecedented SAR 2 billion mark, 24% increase. We also set new records in patient care across all our hospital and healthcare facilities which led to a significant rise in consumer traffic to our pharmacies, further propelling the growth and expanding the reach of the HMG brand.

HMG's forward-thinking approach extends beyond traditional boundaries, encouraging innovation and efficiency in healthcare practices while maintaining strong communal bonds among staff. Our strategic expansions and partnerships highlight our ongoing commitment to providing top-tier healthcare and nurturing our talented workforce, reinforcing our position as a regional powerhouse in the healthcare industry.



Table of Contents

Overview

Our Story	4
Geographic Footprint	6
Year in Review	8
Investment Case	10
Stakeholder Engagement	12

Strategic Review

Chairman's Statement	16
Market Overview	20
Group CEO's Message	24
Business Model	28
Strategy	30
Financial Review	38
Our People	42
Risk Management	50
Corporate Sustainability	58

Operating Review

Hospitals and Healthcare Facilities	68
Pharmacies	80
HMG Solutions	82
Cloud Solutions	82
MD Labs	86
Home Healthcare	88
Flow Medical Company	89
Taswyat Management Company	90

Governance

Introduction	94
HMG and its Subsidiaries	98
Board of Directors, Committees, and Executive Management	103
Shareholder Information and Shareholders' Register	144
Related Party Transactions	145
Dividend Policy	152
Main Transactions, Investments and Other Events	154
Statutory Payments	156
Compensation and Remuneration	158
Summary of Assets, Liabilities, and Business Results	166
Loans	167
Statement of the Board of Directors' Responsibilities	168

Financial Statements

Independent Auditor's Report	172
Consolidated Statement of Financial Position	176
Consolidated Statement of Income	177
Consolidated Statement of Comprehensive Income	178
Consolidated Statement of Changes in Equity	179
Consolidated Statement of Cash Flows	180
Notes to the Consolidated Financial Statements	181







1

OVERVIEW

Our Story	4
Geographic Footprint	6
Year in Review	8
Investment Case	10
Stakeholder Engagement	12

Our Story

HMG has established itself as a leading hospital group and trusted brand in the Kingdom for the past 30 years. We have gone from strength to strength, expanding our footprint, building new businesses and establishing new benchmarks in patient and customer experience to better serve the health and wellness needs of millions of citizens, residents and visitors to Saudi Arabia. With a clear strategic roadmap, visionary leadership and outstanding expertise across our Group, we are well positioned to build on this outstanding track record and deliver further growth and diversification in the future.

1995

Olaya Medical Complex

HMG started its journey with a long-term objective to improve people's lives and a vision of providing the highest quality healthcare services, through offering outpatient services with multi-specialty clinics and a pharmacy in Riyadh, Kingdom of Saudi Arabia.

2007

Dubai Medical Center

To strengthen its regional footprint, HMG commenced its first venture outside of the Kingdom of Saudi Arabia to set up a medical facility in Dubai with multi-specialty clinics to provide outpatient services.

2008

Maternity Hospital

To fulfill the demand and provide comprehensive integrated gynecology and obstetrics services in one place, HMG established a hospital with 65+ beds in Olaya Medical Complex to benefit mothers-to-be and their newborns.

2010

Rayan Hospital

Growing demand for unique medical services in Riyadh led to the Group's expansion in the city by establishing a hospital with a capacity of 320+ beds and multi-specialty clinics offering integrated best-in-class medical services.

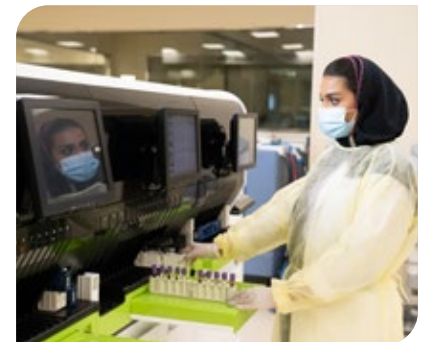
Bone, Joint and Spinal Hospital

Broadening its services, HMG built the first and largest hospital to specialize in joint and spinal cord osteopathy and surgery in the region at Olaya Medical Complex, with a capacity of 150+ beds.

2009

Qassim Hospital

Following its strategy to expand its reach, HMG established its first integrated and multi-specialization hospital offering clinical and inpatient services in Buraidah with multi-specialty clinics and 170+ beds.



2011

Home Healthcare

After the rollout of home healthcare services in 2001 as a division in Olaya Medical Complex, HMG established Home Healthcare (HHC) as an independent company, to enable patients to receive medical treatment in the comfort of their homes.

University Medical Center (UMC)

Expanding its presence in the GCC region, the Group entered an operation and management agreement with Bahrain's Arabian Gulf University for its healthcare facilities in King Abdullah Medical City. The facility included outpatient clinical services, day surgery services and a variety of medical services with sub-specialties.

2015

Dubai Hospital (formerly Dubai Medical Center)

Dubai Hospital was developed from outpatient clinics only into a state-of-the-art general hospital equipped with around 150 beds to enable patients to benefit from integrated medical services.

2013

MD Lab

Continuing to be the market leader in medical excellence, HMG set up a line of business in Riyadh to provide medical diagnostic services and an advanced specialized laboratory, a first-of-its-kind in the GCC region.

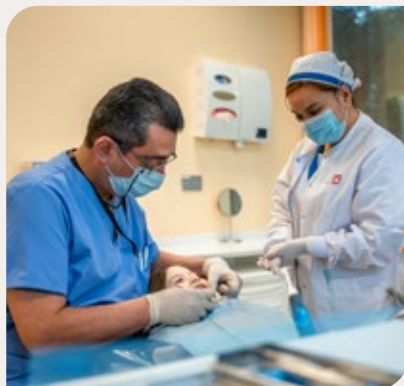
Cloud Solutions

Driven by its mission to provide innovative medical solutions to its clients and to be a pioneer in healthcare technology, HMG established a wholly owned subsidiary in Riyadh to provide integrated IT services and healthcare solutions across the region and also established a state-of-the-art software house in Sri Lanka that specialized in health systems development.

2012

Takhassusi Hospital

HMG expanded its presence in Riyadh to meet patient demand. The hospital included multi-specialty clinics and 220+ beds to provide integrated medical services and expanded the Group's market share.



2016

Suwaidi Hospital

Enabling people living on the outskirts of south-west Riyadh to access HMG's growing services, the Group built another integrated medical hospital with 300+ beds and multi-specialty clinics offering specialized healthcare.

2017

Operated Contracts Company

Expanding its operations in the management and function of healthcare facilities, HMG established its Operated Contracts Company to offer intensive care facilities for third parties on both a short-term and long-term contract bases.

2019

Khobar Hospital

To broaden its presence, HMG launched its first fully integrated digital healthcare facility in Al Khobar, with 450+ beds and multi-specialty clinics to serve the population of Saudi Arabia's Eastern Province and its adjoining areas.

2020

Publicly Listed Company

HMG raised SAR 2.63 billion through the offer of 52.5 million shares, representing 15% of our share capital, on Saudi's Tadawul stock exchange.

The IPO was 83 times oversubscribed and was awarded the "Most Notable Listing in 2020" for the main market of the Tadawul.

2023

Three New Medical Centers in Riyadh

In line with the Group's strategy to expand medical center services, HMG opened three medical centers in different areas of Riyadh (Digital city, Al Narjis district and Al Ghadeer district) to serve a larger population. The centers offer multi-specialty clinics and utilize cutting-edge technology to deliver seamless digital services from the patient's arrival to departure, as well as encompassing pharmacy services.

2021

Medical Centers Company for Primary Care

HMG introduced a new line of business, building its first medical center facility in Riyadh's Diplomatic Quarter, which became operational in 2021.

Flow Medical Company

HMG has established Flow Medical Company, dedicated to managing medical equipment while prioritizing patient safety and maintaining high standards of preventive maintenance.

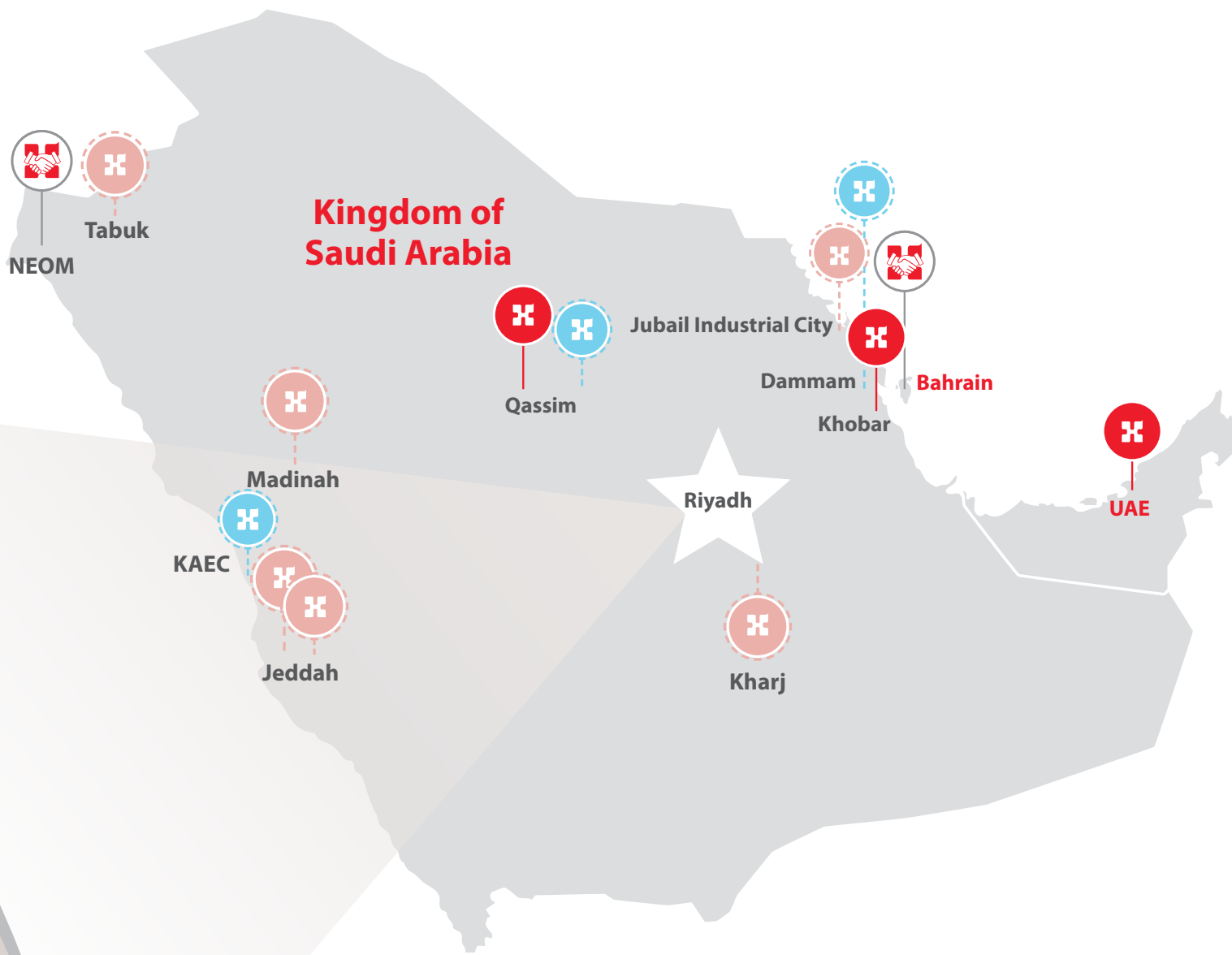
Taswyat Management

Taswyat Management was established to provide complete end-to-end healthcare Revenue Cycle Management (RCM) services spanning consultancy, operational and IT solutions.

Geographic Footprint

HMG is committed to improving medical care standards at its existing facilities, expanding its services through new ones and creating value for all stakeholders.





MAP KEY

- 
Hospitals
- 
Hospitals Under Construction
- 
Medical Centers
- 
Medical Centers Under Construction
- 
Operated Contract
- 
Head Office
- 
HMG Academy
- 
Urgent Care

Year in Review

During successive outstanding years of remarkable progress and achievement, HMG continued to raise the bar for the healthcare sector in Saudi Arabia, forging new partnerships, implementing cutting-edge treatments and expanding our footprint to provide world-class healthcare to even more patients across the Kingdom and the region.



Launch of Three Medical Centers in Riyadh

HMG launched medical centers in three Riyadh districts: Digital city, Al Narjis and Ghadeer, offering multi-specialty clinics and applying the latest technology to provide end-to-end digital patient services and experience. The medical centers also offer emergency care and a pharmacy 24/7.

First Private Healthcare Provider to use AI to Detect Breast Cancer

HMG continued to set the pace for medical innovation in the Kingdom, as the first private healthcare provider to use artificial intelligence (AI) to detect breast cancer through mammogram readings, following a successful trial.



Signing of Agreements with National and International Universities

As part of our endeavor to develop and qualify national human resources in the healthcare sector, HMG signed a range of cooperation agreements with leading universities in the Kingdom and across the world.

Strategic Partnership with KAEC to Establish Medical Center

HMG signed a strategic partnership agreement with King Abdullah Economic City (KAEC) in Makkah province to establish a state-of-the-art medical center to provide best-in-class integrated healthcare services to the KAEC's residents and visitors.

Medical Sponsor during Major Events

HMG was the medical sponsor during major national events throughout the year, which included the largest global sporting event in motor racing, the Formula 1 Saudi Arabian Grand Prix, Saudi Cup for Equestrian and Horse Racing, FIFA Club World Cup and Saudi Games. Furthermore, HMG is the premium sponsor of Riyadh Season for the fourth consecutive year, following the success in delivering high-quality medical services to the visitors of the event during the past three seasons.

First Healthcare Provider in the Kingdom to Receive ISQua EEA Accreditation

HMG's "Person-Centered Care Patient Experience Standards" and "Person-Centered Care Clinical Governance Standards" received accreditation from the International Society for Quality in Health Care (ISQua) External Evaluation Association (EEA), Ireland, the only authority that endorses the specification globally. With this achievement, we are the first healthcare organization in the Kingdom of Saudi Arabia certified with this unique set of standards for the national and international healthcare market. These achievements have propelled us to enter the global business of healthcare accreditation to recognize hospitals within and outside the Kingdom of Saudi Arabia based on our two ISQua EEA-accredited sets of standards.

First Healthcare Provider to Achieve WHO's Level-4 Certification of PSFH

HMG became the first healthcare provider in the Kingdom to achieve Level-4 certification of Patient Safety Friendly Hospital Framework (PSFH) from the World Health Organization (WHO).

GHA Accreditation from the International Society for Healthcare Quality

HMG was awarded the distinguished accreditation for Medical Travel Services by Global Healthcare Accreditation (GHA), positioning its Khobar hospital as a trusted destination for medical tourism.

Agreement with RCJY to Construct and Operate a Hospital in Jubail Industrial City

HMG signed a conditional investment agreement with the Royal Commission for Jubail and Yanbu (RCJY) to construct and operate a healthcare project hospital on the allocated plot of land in Jubail Industrial City.



HMG Announced the Establishment of a Hospital in Tabuk city

The Group announced the signing of an agreement with the Municipality of Tabuk region to lease land in the city of Tabuk for investment in the establishment, operation and maintenance of a hospital affiliated with the Group. The project will provide a comprehensive hospital to deliver healthcare services, including clinics in various medical specialties, with a capacity of 140 beds, that will also include a pharmacy.

First Healthcare Provider to Receive EFQM Award

HMG is the first healthcare provider in the Kingdom to obtain the EFQM award from the European Foundation for Quality Management, in recognition of our dedication to excellence in medical services.



Investment Case

As the Kingdom of Saudi Arabia continues to develop and diversify, HMG is ideally positioned to remain at the forefront of the healthcare sector, pushing the boundaries of innovation and service to deliver world-class care across our market-leading network. As Saudi Arabia's foremost private healthcare group, we continue to pursue our strategic objectives, building capacity, enhancing capabilities and delivering strong growth that creates sustainable value for our shareholders and all our stakeholders in the Kingdom and beyond.

Continued growth for the Kingdom's leading healthcare group

Attractive Industry Fundamentals



Well positioned to benefit from attractive market dynamics:

- Evolving demographics with greater numbers of elderly and associated medical issues
- Government spending level
- Underdeveloped healthcare sector compared to global benchmarks
- Technological advancements and demand for quality healthcare
- Strong historical growth and insurance coverage expansion
- Rising demand for quality healthcare facilities

Solid Performance with Long-term Growth Potential



Ideally positioned to leverage growth opportunities for sustainable long-term value:

- Solid financial position and solvency with diverse business units
- Attractive dividend payout ratio
- Ambitious targets supported by risk-based strategies
- Ambitious expansion plan underpinned by land bank
- Strong partnerships with government and stakeholders

Adaptable Operating Model

At the forefront of cutting-edge medical technology and agile in the changing healthcare landscape:

- Intellectual property of award-winning systems and applications for enhanced patient experience
- Rollout of digital healthcare solutions
- Tele-medicine and field medicine solutions to promote quality of care
- Managing medical facilities for third parties
- Driving excellence through value engineering



Experienced Leadership Team with Proven Track Record

Demonstrated history of delivering results in challenging environment:

- Engaged human capital with valuable expertise to transform healthcare
- Diverse industry experience – medical, financial, operational and commercial
- Committed to sustainable value creation



Market Leader in Medical Excellence

Leading brand for consumers in medical excellence:

- State-of-the-art medical facilities at prime locations
- Continued focus on patient safety
- Globally recognized clinical competency
- Specialized centers of excellence
- Effective continuum of care
- Continuous investment in medical education
- Research center and peer-reviewed medical journal
- Certified fellowship programs in various medical specialties



Stakeholder Engagement



Serving our Patients

- Our patients come first; we are focused on patient safety and continue to achieve excellence through national and international accreditations
- We constantly work to provide patients with easy access to our facilities and services through our hospitals and medical centers, as well as through our online and field medicine services
- We highly value our patients' feedback, which is our strongest tool to provide best-in-class service
- Our dedicated team of professionals combined with the use of cutting-edge technologies help us forge long-term relationships with our patients



Safeguarding our People

- Our core values provide a safe and secured environment for our people
- We are focused to provide defined career paths to our people and support them to develop their skills and knowledge through collaboration with reputed universities and other easily accessible educational opportunities
- The HMG scholarship program supports physicians who wish to continue to develop their capabilities
- Our employee-centric initiatives encourage employees to showcase their ideas, creativity and inspire change
- We connect, support and engage with our employees through digital and other platforms



Our Shareholders

- In line with best practice in corporate governance, HMG is committed to empowering and facilitating shareholders to exercise all their statutory rights related to shares in full, by providing HMG with suggestions or comments about the Group and its performance, as well as answering shareholders' questions and inquiries during the Group's General Assembly Meetings, or through our Investor Relations department
- Ongoing commitment to creating sustainable, long-term value for our shareholders. We declared a cash dividend distribution of SAR 1,512 million for the financial year of 2023, representing SAR 4.32 per share. This is a significant increase compared to the financial year of 2022, where we declared SAR 1,218 million to shareholders, or the equivalent of SAR 3.48 per share. This dedication to maximizing returns for our esteemed shareholders stands as a testament to our unwavering focus on their prosperity and satisfaction
- Engage with the investment community by arranging site visits to our facilities, arranging conference calls on a quarterly basis and attending conferences



Caring for our Communities and Nation

- HMG creates job opportunities for thousands of people, which also helps to contribute towards the Kingdom's economy
- We provide best healthcare services at national and international events under our strategic partnerships with the government institutions
- Global Healthcare Accreditation (GHA) for one of our hospitals promotes the medical tourism industry in the region
- We are focused to hire, train and upskill the local population to maintain the Saudization rate in the Kingdom
- The nation's medical community and public at large benefit from our agreements with top-notch universities and extensive calendar of events
- Our future plans align with the Vision 2030 objectives in terms of developing the healthcare sector, specifically to support the ambition for a primary care physician for each citizen



Our Insurance Companies and Financial Institutions

- Insured patients are our largest client base and the biggest market share
- We engage with our insurance companies and financial institutions through our dedicated teams for claims reimbursement, annual tariff negotiation, financial deals and regular payments processing
- Our efficient cash cycle is a testament to our exclusive arrangements with insurance companies
- Funding from financial institutions at premium rates enables us to launch new projects and maintain the existing ones at optimum cost of capital



Our Government and Regulatory Authorities

- Compliance with rules and regulations enables us to offer services and operate facilities
- We take pride in maintaining closer relations with government entities by constantly engaging with them via multiple forums
- We always support government's health efforts and actively participate in healthcare awareness initiatives





د. سليمان آل حبيب
DR-SULAIMAN AL HABIB



د. سليمان الحبيب
DR SULAIMAN AL HABIB
المجموعة الطبية medical group



2

STRATEGIC REVIEW

Chairman's Statement	16
Market Overview	20
Group CEO's Message	24
Business Model	28
Strategy	30
Financial Review	38
Our People	42
Risk Management	50
Corporate Sustainability	58

Chairman's Statement

Continuous Innovation for Growth

Dividend pay-out

74%

Net income

SAR 2bn



HMG has consistently provided quality health services with commitment, passion and reliability. Once again, our outstanding teams and exceptional colleagues have been the bedrock of our success, demonstrating their unrivalled skills and dedication to enable us to serve more patients than ever before. We achieved historic operational and financial milestones in 2023, while creating the foundation to accelerate growth in the years to come. On behalf of HMG and the Board of Directors, it is my great pleasure to present this Annual Report.

Dr. Sulaiman Al Habib
Chairman



Our values of integrity, care for patients and communities, safety, teamwork, effectiveness, excellence and quality are fundamental to the success of our business and form the basis of our workforce ethos. It is their exceptional talent which has been at the heart of our 2023 achievements.

We constantly align with the Group's vision of providing trusted healthcare, medical expertise and a seamless patient experience, enhancing our status and influence on a global stage. Last year, we met all of those criteria as we embraced new technology, improved accessibility and shared our knowledge with national and international audiences.

Our ambition to grow as a Group and add greater value to our patients has been instrumental in a year of rapid expansion, in which we significantly increased the presence of our healthcare facilities and pharmacies.

As the largest private healthcare provider in Saudi Arabia and a publicly listed company, HMG takes pride in providing its shareholders with a robust corporate governance structure and a sturdy framework to manage risk exposure across all aspects of our operations.

I am delighted to announce that as a result of our additional facilities and efficiencies, HMG achieved a record SAR 2 billion in net income and maintained a dividend pay-out ratio of 74% for our loyal and committed shareholders.

In addition to continuous stakeholder engagement with our patients, people, shareholders and communities, HMG forges new relationships and maintains existing bonds with many other industry parties; in particular, our associations with insurance companies – whose members form our largest client base and biggest market segment – and related government departments, whose regulations facilitate our service provision and facility operations. We remain focused in our interactions with the Kingdom's vision and constantly strive to support governmental initiatives. (Read more on Stakeholder Engagement section on page 12)

HMG's expansion broadened both our patient base and scope of services last year, enabling greater healthcare access and additional revenue streams for the Group as our footprint continued to grow. Moreover, the integration of additional cutting-edge medical innovation and further development of our expert practitioners has delivered the most progressive, effective services to a larger number of communities and we are committed to continue on that path.

Building Capabilities and Scale

In line with our expansion, we have recruited and retained the most talented local, regional and international medical practitioners. Their dedication, expertise and consummate professionalism are pivotal to our growth, and we have progressed and developed our talent at an unprecedented rate.

We are committed to ensuring our people are engaged, satisfied, recognized and rewarded for their efforts. Patient feedback is an essential tool in acknowledging our most productive areas and identifying those that need improvement. The comments and praise for HMG have been a credit to our employees who not only deliver supreme medical care, but also forge close bonds with our patients.

In fostering a working environment that is considerate, respectful and understanding, we have nurtured a community that appreciates the value of diversity. We actively encourage the enrolment and recruitment of female colleagues, Saudi citizens and people with special abilities to join our workforce, which consists of employees from five continents at all levels across the organization.

Contributing to Saudi Vision 2030

As always, our goals are perfectly aligned with Saudi Vision 2030 and its benefit to the wider population. HMG creates employment opportunities for thousands of people, contributing to the Kingdom's economy, while continuously raising standards of care.

In addition, we continue to enhance our contribution to universal healthcare through our research facilities and the constant development and implementation of medical innovation. Furthermore, as a stalwart of sustainability, HMG has an innate responsibility to the environment, applying practical steps in every part of its operations to conserve our resources and preserve the planet.

As a proud sponsor and contributor to national and international causes, we extended our services to numerous events in 2023, including our role as the Strategic Medical Sponsor of Riyadh Season for the fourth consecutive year and acting as Medical Sponsor for the Formula 1 Saudi Grand Prix. We also provided comprehensive medical services as a sponsor to the FIFA Club World Cup in Jeddah and sponsored the Saudi Cup for Equestrian and Horse Racing, as well as the Saudi Games in Riyadh.

Chairman's Statement (Continued)

Our Responsibilities in Action

In 2023, HMG completed an environmental, social and corporate governance (ESG) strategic framework to identify best practices in every aspect of our business by benchmarking, analyzing and implementing key pillars.

This roadmap outlines our responsibilities and priorities to optimize our actions and allows us to report on our outcomes, clearly and consistently. We will focus on practical measures to mitigate our carbon footprint and protect the world around us. In addition, we will reliably invest in our teams to realize their full potential, ensuring the rules, practices and processes of our corporate governance maintain their integrity, accountability and transparency.

Underscoring our absolute commitment to ESG, it is with great pride that we will produce our first ever stand-alone Sustainability Report in 2024.

Healthcare Trends in 2023

We saw a significant shift in attitudes and trends in 2023 as the Transformation program became far more established and post-COVID-19 healthcare habits took a new direction. There was a pronounced movement toward preventative action and proactive healthy lifestyles as education and awareness were highlighted across the Kingdom.

In line with the Vision 2030 ambition to raise life expectancy from 74 to 80 years of age, and negate the high incidence of lifestyle-related diseases, healthcare spending in Saudi Arabia is projected to grow at a CAGR of 4.9% up to 2027, reaching USD 77.1 billion¹.

In addition, the Saudi Government has committed to invest more than USD 65 billion in developing the country's healthcare infrastructure¹.

Innovation and Inspiration

Our investment in technology remains a hallmark of the Group's leadership. As the medical world moves at a faster pace than ever, the implications of new prevention, diagnoses, treatments and recovery are immense. As we ramp up the integration of artificial intelligence, machine learning, virtual services and robotics in our healthcare facilities, we are able to save and change our patients' lives as never before.

HMG physicians and surgeons are now applying advanced technology to a full spectrum of medical cases and our tele-health systems have become integral to our daily practices, producing remarkable improvements in the care and recovery of our patients.

Positioned for Sustainable Growth

We set ourselves ambitious goals for 2023 and have surpassed expectations, providing supreme care for a record number of patients with phenomenal results. Our path of innovation and growth drives our progress, hand in hand with the highest caliber of medical teams in the Kingdom.

Through our commitment to a healthier population and an even greater contribution to Vision 2030, we made giant strides in our delivery of care last year but, more than that, we have strengthened our foundations for the future.

We have a collective, unified mission to provide our patients with unparalleled services and, in collaboration with our subsidiaries and local and international partners, we are ready to deliver on our promise.

Acknowledgements

I wish to thank our government for its ever-present support for the people of Saudi Arabia and the nation's healthcare sector, and the UAE Government for its constant patronage, as well as our various partners and shareholders for their enduring trust and commitment to our shared goals.

I would also like to extend my deep appreciation to my fellow Board members for their service during this year, and recognize the hard work and dedication of our Management team and all our employees, who have been instrumental in our accomplishments throughout 2023.

In addition, my great thanks and congratulations to our new CEO, Mr. Faisal Al Nassar for his inspirational insight and leadership in this exceptional year.

During 2023, HMG reaffirmed its leadership in the industry, and we look forward to leveraging this positive momentum as we strive to reach even greater heights in 2024.

Dr. Sulaiman Al Habib
Chairman

1. Alpen Capital GCC Healthcare Industry Report 2023



Market Overview

In 2023, the Saudi Arabian economy continued its transformation and diversification, aligned with the goals of Vision 2030. The Kingdom's major economic and social transformation remains focused on transitioning the economy towards private sector-led growth, supported by initiatives to raise the quality of human capital, improve the business environment, enhance public administration, and create a flexible and competitive labor market. As HMG continues to expand and evolve, it is ideally positioned to contribute to the Kingdom's Vision and benefit from favorable market dynamics.

The International Monetary Fund (IMF) anticipated 2023 to be the weakest year for global economic growth in over a decade. However, Saudi Arabia, boasting the largest economy in its region, demonstrated resilience amid these challenges. Additionally, the country maintained an inflation rate that was comparatively lower than the global average.

Looking ahead to 2024, the Kingdom anticipates a 4.4% increase in real GDP. This projected growth is largely credited to various programs and initiatives aimed at bolstering the private sector, thereby making it a pivotal force in the economy and a key source of job creation.¹

Continued Rise of Saudi Healthcare

Saudi Arabia's Vision 2030 places significant emphasis on healthcare as a critical sector. This strategic vision sets an ambitious target to increase life expectancy from 74 years in 2016 to 80 years by 2030.² Factors such as the rising life expectancy at birth, a growing population, and the high incidence of lifestyle-related and non-communicable diseases (NCD) have escalated the demand for healthcare services in the Kingdom.

The financial commitment to this sector is evident in the 2024 Budget, where SAR 214 billion, accounting for 17% of the total budgeted spending is allocated to the Health and Social Development sector.¹

1. Saudi Budget Statement FY2024

2. Saudi Vision 2030

SAR 214 billion

Budget allocated for Health and Social Development sector in 2024

88%

of the population will be covered by medical health services by 2025

100%

of the population will be covered by the unified digital medical records system

5.8% CAGR

Healthcare services sector growth from 2017 to 2029

USD 12.8 billion

Worth of projects that will create 224 primary healthcare centers and add 20,000 hospital beds in line with Vision 2030

USD 77.1 billion

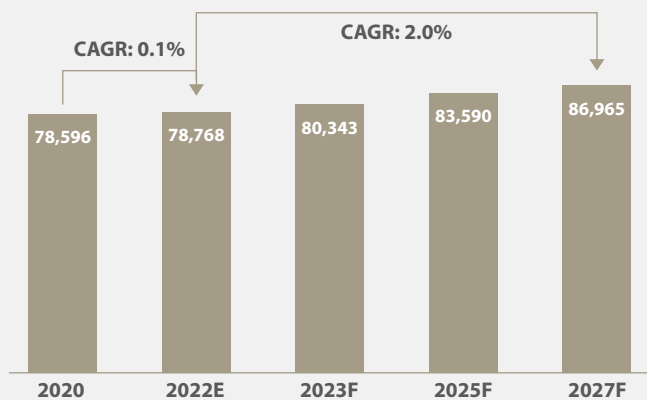
Healthcare spending in Saudi Arabia is projected to grow at a CAGR of 4.9% between 2022 and 2027 to reach USD 77.1 billion

Sources: Saudi Budget statement FY 2024, CHI Annual Report 2022, Invest Saudi, Alpen Capital GCC Healthcare Industry Report 2023

Capacity and Future Expansions

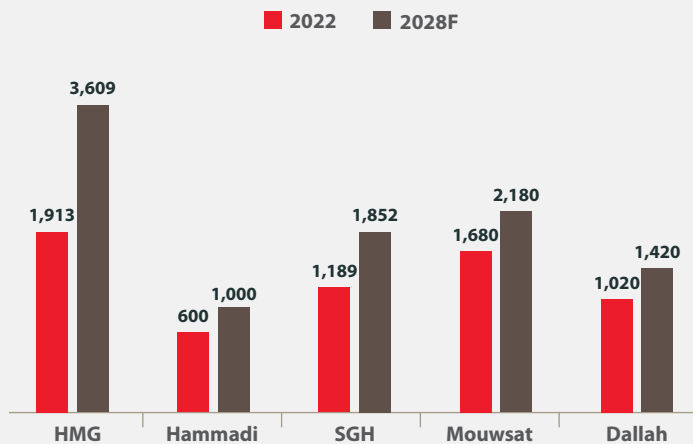
Saudi Arabia is the largest healthcare market in the region with around 500 hospitals. By 2027, Saudi Arabia is likely to witness the highest demand for beds in the GCC at over 8,000 new beds to cater to its expanding population base. The country is expected to account for approximately 67.2% of the region's total additions.³

Demand for Hospital Beds in Saudi Arabia



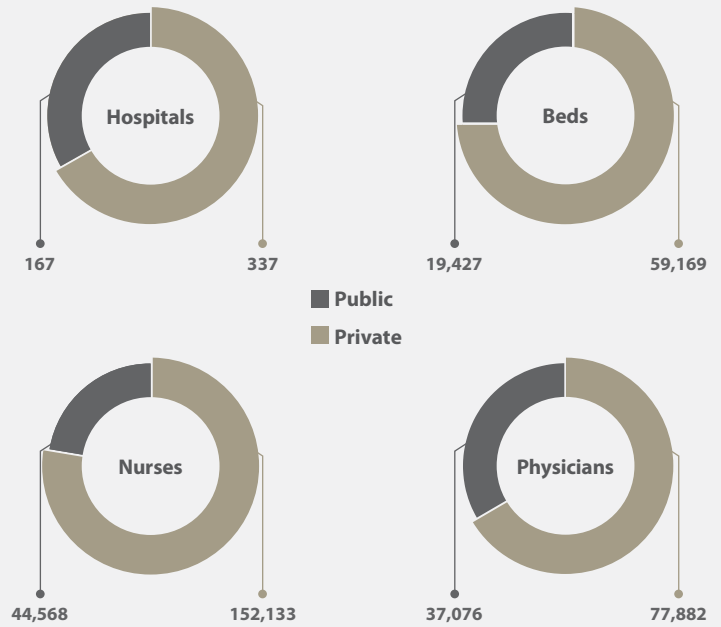
Sources: Alpen Capital, WHO, IMF, MOH

Hospitals expansion pipeline (beds)



Sources: SNB Capital Saudi Equity Strategy

Public-Private Healthcare Landscape in Saudi Arabia



Sources: Alpen capital, MOH

Demographics Driving Healthcare Growth

The healthcare sector in Saudi Arabia is facing significant challenges owing to a combination of a growing and aging population, along with an increased prevalence of lifestyle-related chronic diseases, such as non-communicable diseases (NCDs).

Saudi Arabia currently lags behind the European Union's standard for hospital beds per 1,000 people. The Kingdom has approximately 2.4 beds per 1,000 people, which is nearly half the EU's average of 4.8 beds per 1,000 people.⁴

The population of the Kingdom has seen a considerable increase, growing from 23.9 million in 2010 to 32.2 million in 2022. Projections by the United Nations Department of Economic and Social Affairs (UNDESA) suggest the population growth will continue at a compound annual growth rate (CAGR) of 1% until 2025.⁴

3. Alpen Capital GCC Healthcare Industry Report 2023

4. Aljazira Capital KSA Healthcare Sector Outlook Report 2023

Market Overview (Continued)

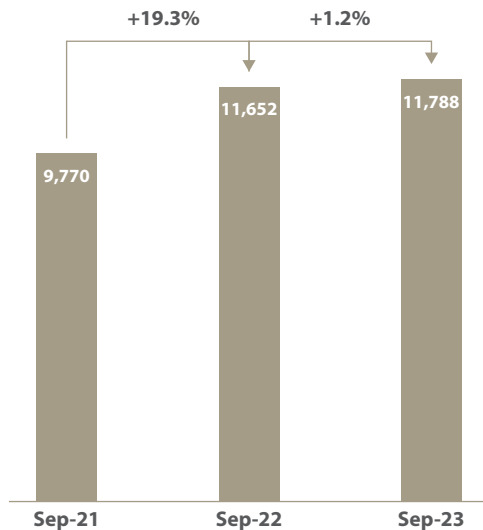
Expanding Insurance Coverage

In 2023, the number of insured individuals rose to 11.8 million, up from 9.8 million in 2021. This increase can be attributed to several factors, including government initiatives and demographic trends.

The Saudization initiative is likely to lead to a corresponding rise in health insurance policies, as more individuals gain access to employer-provided insurance.

Looking ahead, there is an expectation of a significant increase in cooperative (private) insurance. This growth is anticipated to be five-fold in the coming period, driven by the soaring population rates, an influx of premium residency holders and a rise in tourist arrivals.

Total Insured Lives ('000)



Source: BUPA Arabia

Growing Public-Private Partnerships

Public hospitals currently hold a predominant share in the Kingdom’s healthcare market, both in terms of the number of hospitals and available beds. The Saudi Government’s strategy is to shift some of the healthcare burden to the private sector, with a goal to enhance the sector’s contribution from 40% to 65%. This ambitious plan includes the privatization of 295 hospitals and 2,259 healthcare centers.

As part of Vision 2030, the Saudi Government has committed to invest over USD 65 billion in developing the country’s healthcare infrastructure.

Furthermore, there is significant interest from both local and international companies in the public-private partnership (PPP) projects launched by the Saudi Ministry of Health, in collaboration with the National Center for Privatization and PPP (NCP). (For more information about HMG’s diverse contributions to the goals of Vision 2030, please see page 30)

The Future of Healthcare

The healthcare sector in Saudi Arabia is poised for a promising future, marked by the entry of international healthcare operators and the expansion of services by national providers. This growth is being further fueled by the integration of advanced technologies, such as the Internet of Things (IoT), artificial intelligence (AI), machine learning (ML) and big data analytics.

Additionally, technologies like robotics and augmented reality/virtual reality (AR/VR) are gradually being incorporated into mainstream healthcare services. The adoption of these innovative technologies is aimed at enhancing patient care, improving the accuracy of diagnoses and optimizing treatment outcomes.

The impact of telemedicine and AI in the Saudi healthcare sector is particularly noteworthy. Telemedicine, for instance, has gained substantial traction in the Kingdom, with an adoption rate of approximately 70%.

The use of AI in healthcare is increasingly being embraced by the younger generation of physicians in Saudi Arabia. About 34% of young doctors are utilizing AI to aid in diagnoses, showcasing the growing reliance on advanced technology in medical practices. To support and further this technological transformation in healthcare, the Saudi Government has allocated SAR 5.6 billion towards healthcare IT and digital transformation programs.¹

1. Aljazira Capital KSA Healthcare Sector Report 2022



CEO's Message

Pioneership Crafted by our People

6m+

Patients served

8,100+

Training hours

90%+

Physician
retention rate



As HMG continues to drive its strategy of expansion and innovation, we will remember 2023 as a landmark year in which we not only set new financial and operational benchmarks, but also invested in our people more than ever. Their dedication and wholehearted commitment to outstanding healthcare provision has enabled the Group to achieve unprecedented progress and provided the platform for a new standard of care within the Kingdom.

Mr. Faisal Al Nassar
Group CEO and President



Our impact on the Saudi Arabian healthcare landscape increased substantially in 2023 as we expanded our presence by three medical centers and five pharmacies, providing wider communities with the most trusted and effective services in the Kingdom. The unrivalled reputation of our brand, the experience of our patients and the commitment of our people, ensured our new state-of-the-art facilities satisfied an increased demand for unparalleled care.

In addition to our launches, we continued to improve and refine our existing resources and facilities for greater efficiency and introduced more effective new processes and procedures. As a result, we witnessed a consistent and substantial year-on-year rise in patient numbers, culminating in a record figure of more than six million patients.

Our investment in healthcare technology has set new benchmarks in Saudi Arabia, as HMG introduced some of the most advanced medical diagnosis and treatment techniques in the industry. In 2023, our advances in digital health and artificial intelligence (AI) reaffirmed our status as a leader in innovation and a hub for patients needing specialist care.

In addition to providing world-class services to our patients, we consistently ensure their safety is a priority throughout their interaction with HMG. Through our cultures, processes, procedures, technology and environments, we minimize risks and recognize patient safety as a priority.

Our Stellar Financial Performance

Our financial performance was exceptional, with a top-line growth surpassing 14% and a remarkable surge of more than 24% in bottom-line profits. This highlights the swift expansion of our facilities and the operational effectiveness we have attained.

As a result of our exceptional performance, we increased the dividend to our shareholders from SAR 3.48 per share in 2022 to SAR 4.32 per share last year, marking a notable increase of 24%.

Drivers of the HMG Engine

Fundamental to HMG's success are the people who have an unwavering dedication to our vision and their profession. At all levels, they are consistent in their work ethics, innovative in their thinking and committed to their progress.

We operate within a culture of respect and equality, nurturing an environment where we acknowledge and celebrate each other's efforts and achievements. With a physician retention rate of more than 90%, it is evident that our people are appreciated and their contribution to our values is recognized.

The recruitment and development of our medical and non-medical workforce is essential to our ongoing growth and diversification and as the key drivers of the HMG brand, we have heavily invested in ongoing medical education and management training paths at all levels to nurture future leaders across the Group. In 2023, we provided more than 8,100 training hours and worked with international partners to upskill our employees and open new opportunities for career development.

In order to maximize their full potential, we have fostered an engaged and constructive workforce to promote and innovate their own ideas and concepts. Using their individual experiences to pioneer new practices, frontline physicians and their departmental managers have the scope to make our healthcare more efficient and more effective. At HMG, we own a remarkable team, and every contribution they provide enhances the quality of care we offer and the HMG brand we promote.

As an extension of their role as members of the HMG family, we believe colleagues can also be comrades, with informal activities in social gatherings to create even stronger ties with each other. A working relationship and social bond should not be mutually exclusive, and at HMG they are both cultivated and encouraged.

An invaluable and accurate gauge of our staff satisfaction is through our employee engagement survey, which, in 2023, resulted in the majority of participants describing the Group as a source of pride, with excellent leadership, timely compensation, cutting-edge technology, learning opportunities and flexible working conditions.

Maximizing our staff expertise, we are committed to expanding services to broader communities. Through a new strategic agreement with the Royal Commission for Jubail and Yanbu, we will construct and operate a healthcare project hospital in Jubail Industrial City. Furthermore, in a strategic partnership signed in 2023 with King Abdullah Economic City (KAEC), we will establish an advanced medical center to provide best-in-class integrated healthcare services to KAEC's residents and visitors.

CEO's Message (Continued)

The Changing Face of Innovative Medicine

Technology plays an expanding role in every aspect of our operations, opening a vast range of medical opportunities. As a leader in the healthcare industry, HMG has invested in the most advanced digital solutions and recruited the most talented practitioners who have prevented illnesses, saved lives and aided recovery. Their skills, and the technology that has been made available to them, have positioned HMG as the leading private healthcare innovator in Saudi Arabia with some of the best outcomes in the Kingdom.

We have long-established, highly successful innovation teams at HMG, who have spearheaded industry-changing technology. Furthermore, in our efforts to continuously evolve, the Group has launched the HMG Innovation Growth Hub (HIGH), a platform for all employees to bring their initiatives to the fore. This potentially opens the gateway for more than 17,000 colleagues to have their insight and concepts shared, evaluated, driven and potentially integrated into HMG operations. As we draw upon the experience of our frontline physicians, nurses, pharmacists and administrative employees, HIGH is a magnet for driving innovation and bringing ideas to life.

Cementing our status as a true pioneer and practitioner of medical exploration, in 2023, HMG became the first local private healthcare provider to use AI to detect breast cancer through mammogram readings, increasing the accuracy and speed of cancer diagnosis.

The use of our HMG App is accelerating at a phenomenal pace, with more than 550 million interactions in 2023 – from booking appointments to vital communications with physicians – from anywhere at any time through our Live Care service.

Bringing Care Closer to Home

Expanding our facilities, HMG inaugurated three new state-of-the-art medical centers in Riyadh, to provide our patients with a full spectrum of services, including immediate access to emergency care, women's health, pediatrics, general surgery, advanced diagnostics and more.

While our ever-increasing use of AI, robotics and tele-health continues to inspire our practitioners and provide exceptional services in our hospitals and healthcare facilities, our remote capabilities provide additional support to patients at home or in need of immediate assistance, including our vital Home Healthcare and Rapid Response Teams.

Furthermore, following our comprehensive integration of tele-medicine services, we expanded our Live Care services, launching additional 24-hour clinics covering all medical specialties.

As the second largest contributor to HMG's revenue, our pharmacies increased their profile even further. We have provided customers with more comprehensive, detailed, convenient and accessible services, expanding our network to 24 outlets, with the launch of five branches at Al Suwaidi, Al Takhassusi, Digital City, Al Narjis and Al Ghadeer.

In addition, through an outstanding effort to convert traditional services to digital technology, our pharmacies completed more than 197,000 transactions through the HMG App. Once again, the skills and expertise of our highly qualified HMG pharmacists have reimaged the sector.

In our HMG Solutions segment, Cloud Solutions became the only Saudi company to own local intellectual property rights to cover all healthcare organizations' needs. In recognition of its cutting-edge systems and its significant impact on the healthcare sector in the Middle East, Cloud Solutions was named the Best Digital Transformation Healthtech Company in Saudi Arabia 2023 by International Finance.

Our Medical Diagnostic Laboratories arm (MD LAB) delivered exceptional operational results, managing 19 satellite labs and processing more than 12.5 million tests, with 99.4% accuracy.

Our Home Healthcare Company (HHC) partnered with an insurance business to provide care for patients with severe medical conditions who were discharged from hospital but required continuous further care.

Flow's commitment to healthcare ecosystems and pioneering medical innovation resulted in a collaboration with IK Medical Solutions GmbH to launch Healet in 2023, offering customized, safe and sterile modular environments for a range of services including laboratories and patients' rooms.

Equipped with advanced technology and a broad team of skilled, licensed clinicians from various fields, Taswyat sustained its excellent performance.

Our Commitment to our Communities and the Kingdom

HMG has always understood and acted upon its duties to conserve our resources and protect our environment. In 2023, we accelerated our contributions to sustainability and defined clear, long-term objectives based on organization-wide responsibility.

We continued our commitment to developing young talent by signing partnerships with top local and international universities to train graduates in our facilities. We also witnessed the graduation of students from our scholarship program, the largest of its kind in the Kingdom's private healthcare sector.

In line with global best practice, we developed and implemented our ESG strategy. This establishes our key metrics to measure our impact and drive our commitment to protect and preserve the environment, empower our people, engage the community and maintain sound business practices. Through this robust framework, we will reinforce our existing practices of responsibility, integrity and accountability, while creating a vehicle to measure its effectiveness. We intend to publish our first Annual Sustainability Report in 2024.

As part of our organizational culture and in line with Saudi Vision 2030, we have an ingrained sense of gratitude and responsibility to the communities we serve and a deep desire to contribute to the economic and social prosperity of the Kingdom. We have a mission to extend lives and quality of life through education and awareness. Through our many communal campaigns, we empower the local population and promote a Kingdom-wide mindset of self-care.

We are a leading regional healthcare provider with global influence and have constantly shared our knowledge and research with our peers for the advancement of medical science and its potential use in the future. In 2023, we conducted a vast spectrum of courses and seminars on topics ranging from pediatric to critical care to disaster management and live broadcasts of surgery.

During HMG's passage of growth and diversification, we continued to recruit thousands of citizens, offering opportunities to train and enhance their skills and enter a field, which may open the gateway to new careers. In turn, we increase our commitment to Saudization rates, which stood at 39% across the Group in 2023.

It has also been a year of substantial local and global sponsorships for HMG with numerous community activities, including unique blood donation drives in partnership with the National Association for the Blind.

Celebrating our Achievements

Our people, medical facilities, technology, operational initiatives and medical excellence across all departments have garnered recognition worldwide, praising both our pioneering practices and world-class standards. We are regularly awarded local and international accolades from the most prestigious healthcare authorities in the industry, and I would like to express my enormous admiration for all the teams involved in their success.

Major Awards in 2023

- **International Society for Quality in Healthcare** – Person-Centered Care Clinical Governance Standards
- **World Health Organization** – Level-4 certification of Patient Safety Friendly Hospital Framework
- **Global Healthcare Accreditation** – Accreditation for Medical Travel Services
- **Saudi Arabian Cardiac Interventional Society** – Tele-cardiology Services
- **European Foundation for Quality Management** – Excellence in Medical Services

Our Focus for the Years Ahead

As we look towards the future, the coming years will add a milestone in our growth, with the launch of 12 healthcare facilities along with pharmacies across the Kingdom's cities. We have been determined in our attitudes and actions, and we will consistently provide the right services at the right times in the right places.

However, these are not merely additions to our portfolio; they are another giant stride in our journey of providing more effective and efficient care to a wider segment of the population in need of the unique services we supply.

We have driven the momentum of our expansion and diversification at a remarkable rate and will continue to recruit and educate the workforce who make HMG the most innovative and progressive healthcare provider in the Kingdom. Through their peerless skills and pioneering technology, we will enhance our role as a safe, effective and trustworthy organization with the welfare of our patients at the heart of everything we do.

Acknowledgments

In closing, I would like to thank our Chairman and Board of Directors for their invaluable support, our outstanding Management team and every one of our loyal employees for their exceptional efforts and dedication.

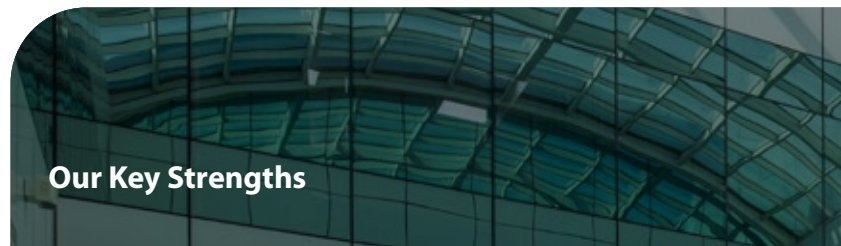
My deep gratitude also to our patients, shareholders, government partners and other stakeholders for their ongoing trust throughout a year of exceptional growth and achievements.

Mr. Faisal Al Nassar
Group CEO and President

Business Model

HMG has the experience, expertise and culture to deliver the highest standard of modern healthcare in the Kingdom and throughout the region. Across our vast network of medical facilities and services, pharmacies, advanced laboratories, software and medical technology businesses, we push the boundaries of innovation and customer experience to serve our patients and the larger community and create sustainable value for all our stakeholders. We have obtained a proven track record of sustained organic growth by delivering on our high standards of quality of care and expertise to our patients.

An integrated model of care built for outstanding patient experience and outcomes



Our Key Strengths

Forefront of Technology and Innovation

Leader in implementing latest medical technology, including AI and robotics

552m HMG app interactions

19 applications and systems designed in-house

Trusted Brand in Prime Locations

Leading healthcare operator in Saudi Arabia

6m+ patients across the region

60+ sub-specialties across 25 medical facilities

Deep Expertise and Strong Partnerships

Deeply established partnerships with insurance companies, suppliers, government entities and international experts

Advanced expertise in medical technology, clinical engineering and Revenue Cycle Management (RCM)

40+ in-house-developed hospital information systems (VIDA) implemented in Ministry of Health (MOH) facilities

Market-leading Experience and Continuous Development

10+ years' management experience with HMG

59% of physicians from Western and Saudi Boards

500+ CME training hours completed

Partnerships with national and international universities

Leading Medical Knowledge and Excellence

3,500+ physicians with average 15+ years' experience

60+ national and international accreditations and awards including HIMSS EMRAM Stage 7, ISQua EEA and EFQM

First and only private healthcare provider in KSA publishing peer-reviewed quarterly medical journal

What we do

Modern Facilities and Comprehensive Services

- We offer patients integrated healthcare services at prime locations through our clinics, inpatient services, centers of excellence and on-site emergency services, as well as virtually. Our facilities are equipped with cutting-edge technology and serviced by experienced medical practitioners.
- We are bringing care “closer to home” through our various medical centers, and to your doorstep with Live Care telehealth solutions, home healthcare, rapid response teams (RRT) and remote monitoring.
- We offer a wide range of products that are easily accessible at our pharmacies – located alongside our facilities – and virtually, through our HMG and e-Pharmacy app with delivery services. We also provide comprehensive advanced medical laboratory testing services in our hospitals, as well as collection of samples from patients’ premises.

Innovative Healthcare Solutions

- As innovation is key to improving people’s lives, we engage in partnerships with public and private institutions to extend our digital service offerings. We continuously strive to bring the best global practices to our day-to-day business.
- We provide applications and systems for our medical facilities that have been developed through our subsidiary company, Cloud Solutions, and roll out tailor-made solutions for other healthcare providers.
- Our Flow Medical Company, subsidiary company, manages sophisticated medical equipment, while our Taswyat subsidiary company provides complete end-to-end healthcare RCM services.

Design, Develop and Operate

- We have integrated solutions for project development, ranging from planning, designing and project management to construction and furnishing of medical facilities. Our dedicated team of experienced engineers ensure our projects meet the highest standards of quality and functionality. Over the years, we have successfully designed, developed and executed 25 medical facilities, collectively totaling a built-up area exceeding 700,000 sqm.
- We also provide services for the management and operation of medical facilities, deployment of staff and other medical advisory services.

Invest in our People and Communities

- Since HMG was established, we have been a magnet for top quality talent from across the Kingdom and the world. We work hard each day to attract, develop, engage and retain outstanding talent at every level of our organization to power our business and serve our patients.
- We have always made it a priority to give back to the communities where we operate, both as an organization and as individuals. We partner, sponsor and support a wide variety of initiatives and events to strengthen the bonds between HMG and the communities we serve.

What Helps us Achieve our Goals

Patient and Customer Centricity for Exceptional Outcomes and Experience

We develop and adhere to global best practices to ensure patient safety, clinical results and best-in-class patient and customer experience.

Integrated Patient-centered System

We offer integrated healthcare services across the full care continuum, which ensures a closed-loop service delivery of physical and virtual care around the patient.

Efficient and Effective

We focus on implementing the latest technologies with best practices of value engineering to enhance operational efficiency.

Sound Risk Management

We manage risk exposure by devising proactive mitigation strategies in line with our risk management framework.

Resilience and Adaptability

As a result of the dynamic business environment, we ensure that we position ourselves to effectively respond to market opportunities and evolving business needs in an efficient manner.



Strategy

As a healthcare industry leader in the Kingdom of Saudi Arabia, HMG proactively identifies and invests in opportunities to support the goals of Saudi Vision 2030. Across our expanding footprint and operations, we leverage our scale as the Kingdom’s leading private healthcare provider to strategically align with and proudly contribute to the ambitions and achievements of the Kingdom across a range of key areas.



HMG Alignment with Vision 2030

How we Contribute


Improve living standards and safety

We continuously raise the standards of care and deliver best-in-class healthcare services to greater numbers of people across the Kingdom to elevate the health and well-being of citizens, residents and visitors, while ensuring that our workforce is safe, secure and enjoying a high standard of living.


Ensure sustainability of vital resources

We are working to become a benchmark for environmental, social and corporate governance (ESG) in the region, applying our reach, relationships and resources to advance sustainability across our business, our industry and our markets, while ensuring we act with due care and consideration to reduce our environmental footprint through the responsible use and reduction of medical waste, energy and other resources.


Empower society

We are supporting communities, organizations and individuals across our geographic footprint to empower social progress and inspire positive change, both at a grassroots level and through partnerships with government and other leading organizations across Saudi Arabia and beyond.


Enable private sector development

We are working in close collaboration to advise and support both public and private sector entities in the Kingdom, while actively pursuing participation in Public Private Partnerships (PPP), including the development of the mega projects.


Transform healthcare

We are recognized as Saudi Arabia's pioneer in digital health innovations, building and bringing expertise, capabilities and technologies from across the Kingdom and the world to accelerate towards a new vision for Saudi healthcare. With our investment in medical centers, we work to achieve the Vision 2030 goal of having a "primary care physician for each citizen".


Enhance labor market accessibility and attractiveness

We are a proudly Saudi-owned and operated Group and a pioneer in Saudization in our sector, which has always recognized our responsibility in attracting, developing, engaging the best and brightest in our sector – both Saudis and expats – through employment, training in our HMG Academy, university partnerships and medical research. In 2023, we achieved a Saudization rate of 39% across our Group.


Develop the tourism and national heritage sectors

We are a key organization in delivering the Kingdom's healthcare vision, which is vital to enhancing the reputation and attractiveness of Saudi Arabia as a leading regional hub for healthcare tourism; while also providing peace of mind to tourists that world-class care is always available through our exclusive sponsorship of Riyadh Season and our provision of comprehensive healthcare services across the Kingdom.

Strategy (Continued)

Our Growth Strategy

Our corporate strategy unlocks sustainable value for our shareholders and stakeholders through clear strategic pillars, priorities and objectives that are designed to deliver tangible outcomes that are fully aligned with our vision, mission and values.

A well-defined strategy enhanced by our core values

Strategic Pillars and Drivers

Our Values



Integrity and trust



Care for patients and communities



Safety and security



Attract and invest in the best people



One team



Accountability



Excellence and quality



Innovate, simplify and always improve



Think big and act fast



Our Pillars

Strengthening the Core

Drivers

- Rigorous quality and safety standards
- Top-notch empowered employees
- Cutting-edge technology
- Operational efficiency
- Sustainability

Outcomes

- Patient and customer-centric value service delivery
- Best outcomes and experience

Expanding the Reach

Drivers

- In and out of hospital care; physical and virtual services
- Local, regional and global growth
- Care for communities

Outcomes

- Organic growth while considering inorganic opportunities

Broadening the Service

Drivers

- Entrepreneurship in new services areas
- Innovation in data and digital solutions
- National and international partnerships

Outcomes

- Creation of new business lines
- Revenue diversification
- Security in delivery value chain

Our Priorities

- Attract, develop and empower our people
- Care about patients, communities and the environment
- Provide best-in-class services
- Offer the utmost digital user experience
- Expand to new locations
- Increase operational efficiency
- Meet demand in growing sectors and diversify income sources
- Maintain position as leading brand in the market





د. سليمان الحبيب
DR SULEIMAN AL HABIB
المجموعة الطبية







Strategy (Continued)

Our Strategic Objectives

Our eight strategic priorities provide focus on channeling our financial and human capital to maximize impact. Our aim to develop and operate world-class medical facilities across the Kingdom and beyond that provide the best possible care and experience for patients each day hinges on our ability to deliver on these priorities.

Strategic Priorities	Strategy	Measures	Associated Risks
Attract, develop and empower our people 	<ul style="list-style-type: none"> Support the needs of all employees, invest in human capital, foster learning through national and international training programs, and provide a safe and engaging working environment to be recognized as an employer of choice and a provider of rewarding career pathways for our people. 	<ul style="list-style-type: none"> 8,100+ staff training hours Physician retention rate of 90%+ 80,000+ learning components in Virtual Academy platform Partnership with national and international universities 	Risks 1 and 8
Care about patients, communities and the environment 	<ul style="list-style-type: none"> Genuinely care about the well-being of our patients by continuously professionalizing patient experience. Deliver care "closer to home" and give back to our communities. Create sustainable growth through a developed ESG agenda. 	<ul style="list-style-type: none"> Field medicine and RRT Continuous enhancement of HMG app and e-Pharmacy Corporate social responsibility (CSR) initiatives 	Risks 4 and 5
Provide comprehensive, best-in-class services 	<ul style="list-style-type: none"> Provide customer and patient-centric, integrated physical and virtual services and solutions. Maintaining the highest quality and safety standards, delivering the best possible results and experiences. Continuous innovation and expansion of services and solutions, always increasing and setting the standards of care in Saudi Arabia, the Middle East and the world. 	<ul style="list-style-type: none"> 6m+ patients served 60+ sub-specialties First to integrate AI radiology in the Kingdom First Tele-EEG Center in the Middle East 	Risks 2, 5, 7 and 10
Offer the utmost digital user experience 	<ul style="list-style-type: none"> Reinforce market leadership and reputation as a trailblazer in the Kingdom for digital patient experience, building capabilities and technologies to provide better and faster care at every step of the patient journey, within and outside the walls of our facilities, through continuous innovation and improvement. 	<ul style="list-style-type: none"> Implemented VIDA health information system in 55+ healthcare facilities 552m patient interactions in HMG app HIMMS Stage 7 accreditation 	Risks 3 and 7

As such, we work hard to measure, monitor and manage all associated success factors and risks, creating a culture of accountability and effective governance to drive sustainable growth and value creation for our business, people, patients and the Kingdom.

Strategic Priorities	Strategy	Measures	Associated Risks
Expand to new locations 	<ul style="list-style-type: none"> Increase our global and regional footprint through organic growth while considering inorganic opportunities. Utilize land bank to establish and operate medical facilities across the GCC. The Group aims to build on the increasing scale of its operations to achieve economies of scale. 	<ul style="list-style-type: none"> 12 upcoming healthcare facilities 	Risks 2, 3 and 9
Increase operational efficiency 	<ul style="list-style-type: none"> Increase effectiveness of health practitioners and continue to implement a value engineering approach with technology-led operational efficiencies. This will improve performance and benefit a large number of patients across the Group's facilities. 	<ul style="list-style-type: none"> EBITDA margin of 26.6% Cash conversion cycle of negative 8 days 	Risks 1, 6 and 8
Meet demand in growing sectors and diversify income sources 	<ul style="list-style-type: none"> Broaden our current medical services while exploring new business avenues through HMG Solutions and strategic partnerships with national and international companies to offer a wide range of healthcare digital solutions, across the full value chain. 	Revenue by segment: <ul style="list-style-type: none"> 77.0% hospitals 20.9% pharmacies 2.1% HMG Solutions Innovative services: <ul style="list-style-type: none"> Cloud Solutions Company Flow Medical Company Taswyat company 	Risks 1 and 7
Maintain position as leading brand in the market 	<ul style="list-style-type: none"> Stand out as the largest provider of medical services in the Middle East. Continuing to be a leading brand by expanding in-house capabilities, investing in the latest cutting-edge medical technologies, engaging highly competent healthcare practitioners and focusing on the full continuum of care to reinforce the Group's market position. 	<ul style="list-style-type: none"> 1,900+ beds 25 medical facilities Receive recognitions from national and international organizations including: <ul style="list-style-type: none"> ISQua EEA EFQM WHO's Level-4 certification of PSFH JCIA 	Risks 4, 5, 7 and 10

Strategy (Continued)

Key Performance Indicators

In order to ensure continuous and consistent strategic progress towards our Vision and Strategic Priorities, we closely monitor our performance against key performance indicators. During 2023, our outstanding achievements and growth are reflected across these meaningful metrics, highlighting our strong performance throughout the year.

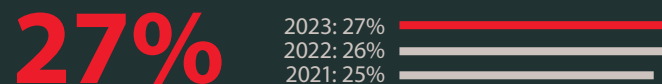
Strategic Priorities

- | | |
|---|--|
|  Attract, develop and empower our people |  Care about patients, communities and the environment |
|  Provide best-in-class services |  Offer the utmost digital user experience |
|  Expand to new locations |  Increase operational efficiency |
|  Meet demand in growing sectors and diversify income sources |  Maintain position as leading brand in the market |

Financial KPIs

EBITDA Margin

EBITDA margin is the reported EBITDA of the Group as a percentage of Group revenue.



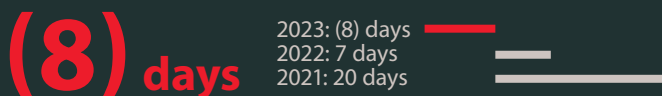
2023 performance

The Group increased its EBITDA margin. It reflects the Group's ability to achieve high-cost efficiency, while continuing to expand its market share.



Cash Conversion Cycle (CCC)

CCC represents the number of days taken by the Group to turn its resource inputs into cash.



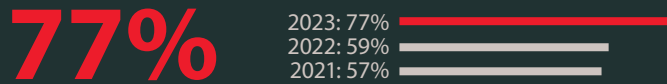
2023 performance

The Group significantly improved the cash conversion cycle for the year 2023 to become negative 8 days, compared to positive 7 days for the year 2022. This improvement is attributed to enhanced operational efficiency and an extension in payable days for the year 2023. The CCC of (8) days is notably the shortest among industry peers. The proactive collection strategies, efficient management of working capital, and strategic collaborations with insurance clients are instrumental in driving the remarkable performance of the Group's CCC



Debt/Equity (D/E)

D/E is indicative of the relative proportion of shareholders' equity and debt used to finance the Group's assets.



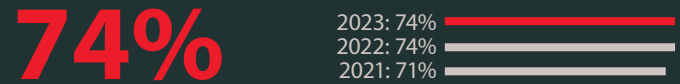
2023 performance

The Group's leverage ratio is healthy and comparable to the industry's average. It increased due to the growth and expansion of the business, financed partly through loans.



Dividend Payout

Dividend payout ratio measures the percentage of net income distributed to shareholders as dividends.



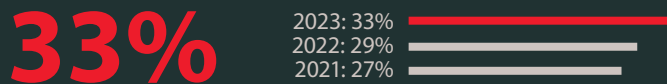
2023 performance

The Group has a history of maintaining a healthy dividend payout ratio for its shareholders.



Return on Equity (ROE)

ROE is equal to a fiscal year net income divided by shareholder equity expressed as a percentage.



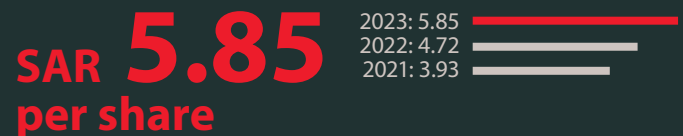
2023 performance

The Group's ROE enhanced primarily due to increasing patient-base driven by the demand for the Group's innovative and quality healthcare services.



Earnings per Share (EPS) in SAR

EPS is calculated by dividing the net income by the weighted average number of ordinary shares outstanding during the year.



2023 performance

The 23.9% increase in EPS was primarily driven by operating profit growth during the year.



Financial Review

HMG delivered an exceptional year of innovation, efficiency and expansion, resulting in a record number of patients receiving care, while at the same time containing costs. With new healthcare centers and pharmacies – the Group's leading revenue drivers – HMG continued to expand its facilities and services, the key forces behind its financial achievements of 2023.

Defying challenging market conditions during a year of inflation, interest rate hikes and supply chain disruptions, HMG maintained its strategic growth, serving an unprecedented over six million patients in its hospitals and healthcare facilities, while catering to a wider international demographic requiring more diverse care. Across all segments, KPIs were significantly exceeded, attracting greater revenues as well as securing future business.

The primary growth in revenue was driven by the hospital and pharmacy segments, owing to the increase in the overall number of patients and their positive correlation to the rise in pharmacy sales.

The increase in net income was mainly driven by revenue growth owing to the increase in the number of patients and inpatient occupancy.

During 2023 revenue grew by

14.4%

reaching SAR 9.5 billion, an increase of SAR 1.2 billion over the previous year

During 2023 EBITDA increased by

18.5%

to SAR 2.5 billion, with the EBITDA margin reaching 26.6% compared to 25.7% in 2022

During 2023 net income increased by

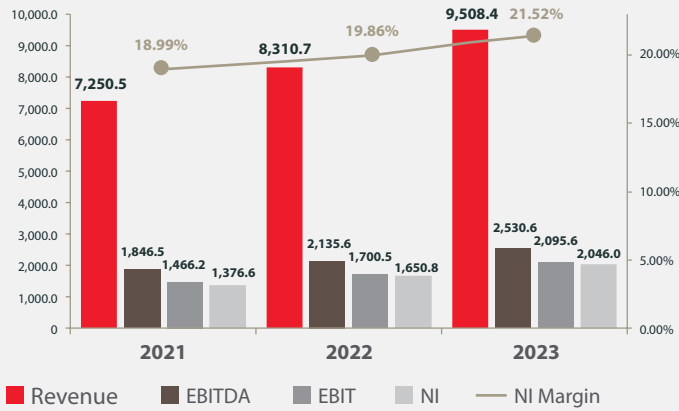
23.9%

reaching SAR 2.0 billion, with an improved margin of 21.5% compared to 19.9% in 2022

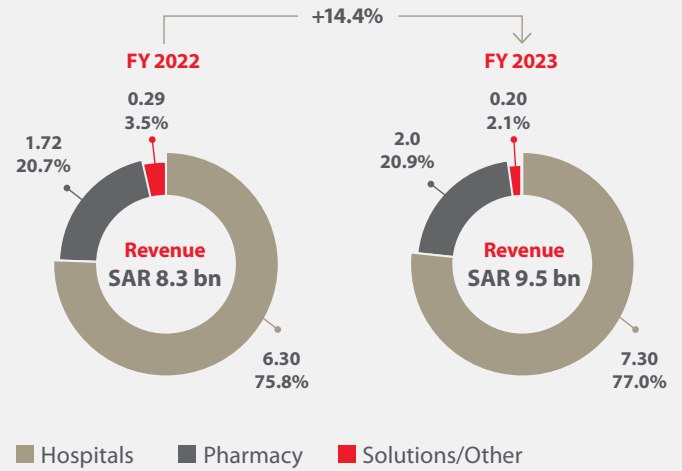
SAR billion	FY-21	FY-22	FY-23
Revenue	7.3	8.3	9.5
Growth %	23.7%	14.6%	14.4%
EBITDA	1.8	2.1	2.5
Growth %	23.7%	15.7%	18.5%
EBITDA margin	25.5%	25.7%	26.6%
Net Income	1.4	1.7	2.0
Growth %	30.4%	19.9%	23.9%
Net Income margin	19.0%	19.9%	21.5%
EPS (SAR)	3.9	4.7	5.8
Dividends declared	1.0	1.2	1.5
DPS (SAR)	2.8	3.5	4.3
Dividends payout ratio	71.2%	73.8%	73.9%

Collective Successes

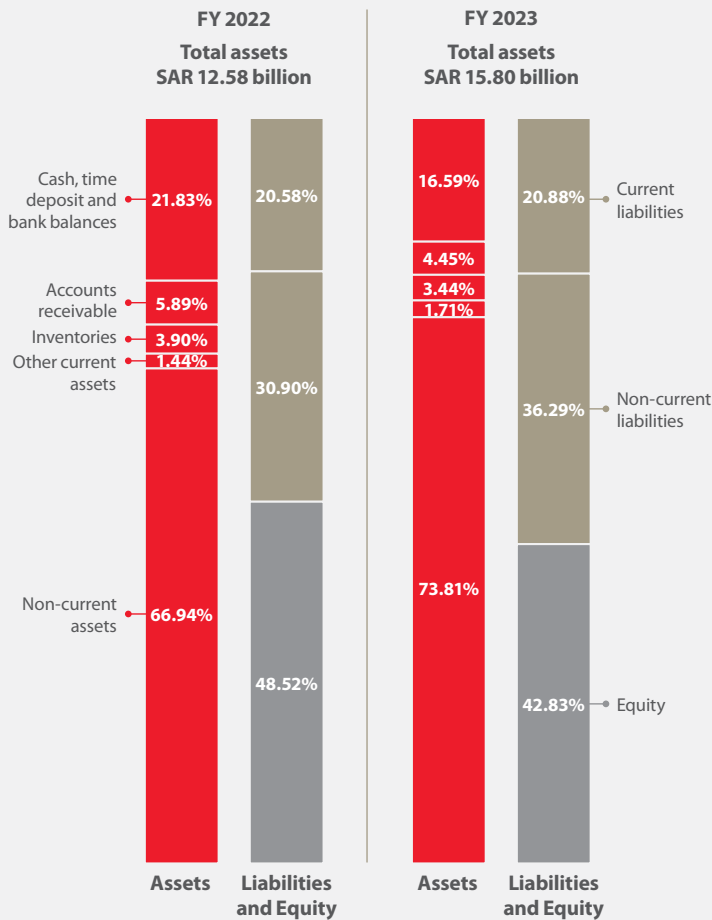
Performance trend (SAR million)



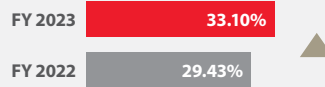
Revenue by segment (SAR billion)



Balance Sheet Highlights



ROE



ROA



ROCE



Current Ratio



Receivables



Payables



Inventory



Cash Cycle



Financial Review (Continued)

HMG's strategic expansion in new and existing facilities in 2023 resulted in a healthy balance sheet, with total assets of SAR 15.8 billion, a 25.4% increase compared to the previous year, with a return on assets of 14.4%.

HMG delivered 23.9% growth in earnings per share to reach SAR 5.85, resulting in a cash dividend in line with the Group's ongoing trend of maintaining a dividend pay-out ratio of 74%.

Delivering our Value

We declared a cash dividend distribution of SAR 1,512 million for the financial year 2023, representing SAR 4.32 per share. This is a significant increase of 24% compared to the 2022 financial year,

where we declared dividend of SAR 3.48 per share. This reflects our ongoing commitment to creating sustainable, long-term value for our shareholders.

Moving Forward

We will continue to expand our footprint in the coming years in multiple cities across the Kingdom, providing an additional 1,600+ beds.

As the Group extends its portfolio to new territories and the brand continues to evolve in terms of geography and services, HMG will drive its growth, volume and unrivalled standards of care, delivering ever-increasing value to its stakeholders.

Total Cash Dividends for Shareholders

Declared dividends

Q4 2023	SAR 1.15 per share	SR 402.5mn	76.7% pay-out
Q3 2023	SAR 1.17 per share	SR 409.5mn	75.2% pay-out
Q2 2023	SAR 1.00 per share	SR 350.0mn	71.9% pay-out
Q1 2023	SAR 1.00 per share	SR 350.0mn	71.5% pay-out
Q4 2022	SAR 0.93 per share	SR 325.5mn	73.7% pay-out
Q3 2022	SAR 0.86 per share	SR 301.0mn	71.6% pay-out
Q2 2022	SAR 0.86 per share	SR 301.0mn	75.6% pay-out
Q1 2022	SAR 0.83 per share	SR 290.5mn	74.4% pay-out
Q4 2021	SAR 0.70 per share	SR 245.0mn	63.9% pay-out
Q3 2021	SAR 0.70 per share	SR 245.0mn	70.3% pay-out
Q2 2021	SAR 0.70 per share	SR 245.0mn	75.3% pay-out
Q1 2021	SAR 0.70 per share	SR 245.0mn	76.8% pay-out
Q4 2020	SAR 0.60 per share	SR 210.0mn	66.1% pay-out
Q3 2020	SAR 0.60 per share	SR 210.0mn	70.3% pay-out
Q2 2020	SAR 0.40 per share	SR 140.0mn	72.8% pay-out
Q1 2020	SAR 0.50 per share	SR 175.0mn	71.0% pay-out

Key Financial Information and KPIs

SAR million	2023	2022	2021
Statement of income			
Revenue	9,508.4	8,310.7	7,250.5
Gross profit	3,270.0	2,748.1	2,330.2
Operating income	2,095.6	1,700.5	1,466.2
Profit attributable to equity holders of the parent	2,046.0	1,650.8	1,376.6
Balance sheet			
Current assets	4,137.8	4,160.5	4,133.4
Non-current assets	11,660.2	8,423.6	6,694.0
Total assets	15,798.0	12,584.1	10,827.4
Current liabilities	3,299.2	2,590.3	2,047.7
Non-current liabilities	5,732.6	3,888.1	3,252.6
Total liabilities	9,031.8	6,478.5	5,300.3
Total equity	6,766.2	6,105.7	5,527.1
Cash flows			
Net cash from operating activities	3,244.2	2,843.7	2,182.8
Net cash used in investing activities	(3,486.6)	(1,939.4)	(1,247.5)
Net cash used in financing activities	115.9	(801.1)	(630.7)
Cash and cash equivalents	2,620.4	2,747.0	2,643.8
KPIs			
EBITDA margin	27%	26%	25%
Return on equity (ROE)	33%	29%	27%
Debt/equity ratio	77%	59%	57%
Earnings per share (SAR)	5.85	4.72	3.93
Dividend pay-out ratio	74%	74%	71%
Cash conversion cycle (CCC)	(8) days	7 days	20 days

Our People

As we reflect on another year of remarkable financial and operational achievements, we celebrate the people who made that possible. Our workforce is consistently our most valuable asset and their dedication to professionalism and allegiance to the Group's ethos of care through commitment is instrumental in our progress. In 2023, we invested more heavily than ever before in our co-workers, creating an even more productive, satisfied and qualified workforce, in an environment of learning, development, unison and pride.

90%+ retention rate
for physicians

Strength in Numbers

With a total workforce of more than 17,000, including 3,500+ physicians, our reputation as a fair, progressive and loyal employer was reflected in our retention rate of our physicians, by more than 90%. An additional 3,000+ employees joined the Group in 2023 and, by 2025, we expect that number to grow to around 23,000, reinforcing HMG's long-established status as a regional employer of choice, which both nurtures personal growth and fosters a philosophy of teamwork.

Highlighting our global standing as a provider of healthcare excellence, our extended family of colleagues represents 80+ nationalities from six continents, whose diverse backgrounds and cultures enable HMG to provide a unique level of care to all members of the community. In addition, as part of our belief and commitment to diversity and inclusion, more than 10,000 members of staff are female employees.

Growth and Guidance

HMG's strategic objectives for its employees in 2023 were to ensure contentment in their current roles while encouraging greater ambition for the future, their satisfaction with their current status must be complemented by a stronger drive for success and their efforts should be acknowledged while also being more generously rewarded for their accomplishments. A vast spectrum of training, career development, engagement, recruitment and wellbeing initiatives has enabled us to achieve those goals and more.

As one of the largest and most successful healthcare providers in the region, it is vital we not only maintain the quality of the people who drive the HMG engine, but also elevate their capabilities and provide the tools for them to grow as both individuals and teams.

HMG developed a career path journey for staff who required similar training, knowledge, skills and expertise, defining specific milestones and achievements to aid individual growth. In addition to tailoring their journey, this initiative also highlights potential areas where additional attention may be required, or a change of direction may be needed.



Culture and Values

since its establishment nearly 30 years ago, HMG has been synonymous with ambition, having the confidence and ability to break new medical boundaries. Our people have shared that confidence with a collective belief in the Group's aim of becoming a top 10 global medical provider by the year 2030.

Through our core values, we have built an employee culture of integrity, humanity, motivation and innovation, providing the ultimate care through a united devotion to our shared cause.

People Insight

to ensure we are able to motivate and inspire our colleagues, it is essential to understand and acknowledge their perception of HMG as an employer and their perspectives on both the favorable aspects and any difficulties they encounter.

Our employee engagement survey was an invaluable tool for us to gauge staff sentiment and evaluate our successes in the way we operate as well as seek any areas for improvement. The results of this year's survey were overwhelmingly positive. The majority of participants said HMG is a secure working environment with an excellent leadership style and that they were proud to be part of the Group. They also noted the punctual payment of salary and compensation, cutting-edge technology, superior learning and development initiatives and flexible work conditions and favorable areas of working at HMG.

Attracting Top Talent

as we continue to innovate and diversify throughout our facilities, HMG's staffing requirements are not limited to additional staff but also the need for more specialized skills. The advances in medical technology are progressing at a phenomenal rate and, as a pioneer in digital healthcare, we must ensure we recruit the most qualified talent in the industry.

In all aspects of recruitment, HMG's talent gate Elevatus was continuously upgraded, enabling the Group to reduce hiring time, enhance candidate experience and create a talent pool for qualified applicants. Elevatus technology and AI capabilities have streamlined and customized the entire recruitment cycle.

To further augment HMG's workforce, the Group enlisted the services of more than 120 international recruitment agencies to provide manpower, mainly physicians, nurses and paramedics.

In addition, HMG's Corporate Human Resources department acts as a strategic business partner to develop, inspire and realize the true potential of its human capital and provide opportunities for growth, well-being and enrichment to position the Group as the benchmark employer of choice in the healthcare industry.

Our People (Continued)

In order to achieve this, the Group's Human Resources teams have eight pillars to their mission.



Improve strategic relationships with external stakeholders, including government, universities, recruitment channels and HR consultants



Promote the power of the HMG brand and strengthen talent-sourcing channels and hiring capabilities



Create an inclusive culture that rewards professionalism, performance, commitment and innovation



Establish a living organization that celebrates successes, overcomes challenges and learns while leading



Transform young potential talent into future leaders by leveraging the scale of the Group



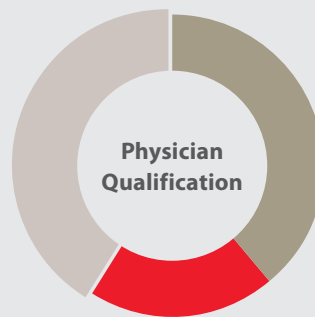
Continuously monitor employee feedback through engagement surveys



Maintain an agile and competitive organizational structure, with digitalization as a key agenda



Achieve productivity by building industrial and functional experts from within



- Western (including US and UK) **39%**
- Saudi **20%**
- Other **41%**



Empowering our Workforce

HMG has always believed in investing in our employees, the true engine behind our success. In 2023, we continued our commitment to training our people with some of the best educational partners in the world, including a strategic collaboration with the University College London's Global Business School of Health to participate in educational programs. The course is aimed at developing crucial skills for effective healthcare management, aiming to empower and support existing staff at HMG to advance their career journeys within the Group. (Read more on page 46)

At the same time, HMG celebrated the graduation of 18 practitioners from the second batch of the Faculty Development Fellowship in Emergency Medicine, conducted in collaboration with George Washington University. The highly successful and skill-driven curriculum has now produced a total of 30 graduates since its inception.

The Group has also partnered with international universities as part of fellowship and residency programs. During 2023, we collaborated with six Canadian universities and Australian universities.

Furthermore, HMG provided more than 800 training hours in key hospitality services to frontline staff, access to 80,000 learning components for employees and students via HMG's Virtual Academy.

Through these programs, we provided extensive knowledge and skill development opportunities, enabling our team members to take on greater responsibilities and confidently step into leadership roles as well as enhance their capabilities. This focus on professional growth and leadership readiness directly contributed to our strategic objectives of business continuity, operational stability and the rapid expansion of HMG.

Leveraging HMG's team expertise, data and infrastructure, we attract and drive innovation to bring ideas to life. In 2023, we conducted the High competition to develop a culture of innovation for our people. The High competition serves as an innovative growth hub platform where our people participated by sharing their ideas and opinions on to how to enhance our services.

Social Bonding and Community

While professional advancement is critical to HMG's success, a spirit of community among colleagues is essential. Employees have created close bonds with each other by participating and celebrating each other's achievements, a connection we see as invaluable in their social life and well-being at work. We constantly encourage building interpersonal relationships and organize events where co-workers and their families are able to gather and socialize. During 2023, we arranged events and signed agreements with vendors to provide discounts to HMG staff and their families.

17,000+

Employees

58 : 42

Female to male ratio

39%

Saudization

3,500+

Physicians

15+

Average years of physician's experience

2,100+

Training programs

5,200+

Employees trained

8,100+

Training hours

80,000+

Learning components in Virtual Academy platform

120+

Recruitment agencies worldwide

Our People (Continued)

Empowering Excellence

A Strategic Approach to Workforce Development

Dr. Sulaiman Al Habib Academy stands at the forefront of healthcare talent development, exemplifying a strategic commitment to nurturing a world-class workforce. Its mandate includes educating and training employees and students through postgraduate, talent development, research, life support, and continuous medical education departments. Among the challenges addressed by the Academy are the need to develop HMG's internal leadership capabilities, to reward and retain staff by providing learning opportunities that lead to attractive career pathways, and to upskill its workforce to meet the demands of our rapidly growing healthcare group.

Central to its success is the integration of innovative digital learning through our Virtual Academy platform, equipped with a vast array of over 80,000 educational modules. This platform represents a significant leap in providing accessible, comprehensive training and professional development opportunities for healthcare professionals.

Moreover, the Academy's approach goes beyond traditional training. It embeds a culture of continuous learning, leadership development and a commitment to social responsibility. This

holistic strategy ensures its workforce is not only highly skilled in current practices, but also equipped to lead and innovate in a rapidly evolving healthcare landscape.

With the vision to become the premier provider of training and education for healthcare and engineering professionals, known for excellence in program design, delivery, and impact, HMG has undertaken several initiatives throughout the year including collaborating with University College London Global Business School for Health. The collaboration aligns with the Academy's aim of amplifying its impact and facilitating the implementation of cutting-edge healthcare management insight with practical clinical skills.

Through this key partnership with UCL, the Academy launched two bespoke Leadership Executive Development (LED) programs to provide our current and future leaders with the knowledge, skills and mindsets required to lead and effectively shape the future of healthcare: the Healthcare Business Administration (HBA) program and HMG Business School (HBS) program. The overarching objectives of these programs are to provide a comprehensive understanding of the contemporary healthcare landscape; equip leaders with cutting-edge knowledge and skills for developing and operating hospitals and clinics in the Middle East and beyond; as well as develop leadership and management skills to meet any challenge.

Virtual Academy



Performance tracking and knowledge management



Easy access to learning opportunities



Scalability and cost efficiency



Knowledge retention and self-directed learning



Employee satisfaction and staff retention

HBA and HBS Programs

125

Leaders trained

4,000+

Live training hours

3,000+

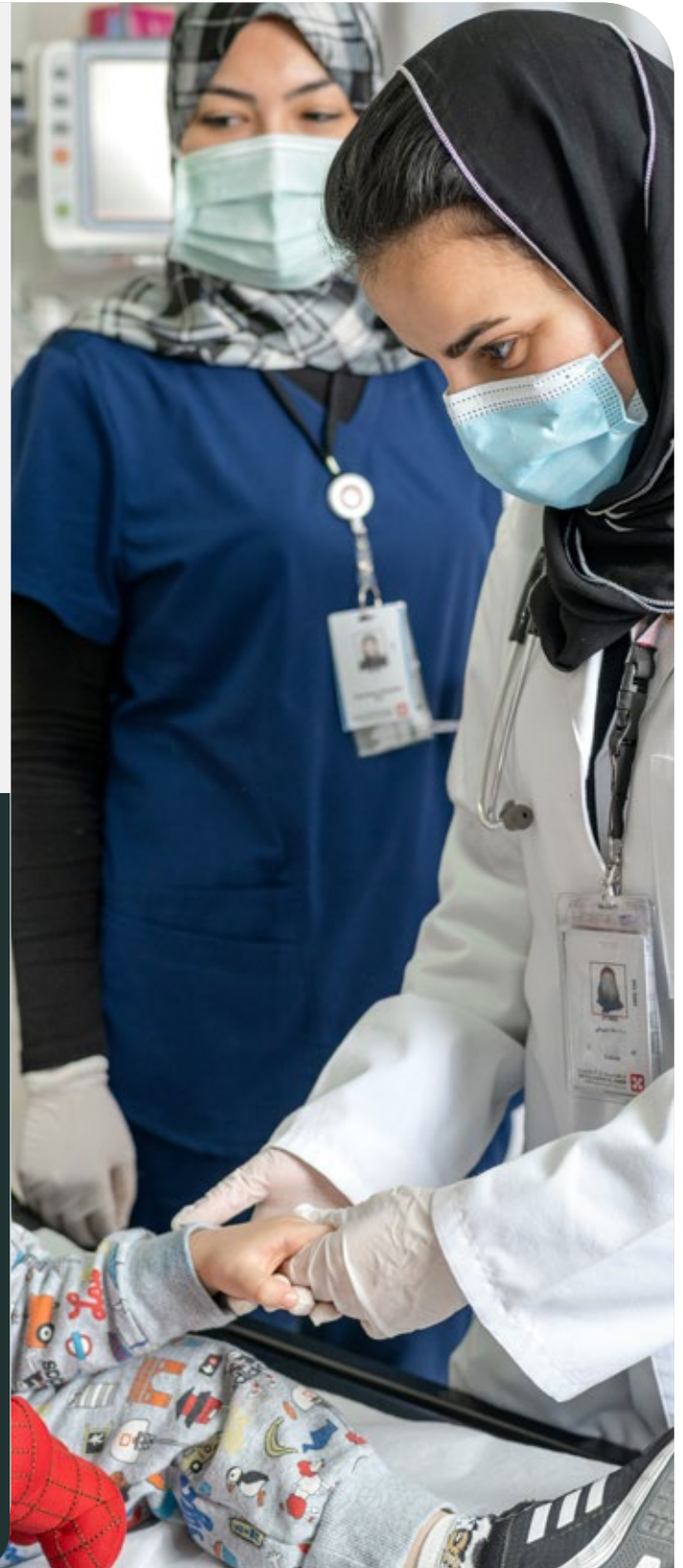
Independent online learning hours



Furthermore, HMG is dedicated to providing high-quality training and education that helps healthcare professionals achieve their career goals. Through our elite scholarship program – the largest of its kind in the Kingdom’s private healthcare sector – HMG continues to support physicians in developing their clinical capabilities and raising the quality of the healthcare system in the Kingdom.

In 2023, HMG partnered with six universities in Canada and one in Australia to sponsor physician training in clinical fellowship programs in targeted specialties, which are in high demand within the Kingdom.

By fostering a nurturing environment for talent growth, HMG’s Academy effectively aligns its workforce development goals with broader organizational objectives. This strategic alignment positions the Academy as a key player in shaping the future of healthcare in Saudi Arabia and the Middle East, demonstrating the power of investing in human capital as a cornerstone for sustainable success in the healthcare sector.



HMG Scholarship



Competitive advantage



Human capital development



Sustainability and growth



Global partnerships



Social responsibility

Our People (Continued)

Saudization and Vision 2030

As part of our commitment to align with Saudi Vision 2030, HMG has invested heavily in recruiting the highly skilled national workforce, increasing the number of Saudi employees to reach 39%. Such remarkable figures are a testament to the increasing levels of medical education, the vocational desire and capabilities to become a part of an industry that places the health of others at its heart.

In line with our commitment to human capital development, HMG designed the EMDAD program in 2023 to integrate university graduates into the world of supply chain in the healthcare industry by offering them on-the-job-training within the different departments of HMG's Supply Chain division.

We proudly built upon the foundations laid by our pioneering initiatives, the Himmah Engineering program and the New Leaders program launched in 2022. Reflecting on the past year, these initiatives have played a crucial role in supporting career progression and significantly enhanced the professional capabilities of the trainees.

By investing in our people in particular and young talent of our community in general, we are preparing a pipeline of professional successors in the healthcare industry. We have not only contributed to the individual growth, but also supported the broader aim of Saudi Vision 2030 to cultivate talent and future leaders within the Kingdom.

2024 – Our Future is our People

As we look ahead, HMG will place an even greater focus on enhancing employees' experiences, including incentives and programs to improve mental health and physical well-being.

By investing in the skills and capabilities of our colleagues and hiring the best talent, we will integrate their knowledge and expertise into our operations and we will draw on their experience to improve our performance, in addition to rewarding our employees for suggesting ideas that drive operational performance improvements.

Our recruitment of expert healthcare practitioners, paramedics and nurses, as well as administrative staff, will ensure the provision of unparalleled quality of services.

To emphasize the Group's performance-driven culture, we will continue to re-evaluate and redesign our performance management framework, enabling HMG to monitor productivity as our colleagues maximize their potential, achieve set goals and align their results with their objectives.

As we continue to optimize our digital training capabilities, we will develop and upgrade our e-learning programs and re-launch our highly successful Himmah Engineering program for leadership development, investing in the future of our business and the next generation of management teams, who will enable us to realize our aspirations.

As we once again thank our people for their wholehearted commitment to the Group and their diligence in everything they do, we will continue to lead our industry as an employer of choice.



Risk Management

In a rapidly evolving economic, technological and regulatory healthcare landscape in the Kingdom and across the world, an effective risk management framework and culture are critical to overcoming challenges and staying ahead of the curve.

HMG's risk management framework is deeply embedded across different levels of the Group. Through its sound systems and processes, HMG is well positioned to minimize risks and overcome challenges posed by macroeconomic changes, while supporting its patient-centric care, patient safety and ensuring regulatory compliance.

The Group has devised strategies and plans to improve its processes and mitigate the impact of identified principal risks. The responsibility of establishing risk management processes and systems of internal control to address those risks lies with the Board of Directors. The Board strongly believes that implementing efficient and effective risk management benefits the Group and its stakeholders by helping it to achieve strategic and operational objectives while increasing HMG's value and sustainability.

This responsibility is handled by the Board, which delegates it to the sub-committees.



Risk Management Methodology

Enterprise risk management (ERM) at HMG allows the Group to proactively and systematically safeguard patient safety, market share, Group assets, brand value and accreditations. HMG has therefore established an integrated and effective risk management framework, through which significant risks are periodically.

- **Identified and assessed** – to determine each risk's relevance and potential to hinder progress towards the Group's strategic and business objectives
- **Prioritized** – to optimize resources and help the Board and Management make well-informed decisions
- **Responded** – to enable risk acceptance based on the Group's risk appetite or to take necessary actions to avoid, mitigate or reduce the severity of the risk



Three Lines of Defense

HMG’s well-established three lines of defense risk governance model creates transparency and accountability through clear segregation of roles and responsibilities and reporting to respective Board Committees, as follows.

Operational Management

Operational Management is responsible for establishing sound business practices and standard operating procedures (SOP) to create employee accountability and perform day-to-day risk management activities and implementation of risk mitigation strategies in the regular course of business. The Patient Safety and Quality of Care Committee established by the Board is responsible for overseeing the Operational Management and adopted clinical practices.

Senior Management

Senior Management’s responsibilities include corporate oversight to monitor and mitigate a wide array of risk including strategic, financial, operational and compliance. General Counsel and other related Senior Management oversee compliance of regulatory requirements and other support functions including IT security, financial controls, quality assurance, business strategy and human resource to ensure Group objectives are achieved while aligning with risk appetite and Group policies. The Executive Committee of the Board is responsible for supervising the Senior Management team of the Group.

Internal and External Audit

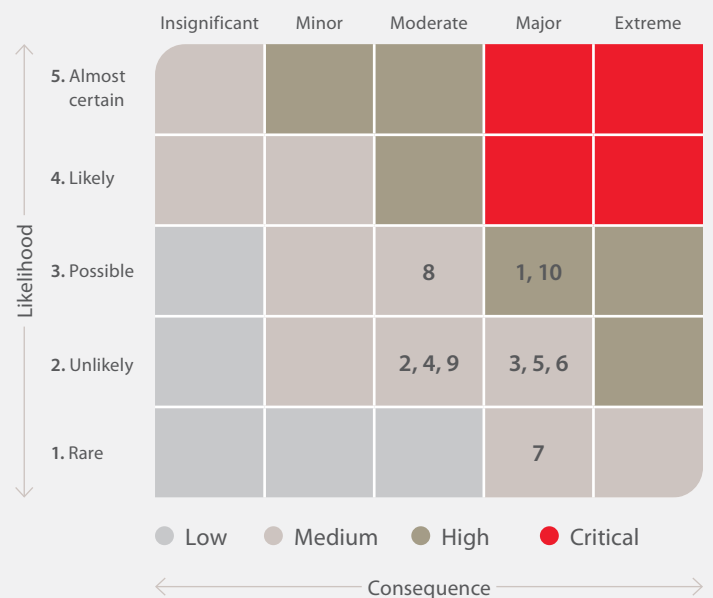
Internal and External Audit provides independent assurance on the effectiveness of the first and second lines of defense to the Board via the Audit Committee, which is composed of Independent and Non-Executive members.

Principal Risks and Mitigation

Risk Score and Heat Map

The likelihood and severity of each of our 10 principal risks is depicted in the following risk heat map:

Risk Level



Risk Management (Continued)

1

Link to strategy

Compliance risks

Category: Regulatory Compliance

Principal Risks

- Regulations by MoH, Saudi Health Council (SHC) and Saudi Food and Drug Authority (SFDA) may become more stringent
- Regulators may increase the percentage of Saudi employees (Saudization)
- Regulators may tighten up healthcare reforms by reducing the cost of healthcare, widening the access to quality healthcare, and increasing the monitoring of quality standards
- Laws and regulations may restrict public physicians from providing services to private healthcare institutions outside the official working hours
- Failure to understand, implement and monitor the internationally recognized clinical guidelines and quality standards
- Non-compliance or business implications of regulatory changes in zakat and VAT laws
- Failure to adhere with the National Platform for Health and Insurance Exchange Services (NPHIES) related regulations
- Changes in Council of Health Insurance (CHI) regulations including unified policy benefits

Implications

- Changes in existing regulations or the introduction of new ones may adversely affect the business operations, revenue and profitability
- Non-compliance may result in losses, fines, restrictions or damage to reputation
- Suspension of visa applications, transfer of sponsorship of non-Saudi employees

Mitigants/controls

- Strategic liaising with regulators
- Board-level and Board Committees’ oversight
- Wide range of continuing medical education (CME) programs for medical professionals
- Dedicated licensing team to ensure renewal of medical license on timely basis
- Legal and compliance functions
- Monitoring and investigating all incidents and reporting them in line with the Group’s whistleblowing policy
- Implementing a yearly mandatory compliance and ethics training course for all employees
- Liaison with Council of Health Insurance (CHI) and successful adhere to the NPHIES-related regulations at Group facilities
- The Group will continue to be proactive, adapt and mitigate any changes in the government regulations on a best-effort basis. However, certain changes by the regulator cannot be mitigated

2

Link to strategy

Economic and business environment risks

Category: Strategic and Business Environment

Principal Risks

- Potential slowdown in the general economy and geopolitical headwinds
- Reduction in healthcare spending from government
- Changes of the relative positioning between healthcare service providers and insurance companies
- Inability to renew or extend existing entity leases
- Increase in prices of utilities and related services

Implications

- Detrimental effect on client base
- Loss of business due to slowdown of economic activity
- Lower revenue owing to reduced prices
- Disruption of business continuity of certain entities in case of expired leases
- Lower profitability

Mitigants/controls

- Proactive monitoring and negotiation by the Group’s subsidiary company, Taswyat, with insurance companies and MoH
- Focus on quality and continuum of care to reinforce the Group’s market position
- Proactive and continuous efforts to monitor and renew near expiring leases well ahead of time while securing alternative sites
- Focus on continuous improvement in operational efficiency and cost optimization

3

[Link to strategy](#)


Competition risks

Category: Strategic and Business Environment

Principal Risks

- Increase in the market competition as a result of emerging new hospitals and privatization of government hospitals in the region
- Inability to maintain HMG's competitive advantage in terms of physician quality and patient experience
- Insurance companies may start providing healthcare services

Implications

- Potential drop in market share
- Lack of business growth opportunities
- Lower profit margin

Mitigants/controls

- High-quality integrated healthcare with a focus on innovation and cost-effectiveness in delivery of services
- A dedicated patient relations department continuously monitoring patient care in each hospital on an ongoing basis
- A dedicated command center facility for robust and timely patient care
- Investing in monitoring medical and technological advancements
- Customer relationship management through dedicated departments like Media and Public Relations

4

[Link to strategy](#)


Operational and business projects risks

Category: Operations and Project Management

Principal Risks

- Inability of the Group to maintain its reputation or infringement of intellectual property
- Inadaptability to evolving regulatory and market environment
- Unfavorable conditions affecting successful completion of projects
- Breakdown or inefficient utilization of medical technological equipment
- Information system failure
- Facility disruption including risk of interrupted electricity or water supply
- Fire and associated threats
- Disposal and management of biohazard waste
- Lack of ESG metrics integration into business and reporting practices

Implications

- Disrupted patient experience
- Reputational damage and loss of competitive advantage
- Financial loss in the event expected cash flows are not realized
- Substandard quality of service

Mitigants/controls

- Effective monitoring and oversight of operations with experienced and dedicated project management team
- Registering all trademarks on which it relies for its business in the Kingdom, the GCC and other countries
- Comprehensive insurance to deal with financial impact of potential disasters
- Comprehensive agreements with contractors for maintenance of medical technological equipment, and disposal and management of biohazard waste
- In-house capacity for data backup and information system recovery
- Extensive firefighting and detection systems
- Formulating a framework to ensure integration of ESG metrics into our business and reporting practices

Risk Management (Continued)

5

[Link to strategy](#)



Clinical and patient safety risks

Category: Clinical

Principal Risks

- Provision of services in a way that may put patients at risk of harm and result in undesirable clinical outcomes including:
 - Procedures performed without following the correct medical protocols and non-compliance and lack of uniformity in application of clinical pathways (CPW)
 - Surgical and procedural adverse events
 - Spread of multi-drug-resistant organisms
 - Failure of infections control function

Implications

- Suboptimal quality of patient care
- Patient dissatisfaction
- Loss of brand equity and reputation
- Disruptive operations
- Legal consequences

Mitigants/controls

- Patient Safety and Quality of Care Committee oversees the overall quality, safety and control of healthcare facilities
- Comprehensive infection control strategies
- Group-wide clinical risk register
- Established accreditation and clinical governance processes
- Quality management processes to ensure CPW uniformity
- Stakeholder engagement and disclosure strategies
- Personal hygiene program
- Complaints monitoring and tracking
- Credentialing and privileging medical team
- Frequent testing and regular maintenance of biomedical equipment

6

[Link to strategy](#)



Information systems security risks

Category: Information Technology

Principal Risks

- Network intrusion, security breaches and unauthorized access to the organization's data and systems
- Inability of business resumption and loss of critical information in the event of any catastrophic negative event due to absence of business continuity and disaster recovery plan
- Increased pressure on data privacy
- Inability to continuously stay abreast of new information systems security threats

Implications

- Unavailability of systems or system failure
- Manipulation or lack of data confidentiality
- Adverse impact on patient care
- Financial loss

Mitigants/controls

- Implementing ISO 27001 standards for the information security management system and ISO 20000 for IT service Management, and the functions being fully complied with and accredited
- Conducting a vulnerability assessment and penetration testing, and appropriate controls being implemented
- Adequate encryption of patient information in place
- Implemented disaster recovery sites and in-house data centers; Management working towards enhancing the function as per the international standards
- Comprehensive information systems identity access management change and physical access controls
- Implementing multi-layered information security
- Implementing a yearly mandatory information security training course for all employees

7

Link to strategy



Innovation and digitalization risks

Category: Information Technology

Principal Risks

- Failure to transform traditional healthcare services to adhere to new clinical and healthcare technology and/or usage of obsolete technologies
- Failure to compete in the digital health arena

Implications

- Loss of patients
- Loss of competitive advantage
- Loss of market share

Mitigants/controls

- Benchmarking and monitoring technological advances globally
- The Group's subsidiary company, Cloud Solutions, develops and implements infrastructure, applications and systems for the Group as well as other healthcare facilities to provide latest digital solutions
- Competent clinical engineering team under Flow Medical Company, the Group's subsidiary company, to maintain high technological standards and continuous investment in medical equipment
- Systematic training of staff for competent use of existing and new technology

8

Link to strategy



Human capital risks

Category: People

Principal Risks

- Inability to attract, engage and retain qualified personnel
- Inadequacy or lack of continuous development of key personnel
- Inadequate succession planning for key positions
- Employee negligence, conflict of interest, fraudulent activities or misappropriation
- Concentration risk owing to hiring of nurses from certain countries

Implications

- Adverse impact on healthcare quality, culminating in dissatisfied patient experience
- Ineffective service delivery
- Lack of smooth operations leading to detrimental effect on the Group's reputation and brand image

Mitigants/controls

- Effective sourcing strategies, highly qualified and dedicated recruitment team, employee career paths, attractive and competitive salary packages, accommodation facilities and good working environment, aiding attraction and retention of employees
- Dedicated training department to focus on and impart extensive training and skills development program and foreign recruitment program
- Develop succession plan for the key executive positions and monitor on a periodic basis
- Mandatory compliance forms to be submitted by employees, to include those concerning conflicts of interest, gifts and hospitality, and non-disclosure agreements
- Perform periodic resource assessment in terms of concentration, allocation and growth by nationalities

Risk Management (Continued)

9

Link to strategy



Financing, credit and liquidity risks Category: Financial and Reporting

Principal Risks

- Unavailability of capital to finance strategic expansion opportunities
- Inability to pay the outstanding balance owing to banks and/or other lending institutions
- Failure to recover outstanding amounts due from insurance companies, government and other institutions

Implications

- Bad debts
- Adverse effect on day-to-day operations
- Unhealthy financial position
- Disruptive cash flows

Mitigants/controls

- Long-term planning of capital requirements and cash flow forecasting
- Proactive and strategic partnerships with financial institutions (governmental and non-governmental) relating to financing facilities
- Strong follow-up mechanism with Revenue Cycle Management company (Taswyat) for recovery of claims
- Efficient and effective cash management policy

10

Link to strategy



Pandemics and infectious diseases risks Category: Strategic and Business Environment

Principal Risks

- Disruption of clinical, operational and business caused by a pandemic or infectious disease
- Non-compliance with MoH guidelines regarding protocols to be followed during a pandemic
- Trust deficit in patients visiting healthcare facilities during and post-pandemic
- Shortage of healthcare supplies and equipment
- Medical staff at high risk owing to direct exposure
- Limited availability of beds and isolation rooms

Implications

- Penalties by regulator and impact on brand image
- Impact on GP percentage due to high cost of providing medical services
- Decline in patient count
- Shortage of available medical staff, which may hinder patient care

Mitigants/controls

- Investing in implementation of state-of-the-art medical technologies to support remote work, video consultations, online pharmacy and other patient-centric healthcare services
- Comprehensive infection control strategies
- Vigilant material planning, robust database of primary and secondary suppliers, monitoring market situation
- Patients to be prioritized based on complexity of the case and availability of beds
- Active involvement in government vaccination campaign to achieve desired level of herd immunity



Corporate Sustainability

In its capacity as the leading healthcare provider in Saudi Arabia, HMG seeks to maintain its position as a highly proactive champion of corporate responsibility. By building and improving its own practices, the Group seeks to inspire and influence other organizations in the way they work, paving the way for a more sustainable future.

Our commitment to sustainability, the well-being of our community and ethical business is a priority in all our strategic decisions as we continue to reinforce our position as an ESG role model.

Keeping in line with the goals of Saudi Vision 2030, we take a holistic approach to ESG, incorporating our immediate and long-term objectives into every level and aspect of our operations. We believe in synergizing our economic and environmental outlooks, allowing us to integrate with world-class business in a sustainable manner.

Our robust governance, transparency and accountability reflect our innate sense of responsibility towards our people, patients and partners. We continue to deliver exceptional results with integrity, ecological custody with impact, and operational excellence with unparalleled success.

As we strive to excel not only in medical care, but also in environmental responsibility, social equity and governance transparency, we embarked on a journey to formalize our approach established in late 2020.

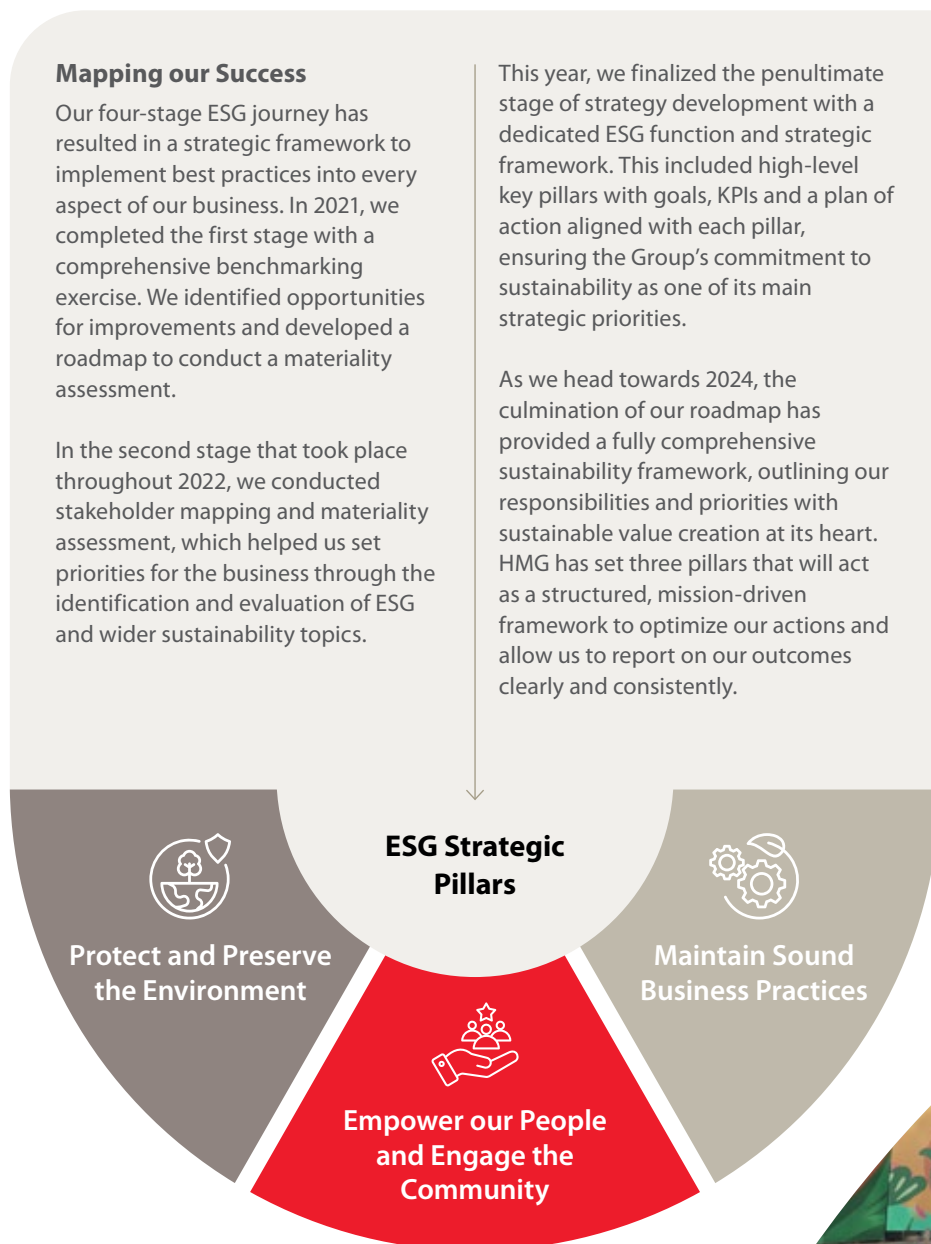
Mapping our Success

Our four-stage ESG journey has resulted in a strategic framework to implement best practices into every aspect of our business. In 2021, we completed the first stage with a comprehensive benchmarking exercise. We identified opportunities for improvements and developed a roadmap to conduct a materiality assessment.

In the second stage that took place throughout 2022, we conducted stakeholder mapping and materiality assessment, which helped us set priorities for the business through the identification and evaluation of ESG and wider sustainability topics.

This year, we finalized the penultimate stage of strategy development with a dedicated ESG function and strategic framework. This included high-level key pillars with goals, KPIs and a plan of action aligned with each pillar, ensuring the Group's commitment to sustainability as one of its main strategic priorities.

As we head towards 2024, the culmination of our roadmap has provided a fully comprehensive sustainability framework, outlining our responsibilities and priorities with sustainable value creation at its heart. HMG has set three pillars that will act as a structured, mission-driven framework to optimize our actions and allow us to report on our outcomes clearly and consistently.



Through these pillars, we will focus on practical action to not only mitigate our effects, but also have positive impacts on the world around us. In addition, we will consistently innovate healthcare for our patients and invest in our teams to realize their full potential, and ensure the rules, practices and processes of our corporate governance maintain their integrity, accountability and transparency. Showcasing our collective commitment to sustainability, the first half of 2024 will see the publishing of our first standalone ESG report.

Practical Use of Resources

In anticipation of our ESG strategic framework, and in line with the ambitious goals we set for ourselves in 2023, HMG made significant progress in, reducing waste and increasing recycling.

Recognizing the role that raising awareness plays in further accelerating the Group's progress towards a sustainable future, we place great emphasis on improving our methods, as well as embedding our teams with the correct mindset. By doing so, we allow them to be better positioned to place

the preservation of resources and the reduction of our ecological footprint at the head of our daily operations.

With this in mind, our focus in 2023 was to continue reducing medical waste, energy and water consumption coupled with increasing recycling and long-term cost savings.

Sustainability in Action

Energy-efficient Equipment and Practices

In order to maintain and increase our contributions to the protection and preservation of the natural world, we launched and ramped up numerous impactful initiatives and operational efficiencies. By implementing measures such as upgrading lighting systems, thermostat adjustments and shutting down energy-sapping systems when not in use, we made substantial impacts.

Waste Management

The consumption and cost of medical waste and general waste was constantly monitored across our facilities. In addition, going paperless by implementing and integrating new software has shown an enormous effect on our sustainability ambitions.

Go Green Program

Encouraging all staff to participate in recycling and waste reduction, we provided separate containers to segregate general and recycling waste at hospital entrances in both new and existing facilities.

Established Water-efficiency Goals and Objectives

We tracked the consumption and cost of water on a monthly basis, installing water management systems, sensor faucets and water flow meters, as well as using alternative sources. Waste water from hand washing is now used for hospital garden irrigation, ensuring we explore and activate every avenue to conserve our water resources.



Corporate Sustainability (Continued)

Committing to our Responsibilities

In our role as industry leader, we regard the responsibility we have to our profession and our society to play a prominent part not only in advancing global medical progress but also actively contributing to the people and communities among whom we live and operate.

HMG is committed to sharing healthcare knowledge and experience for the benefit of patients across the globe. This commitment comes from the Group's belief that the dissemination of ideas, innovations and expertise will undoubtedly lead to the enhancement and progress of medical practice worldwide.

As an internationally respected healthcare provider across a wide spectrum of specialties, HMG continues to support the medical community through various initiatives by hosting and leading national and international conferences. Panel discussions, workshops, seminars and courses have been pivotal in fostering collaborative efforts and forging new partnerships, serving as an invaluable platform for sharing knowledge and skills development.



Major conferences held in 2023:



1st International Neonatology Conference

2nd International Diabetes Conference

2nd International Anesthesiology Conference

2nd International Nursing Digitalization Conference

3rd International Radiology Conference (Abdominal Imaging)

5th International Conference "Preserving Women's Health"

7th International Critical Care Conference



Sharing the Value of Knowledge

In 2023, HMG conducted various workshops, seminars and courses to cultivate and promote awareness and health education.

- Live broadcast of a high-quality surgical procedure at the Asian-Emirati Conference for Kidney and Urology Surgery in Dubai
- The 24th Pediatric Course accredited by the Saudi Commission for Health Specialties
- Conscious Sedation Workshop
- Disaster Management Course
- ABC of Dermatology Course
- RCPI Ob-Gyne Review Course
- CTG Interpretation Course
- Fundamentals Critical Care Workshop
- Difficult Airway Management Workshop
- Acute Surgical Emergency Workshop
- Worldwide Pressure Ulcer Prevention Day
- Diabetes Awareness Day
- Basic Surgical Skills Workshop
- Global Hand Hygiene Day and Awareness
- Awareness Event – “Say No to Drugs”

Continuous Medical Education in 2023

200+

CME activities

500+

CME hours

460+

Speakers

20+

International speakers

9,400+

Participants

Corporate Sustainability (Continued)

Reinforcing our truly global following, a unique Memorandum of Understanding was signed between HMG and the Ministry of Health and Direct Investment Fund of the Republic of Uzbekistan. The Group celebrated the completion of the first batch of Uzbekistani consultant doctors' training in general surgery, bariatric surgery and neurosurgery.

Adding to our status as an international hub for medical academia, HMG hosted the second Irish Fellowship Program examination in Obstetrics and Gynecology on behalf of the Membership of the Royal College of Physicians of Ireland (MRCPI) which is internationally recognized benchmark of excellence. This followed previous successes in hosting examinations in the field of Internal Medicine. Furthermore, we are organizing the Irish Fellowship Exam in Clinical Medicine.

HMG Research Center

The HMG Research Center is a focal point of global medical discovery and scientific advances in healthcare, with a remit for enhancing the lives of people within the Kingdom and beyond.

Throughout history, all medicine has been based on research and the need for further insight has never been greater. Each new scientific discovery is an incentive to explore new means of diagnoses and treatments.

In 2023, the third edition of the Dr. Sulaiman Al Habib Journal Award for Excellence and Scientific Research was launched, with a prize valued of SAR 1.5 million, underscoring the pivotal role of medical innovation. The award supports the production and preparation of world-class environments for scientific creativity, in line with Saudi Vision 2030, providing unprecedented opportunities for the development of research in the healthcare sector.

In addition to Excellence in Scientific Research, awards were presented for the top three training programs, two awards for the best program managers and 17 awards for the best trainees.

As a celebrated pioneer in healthcare innovation, the center publishes the Dr. Sulaiman Al Habib Medical Journal, the only private healthcare provider in KSA to publish a peer-reviewed quarterly medical journal. In order to reach an even wider professional medical audience, the Research Center now publishes articles and papers with the world-class publisher Wolters Kluwer, a global provider of professional healthcare information, expanding its circulation and elevating its quality standards.

In an important step towards full access, the center's research-related services were digitized in 2023, to enable delivery of its services via the virtual academy portal.

HMG's Research Center actively participated in multiple conferences in 2023, sharing knowledge and exchanging experiences with international industry experts and practitioners.

4
Journals issued (Dr. Sulaiman Al Habib Medical Journal – a peer reviewed journal)

150+
Research articles/
papers published

130+
Research proposal
submissions to the
Institutional Review Board



A Medical Seat of Learning

The reach, reputation and results of our educational and training programs are among the most effective in the region and attract global praise as well as international students. We continue to forge new partnerships with prestigious universities and colleges, which work with us to provide an unrivalled level of learning.

Many of HMG's postgraduate training programs involve collaboration with local institutions, delivering exceptional academic and practical skills to students who are either entering or furthering their careers. In 2023, we welcomed 100 trainees in various residency and fellowship programs accredited by the Saudi Commission for Health Specialties, providing the perfect learning environment for aspiring medical professionals.

Furthermore, we celebrated the graduation of 18 practitioners from the second batch of the Faculty Development Fellowship in Emergency Medicine, a program conducted in collaboration with George Washington University. The highly successful and skills-driven curriculum has now produced a total of 30 graduates since its inception.

The HMG scholarship program is an outstanding platform for medical education, which brings competitive advantage and global partnerships, enhances human capital development, and encourages sustainability, growth and social responsibility. The program ensures Saudi physicians have the most comprehensive medical education in a global context; our scholarship program for trainees in various specialties has provided the opportunity for recipients to attend world-class universities. Currently studying in the USA, Canada, Australia and the UK, these trainees are able to gain new insight and perspectives from international specialists.

On both a domestic and global level, HMG continues to bring valuable alliances and partnerships to our educational arena. These partnerships provide the platform for various training programs for Saudi youth, providing students with a well-rounded understanding that incorporates both theoretical and practical skills.

Working Together for Student Support

As part of our remit to enable potential practitioners to perform to the best of their ability and compete on a world-class stage, HMG signed a cooperation agreement with King Saud University, Prince Sultan bin Abdulaziz College for Emergency Medical Services, Shaqra University and Almaarefa University in 2023, aimed at improving the quality of education and training. The agreements included academic collaboration, research, training and internships for undergraduates in HMG's hospitals, leveraging our expertise to support the community and empower upcoming talent. With an emphasis on hands-on experience, the students will be provided with opportunities to enhance their practical skills as an essential element in their journey to succeed in medical careers.

Furthermore, in line with our broad scope of specialist healthcare knowledge, HMG also signed a cooperation agreement in 2023 for training and education with the Saudi Federation of Sports Medicine. This collaboration will focus on scientific experiences, training courses, conferences and lectures, to ensure students are fully informed of the most modern and innovative treatment and diagnoses of sports injuries.

HMG Postgraduate Programs

32

Residency and fellowship programs

100

New trainees enrolled in 2023

200+

Total trainees enrolled in residency and fellowship programs

98%

Pass rate

380

Enrolled across five SCFHS-accredited HMG diploma programs

HMG Undergraduate Program

2,900+

Students trained throughout 2023

24

University and college agreement

Corporate Sustainability (Continued)

Cardiopulmonary Resuscitation (CPR) Center

HMG's CPR centers are accredited by the neonatal resuscitation program from the American Heart Association. Last year, we conducted more than 980 CPR courses for more than 6,200 participants. This brings the total number of individuals trained in CPR since the launch of the program to more than 66,300 across 10,600+ courses, including first aid, BLS, ACLS, PALS and NRP.

Serving our Communities

As the largest private healthcare provider in the Kingdom and a prominent supporter of the events, celebrations, campaigns and community initiatives that take place in Saudi Arabia, HMG is proud to have played a large part in sponsorship and practical medical services throughout 2023.

HMG organized nine blood donation campaigns in Riyadh city to raise awareness and bolster the blood supply as part of our community engagement. We celebrated World Blood Donor Day and by partnering with the National Association for the Blind (Kafeef), HMG launched a pioneering Braille blood donation form, providing greater access for visually impaired individuals in Saudi Arabia to donate blood. Implemented across HMG hospitals and blood donation centers, this empowers blind or partially sighted members of the community to contribute to this essential cause.

HMG has extended its supporting arm through a clothing donation campaign launched by the Ehtwaa Foundation,, one of Saudi Arabia's most respected non-profit organizations.

Utilizing its sponsorship of the fifth Sports Championship for People with Disabilities, HMG assisted in raising awareness about the rights and issues that are often associated with disability. The event, which took place

at the Prince Faisal bin Fahd Hall in Riyadh, attracted 23 associations representing people with disabilities. The Group provided healthcare services throughout the event, with several first aid points at the venue administered by highly experienced medical and technical teams.

For the fourth consecutive year, HMG is the strategic medical sponsor of Riyadh Season. In 2022, the event attracted more than five million visitors within the first two months of its third editions.

In a global sporting event with one of largest Middle East TV audiences, the Formula 1 Saudi Grand Prix saw HMG's contribution as its medical sponsor. In an agreement with Saudi Motorsports Company, the Group supplied first aid and several emergency points and mobile units for rapid intervention.

Being a sponsor to the 2023 FIFA Club World Cup in Jeddah, the Group once again provided comprehensive medical services across all tournament venues, training facilities and accommodation, aligning with HMG's dedication to national initiatives, underscoring our Group's role in supporting the Kingdom with medical expertise for major global sporting events.

In addition, HMG sponsored the Saudi Cup for Equestrian and Horse Racing 2023, providing medical care and educational campaigns, while introducing new generations to its cultural heritage in alignment with Vision 2030.

The Group proudly served as a sponsor for the 2023 Saudi Games in Riyadh, where the participants exceeded 8,000 across 53 sports, highlighting the partnership's importance in fostering Saudi talent and contributing to sport and youth development.

Our Dubai hospital provided more than 60 events throughout the year, including a wide range of awareness and wellness campaigns. These campaigns and events served to create an engaged and healthier community with a greater appreciation of their own physical well-being.

SAR 26.5m+

Medical services for communities

Our Sustainable Future

Building on our many outstanding achievements and putting into practice the sustainability and ESG metrics, the year ahead promises to be a historic defining point in our responsibilities to our environment, our business, our patients, our people and our stakeholders.

The Group will continue to deliver on our promises of educating and training the next generation of aspiring Saudi physicians and practitioners, with the full support of our esteemed national and international partners, producing some of the most skillful healthcare providers in the world.

Recognizing our leading position in the region and the responsibilities it entails, we will continue to drive new initiatives and innovations. We will do so through our remarkable research facilities making full use of our pioneership in medical science, thereby contributing to a sustainable global community.





3

OPERATING REVIEW

Hospitals and Healthcare Facilities	68
Pharmacies	80
HMG Solutions	82
Cloud Solutions	82
MD Labs	86
Home Healthcare	88
Flow Medical Company	89
Taswyat Management Company	90

Hospitals and Healthcare Facilities

We constantly expand and upgrade our operations and services to maintain our position as the largest and most comprehensive healthcare provider in the region. In 2023, we achieved remarkable milestones, in launching additional facilities, building lasting international relationships and advancing medical expertise and innovation.

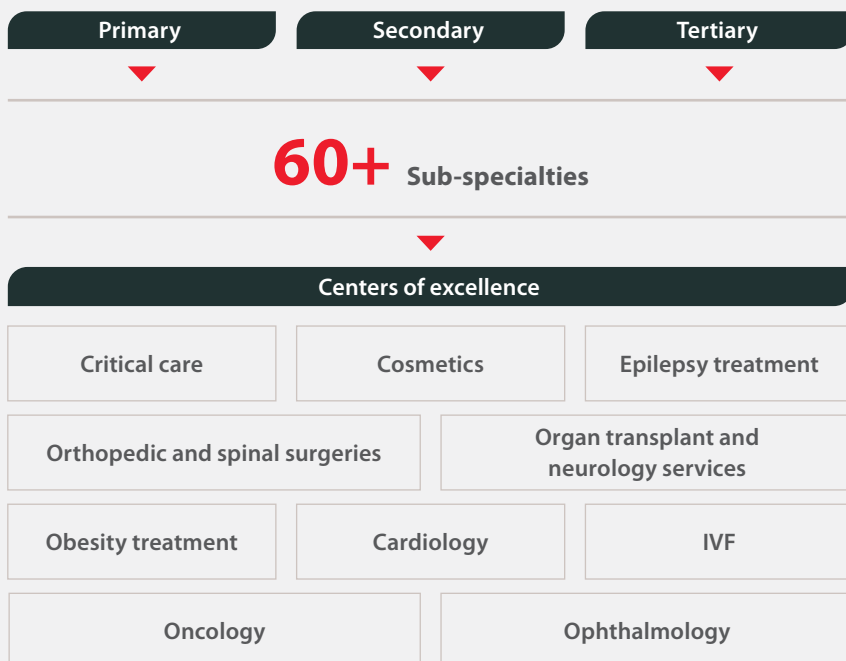


We have consistently ensured the people who come through our doors have a seamless journey throughout their hospital experience, as we deliver on our ultimate objective of unrivalled patient care.

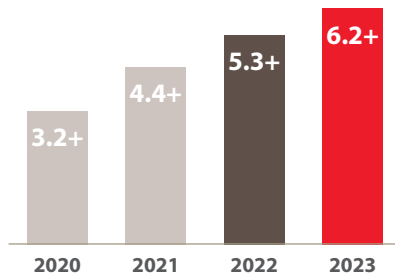
Driving our resolve to become a leading provider in global healthcare, we have once again elevated the exceptional level of care we provide, setting industry benchmarks across the region in a growing number of world-class facilities.

In 2023, we inaugurated three additional state-of-the-art medical centers. As the Group continues its dynamic growth strategy, we improved the capabilities and infrastructure of each new facility,, building on its innate philosophy of care without compromise.

Medical Excellence is at the Core of our Services



HMG Patient Numbers (million)



Upcoming Facilities

9

Hospitals

3

Medical centers

Our Broader Portfolio of Services

Inpatient beds including critical care beds



Outpatient clinics



Emergency care



Specialized care



Surgeries



Tele-medicine



Medical diagnostics



Vaccination



Home healthcare



Field medicine services



Improving Access through New Medical Centers

As we continuously increase our effectiveness and capacity, in 2023, we launched three medical centers in Riyadh: Digital City and Al Narjis and Al Ghadeer districts. These dynamic, cutting-edge facilities deliver a comprehensive range of services through multi-specialty clinics to improve patients' timely access to our medical services, thereby aiding in decreasing their expenses.

HMG continues to expand its presence across the Kingdom not only through ongoing projects, but also with strategic partnerships and alliances. In 2023, the Group signed a conditional investment agreement with the Royal Commission for Jubail and Yanbu to establish a hospital in the allocated land with an area of 115,482.9m² in Jubail Industrial City.

In a further strategic partnership agreement with King Abdullah Economic City (KAEC), HMG will establish an advanced medical center to provide best-in-class integrated healthcare services to the KAEC's residents and visitors. This will include outpatient clinics supported by emergency medical care, in addition to advanced diagnostic units that include radiology and laboratory

services. The Group also operates and manages the NEOM Community Clinics in addition to University Medical Center (UMC) in Bahrain.

Through our field medicine services, HMG maintained its commitment to enhancing the quality of cultural and sporting life in the Kingdom by sponsoring national and international events including Formula 1, FIFA Club World Cup, Saudi Cup and King Abdulaziz Camel Festival among others. In addition, the Group has reaffirmed its vital contribution to Vision 2030 by being the premium medical sponsor of Riyadh Season operating 12 urgent care clinics across various locations, such as Wonder Garden, Boulevard World, Souq Al-Awaleen and more.

Hospitals and Healthcare Facilities (Continued)

Hospital and Healthcare Facilities Strategic Pillars

While HMG has continually evolved, its core strategies have always revolved around five essential pillars to enhance the patients' experiences and safety, deliver a standardized care that aligns with international standards, provide services in an efficient way, and continuously innovate and incorporate technologies to enhance care.

- Patient experience

- Patient safety

- Standardization of care

- Performance and efficiency

- Innovation and technology


Driving Innovation through Advanced Technologies

Innovation in the healthcare industry has optimized the entire medical journey, from consultation to home help and beyond. Reliance on tele-health is greater than ever before as the world moves towards an era of greater mobility. Through our investment in technology during 2023, our expert physicians were able to perform leading-edge surgery, from saving the lives of newborns to restoring movement to the elderly, reaffirming HMG as a hub of medical milestones.

HMG is the first private healthcare provider to integrate a range of AI radiology in the Kingdom. In 2023, we became the first private sector healthcare provider in the Kingdom to use AI technologies to detect breast cancer through mammogram readings. This aligns with our commitment to stay up to date with the latest scientific research and technological advancements. The AI tool has proven to increase the accuracy and speed of cancer diagnosis, thereby providing early care for women.

HMG has been an unrivalled leader in digital health, including services such as tele EEG, tele-cardiology, tele-ICU Center, tele-stroke, tele-radiology and Live Care. Having wholly integrated our tele-medicine services, in 2023, we expanded our Live Care services by adding more clinics, covering 24-hour services and all medical specialties. This year, HMG received an Excellence Award from the Saudi Arabian Cardiac Interventional Society (SACIS) for the remarkable successes of our NABAD program in remote tele-cardiology treatment for heart thrombosis.

Revolutionizing Emergency Care Dramatic Reduction in ER Waiting Times

In 2023, HMG's emergency room (ER) facility underwent a transformative journey, significantly reducing waiting times and enhancing patient care through the launch of ER 45 program. This impressive turnaround was the result of a strategic combination of process optimization, technology integration and staff empowerment.

As the first point of contact for emergency care, the 46% year-on-year growth at the ER demonstrated the strength of the HMG brand and trust of patients. In order to ensure the highest standards of patient care and experience, HMG transformed the patient journey, resulting in a 32% decrease in the length of stay in 2023 compared to 2022.



Hospitals and Healthcare Facilities (Continued)

Tele-medicine in HMG

Tele-EEG

Our Tele-EEG program is the first in the Middle East to combine ambulatory EEG with inpatient video telemetry under the supervision of highly trained and experienced epileptologists to provide useful clinical information and enhance the diagnosis of seizures.

Tele-cardiology (NABAD 24 program)

Remotely diagnoses suspected heart attack case and provides rapid response, drastically reducing time for medical intervention and directly improving the chance of survival for the patient.

Tele-ICU

HMG's world-record Tele-ICU program is a life-saving communication link that enables access to patient health data and e-consultation services with remote diagnostics through virtual consultation.

Tele-stroke

HMG's Tele-Stroke program is the first facility in the region to use AI and other advanced technologies to treat stroke patients, shortening the time of diagnosis, accelerating the discovery of strokes and improving the understanding of the extent of the condition – all critical factors in improved patient recovery.

Tele-radiology

Transmits patients' radiological images – such as X-rays, CT scans and MRIs – across multiple locations. It is the point-to-point communication of clinical imaging for the purposes of primary reporting, radiologist advice or consultation.

Live Care

Remote patient care service delivered through a dedicated HMG app. Patients can communicate with physicians from anywhere and at any time via the app and obtain medical consultations, pharmacy services and more.



Our use of technology extends far beyond medical innovation, as we continue to improve our administrative efficiency. HMG is the first healthcare provider in the Kingdom to work with NPHIES, a network linking hospitals and insurance companies. Using collective health data, insurers are able to view and assess a history of medical records, ensuring a more time-effective, cost-efficient service.

Expert Praise for HMG in 2023

HMG participated in the Asian-Emirati International Conference on Kidney and Urology Surgery in Dubai, one of the largest medical conferences in the Middle East, drawing the attention of over 150 high-profile international healthcare professionals. One of the key highlights was prostate surgery at our Olaya Medical Complex, performed using advanced laser techniques, reinforcing Saudi Arabia's leadership in the healthcare sector both in the GCC region and internationally.

Our Rayan Hospital participated in Istanbul's global heart conference Treatment of Chronic Coronary Artery Occlusion via Catheterization where two live procedures were broadcast live to representatives in 11 countries. The first case involved an elderly patient with chronic right coronary artery occlusion and severe chest pain, where previous medical procedures had proven unsuccessful. However, the hospital's experienced practitioners executed a successful surgery. The second procedure involved a patient with occlusions in two arteries, undergoing separate procedures across a four-hour period, resulting in a swift and healthy recovery.

The Group's active involvement during the conference was based on its substantial successes in catheterization, which was hailed as a triumph by the scientific committee.

A Global Hub for Healthcare

In 2023, HMG received a record number of medical tourists, a further endorsement of the superior services available. As a result of the service excellence provided to the visitors, mainly at our Khobar Hospital, we received Global Healthcare Accreditation, which ensures the entire medical travel cycle provides an exceptional experience for its patients.

In harmony with the Saudi Vision 2030 goal for encouraging visitors to seek the most successful healthcare in the Kingdom, we are a key organization in delivering that goal, which is vital to enhancing the reputation and attractiveness of Saudi Arabia as a leading regional hub for healthcare tourism.

Raising Standards and Receiving Recognition

In 2023, we were recognized and accredited by some of industry's most respected global organizations, highlighting our operational excellence in healthcare practices, patient experience and medical outcomes.

HMG's "Person-Centered Care Clinical Governance Standards" and "Person-Centered Care Patient Experience Standards" have received recognition from the International Society for Quality in Health Care (ISQua) External Evaluation Association (EEA), Ireland, as the only authority that endorses the standards globally. We are the first healthcare provider in the Kingdom to achieve these unique set of standards which is a testament to our unwavering dedication to quality healthcare services. These ISQua EEA-accredited sets of standards have propelled us to enter the global business of healthcare accreditation to certify hospitals within and outside the Kingdom of Saudi Arabia.

HMG was the first healthcare provider in Saudi Arabia to receive the top medical transformation team award from the European Foundation for Quality Management (EFQM). The award was in recognition of our dedication to excellence in medical services.

We have also received the ADA'A MOH Award, a prestigious distinction granted in appreciation of HMG's innovative Tele stroke Program by His Excellency, the Minister of Health. Out of over 10,000 applicants worldwide, our program stood out for its unwavering dedication to delivering outstanding and pioneering healthcare services.

In addition, we proudly received two prestigious awards for the National Patient Safety Award, granted by the Saudi Patient Safety Center. HMG was recognized for two distinguished projects namely Tamkeen, a unified fast track protocol for enhanced surgical patient safety. The second award was for the project of Reducing the Risk of Anesthesia Medication Errors that is related to adopting the Human Factor Color Coding System. These awards were received under the esteemed patronage of His Excellency, the Minister of Health, a tribute to the exceptional impact of our projects.

Moreover the Intensive Care Unit at our Takhassusi Hospital received the Beacon Award for Excellence by the American Association of Critical Care Nurses (AACN). HMG's KPIs are now applied as a global benchmark by AACN, underscoring our dedication to research, development and the cultivation of an environment conducive to leadership and teamwork in critical care units.

In 2023, Suwaidi Hospital received the Certificate of Excellence from the Surgical Review Corporation (SRC) for general surgery, bariatric surgery, urology and endoscopy, acknowledging the highest level of care and safety. Our Olaya Medical Complex was accredited by the same awarding body for ear, nose and throat treatment. All of HMG's hospitals and healthcare facilities are now certified and accredited by the SRC.

Furthermore, as a testament to the unrivalled quality of the Group's entire range of facilities, all hospitals within HMG secured accreditation from the American College of Pathologists (CAP) for the sixth consecutive time. This, in addition to accreditation from the Association for the Advancement of Blood and Biotherapies (AABB), affirms our commitment to delivering medical services of the highest caliber and compliance with international standards in laboratory testing.

Hospitals and Healthcare Facilities (Continued)

Major Awards and Accreditations throughout 2023

ISQua EAA, Ireland



JCI Accreditation (Hospitals and Ambulatory Care Centre), USA



National Patient Safety Award



European Foundation for Quality Management



American College of Pathologists (CAP), USA



ADA'A MOH Award



Global Healthcare Accreditation, USA



Association for the Advancement of Blood and Biotherapies (AABB), USA



Saudi Arabian Cardiac Interventional Society (SACIS)



Surgical Review Certificate of Excellence, USA



American Association of Critical Care Nurses (AACN)



ISO 9001:2015



ISO/IEC 27001



ISO/IEC 20000



Newsweek and *Statista's* inclusion of our three HMG hospitals among the best in Saudi Arabia is a global validation of HMG's relentless pursuit of excellence. This endorsement by renowned experts and patient experience surveys speaks volumes about the quality of care HMG delivers, further bolstering investor confidence in its brand and trajectory.

While these outstanding acknowledgements of our quality and dedication are a source of great pride in our achievements, they also serve as a benchmark for the standards we must reach across all of our services.

Pioneering Medical Achievements

In 2023, we continued to make significant progress and take great pride in the

groundbreaking programs and procedures across our Group that mark medical milestones in our journey of innovation and excellence.

In Khobar Hospital, a specialized team succeeded in performing the Middle East's first-ever spinal fusion surgery. The patient, a 12-year-old child, was diagnosed with scoliosis characterized by a 45-degree curvature. The advanced procedure required the use of endoscopy and expertise from the thoracic surgery team for nerve navigation.

Building on our success stories in providing the best cardiovascular services, a specialist medical team in our Rayan Hospital successfully performed a rare transcatheter

aortic valve replacement (TAVR) to replace the bioprosthetic aortic valve. This operation was the first ever undertaken in the Kingdom.

Our facilities have witnessed tremendous achievements in performing rare surgeries. For instance, Qassim Hospital conducted a complex procedure, which is the first of its kind in the Kingdom, to restore movement to a sixty-year-old who suffered from hemiplegia. In setting a medical precedent in the Kingdom, the team operated on the patient who suffered from the formation of "solid and liquid" on the brainstem, neck and spinal cord.

Throughout the year, HMG has treated babies with abnormalities with great success, including a surgical procedure to save an infant afflicted with an extremely rare congenital anomaly, known as an “umbilical cord hernia with a patent urachus” affecting only one in every 100,000 newborns.

In addition, HMG surgeons at Khobar Hospital completely removed a large cancerous tumor using laparoscopic surgery without a single blood unit. This enhanced patient safety by eliminating the need for traditional surgical incisions, one of the few hospitals in the Kingdom able to perform such advanced techniques.

Furthermore, laparoscopic surgery at our Takhassusi Hospital saved a patient from nephrectomy (kidney removal) after a medical team of urologists successfully removed a tumor from the patient’s left kidney. The surgeons combined

laparoscopic and ultrasound techniques, sparing the patient from having to undergo a complete removal of the affected kidney.

These ground-breaking surgeries and procedures are some of the many achievements the Group has attained thanks to the highly qualified workforce as well as the implementation of cutting-edge technologies. HMG continues to build on our success of providing innovative healthcare services that create value to people we serve.

Saudi Vision 2030

As the largest healthcare provider in the Kingdom, Saudi Vision 2030 is at the forefront of everything we do. HMG is wholly committed to the responsibility and opportunity to contribute to the vision and the healthcare sector transformation program through each and every aspect of our operations across the region.

We continuously raise the standards of care and deliver best-in-class healthcare services, leading the Kingdom’s healthcare sector. This builds expertise, capabilities and technologies, driving a more pioneering and innovative society.

Our aim to champion ESG is perfectly aligned with Vision 2030 and we will serve as a benchmark for ESG, accelerating our ongoing campaign for sustainability. In addition, we will promote the welfare of communities, organizations and individuals across our geographic footprint to promote social progress and inspire positive change.

In terms of enabling and empowering the national workforce, HMG is a leading proponent of Saudization, with Saudi nationals constituting 39% of our workforce, a figure on which we will continue to build.



Hospitals and Healthcare Facilities (Continued)

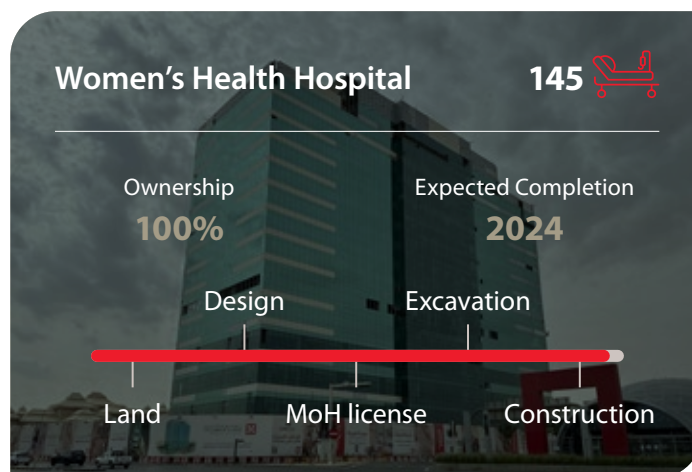
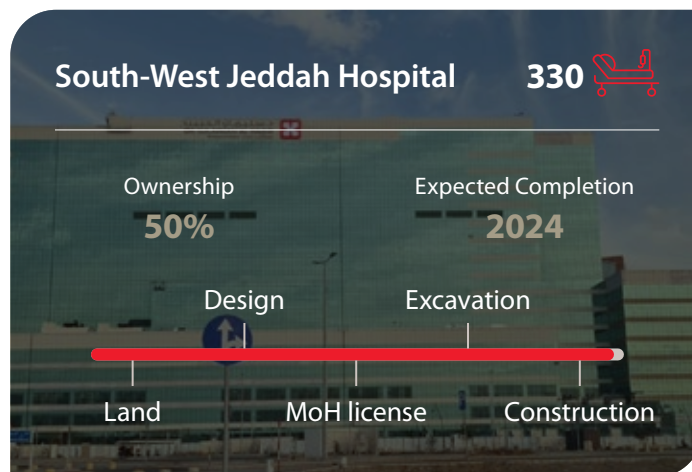
Continuing Healthcare Excellence in 2024

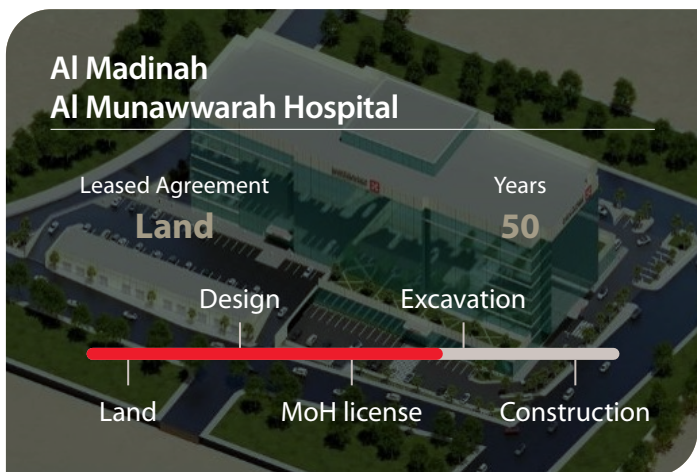
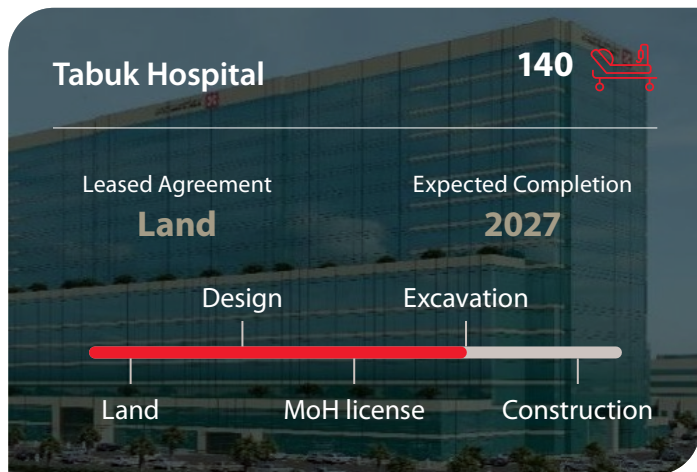
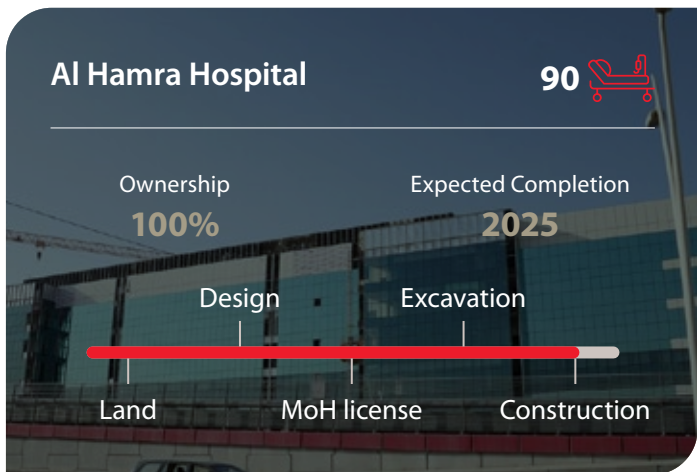
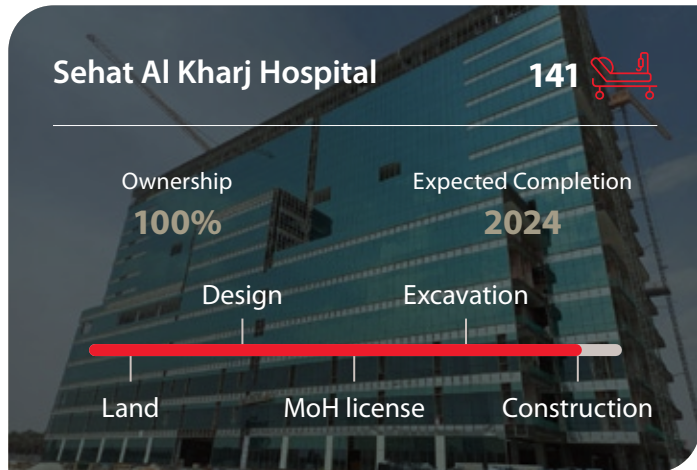
Following a year of remarkable expansion, HMG's hospitals and medical centers will continue their growth pattern in the coming years with a further 12 facilities across the Kingdom.

With construction underway in various Saudi cities, the Group will deliver best-in-class healthcare services to greater numbers of people across the Kingdom to elevate the health and well-being of citizens, residents and visitors. This will add more than 1,600 beds to the total bed capacity of the Group to reach 3,600 in the next five years.

Our recruitment of expert healthcare practitioners, paramedics and nurses will ensure the unequalled quality of services.

As the largest, most comprehensive and respected healthcare provider in the region, HMG healthcare facilities continue to provide exceptional services to our patients with a unique combination of medical expertise, pioneering technology, a comfortable environment and an essential human element. Once again, the Group has illustrated the crucial role we play in the welfare of the people we serve and through our strategic expansion, we will strive to provide even more unrivalled care.





Technology and Innovation

Accelerating Medical Diagnosis Breakthroughs in AI Radiology in 2023

Over the past few years, Artificial Intelligence (AI) powered diagnostic technology has brought a paradigm shift in healthcare industry.

Implementation of AI in radiology aims to enhance diagnostic accuracy; improve efficiency, workflow and productivity; enable early detection and intervention; provide support in decision-making and clinical guidance; and foster research and innovation. As a result, these innovations not only improve patient outcomes, but also streamline workflow for

radiologists, reducing the time spent and critical resources applied to image analysis and interpretation.

The application of AI for radiology at HMG began in 2020, with extensive implementation spanning various applications including mammograms, X-rays, neuroimaging and bone age assessments. HMG's groundbreaking integration of AI in radiology dramatically transformed diagnostic processes in medical imaging across the Group, assisting radiologists not only decipher the medical images more precisely and quickly but also aiding physicians in devising treatment plans.



The challenges faced during the implementation of the AI project include the large amounts of high-quality data required for training, validation and evaluation purposes; integration with the existing medical imaging system; approval from regulatory bodies in the Kingdom; continuous learning and updating of the system; and ethical concerns related to patient privacy.

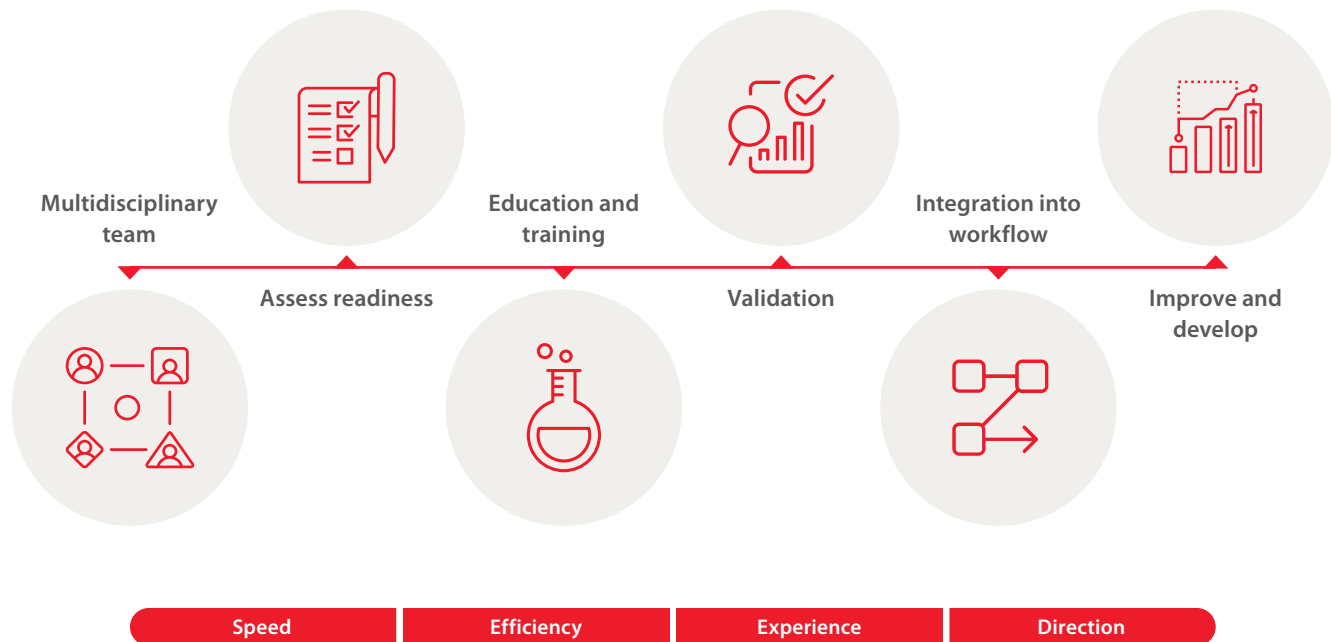
Our approach to AI implementation in radiology is a model of innovation and strategic integration. We focus on selecting AI tools that align with our specific needs, ensuring seamless integration with existing systems. By emphasizing on staff training, we ensure a smooth adaptation to AI-powered diagnostics. This methodical, phased strategy underscores our commitment to improving patient outcomes and advancing healthcare through cutting-edge technology.

In 2023, we were the first private sector healthcare provider in the Kingdom to implement AI technologies to detect breast cancer through mammogram readings, following a successful trial. The power of using AI in this manner has proven to be transformative.

AI in Action

An instance was when a 45-years-old-patient was referred to our Radiology department for an annual screening mammogram, which showed a left breast focal lesion, suspected to be breast cancer as reported by the radiologist and the AI. The patient underwent a left breast lesion biopsy, which showed advanced stage breast cancer. Following this life-saving discovery, her previous mammogram, performed in 2020, was re-analyzed using the AI. It revealed an abnormality at the same site of the breast cancer that was subtle and difficult to detect by a radiologist. In the future, the ability of the AI to make this diagnosis earlier and will undoubtedly save countless lives.

Implementation Phases



Pharmacies

As HMG continued to prioritize its pharmacies as an essential element of the Group's healthcare services, a strategy of expansion and digital investment in 2023 reaffirmed HMG Pharmacies sector as a leading contributor to HMG's operational and financial success. Reaching a record number of customers through new branches and milestone technology, the company raised the bar on regional pharmaceutical services.

HMG's overriding mission is to deliver unparalleled care to its patients and customers by providing quality services and upholding our standards of excellence. Our pharmacies endeavor to constantly improve our performance and provide the highest quality of service.

Our Expansion

In line with our strategy of growth and diversification, we continued to drive investment into new facilities and expanded our presence beyond our previous network in Riyadh, Qassim, Khobar and Dubai. With the launch of five branches – Al Suwaidi, Al Takhassusi, Digital city, Al Narjis and Al Ghadeer – we have grown our network to 24 pharmacies, adding significantly to our income and profits while increasing our contribution to the Group's overall performance.

Largely as a consequence of the additional branches, HMG Pharmacies increased its 2023 gross profits to SAR 626 million, a 15% rise over 2022's results.

Our Innovation

Our duty of care to a wider population is paramount in our mission. Our dedicated team focuses on maintaining accurate and efficient prescription processing, ensuring timely medication dispensing and offering personalized medication management services. We are not only encouraging customers and patients to visit our physical pharmacies, but we have also continued to invest in virtual services, reinforcing our message of the highest level of care with convenience.

In launching our e-commerce platform in collaboration with HMG's digital operations, we marked a new era in how we conduct business with our customers.

We have constantly sought to be at the forefront of pharmacy innovation and in 2023, introduced our pioneering chatbot technology, a 24-hour assistance service providing access to various requests and information, from product enquiries and home delivery requests to medication counseling and live conversations with professional pharmacy consultants. As well as allowing greater access to our





Pharmacies

24

pharmacists' expertise, the chatbot processes customer requests with greater efficiency, providing them with faster, more effective services, enabling us to streamline our resources.

The Group's continued commitment to innovation and digital transformation has been demonstrated by the great success of HMG's mobile application. Our pharmacies have also witnessed significant growth in this direction, with more than 197,000 e-Pharmacy transactions recorded through the HMG app in 2023.



Gross profit increase

15%

Our Future

As we continue our journey of growth to serve an increasing number of customers and patients, we will remain true to our ambitions of rapid but sustainable expansion. In 2024, we plan to operate more than 10 branches in new locations, providing our world-class services to record numbers of the Kingdom's communities and beyond.

Our focus and investment in innovation will continue to grow as we look to adopt state-of-the-art technology, strengthening our position as a pioneer in the region's pharmaceutical sector and an organization with the finest care at the heart of its operations.

Every milestone we have marked and each benchmark we have set has built on our unrivalled service and we continue to reach new heights of excellence, while setting our sights still higher. Our pharmacies are a significant revenue generator for HMG, second only to hospitals, and our primary goal is to serve the people who place their trust in our expertise.



HMG Solutions

Cloud Solutions

Cloud Solutions has long established itself as one of HMG’s pivotal units. In 2023, it elevated its status as the lynchpin of the Group’s network infrastructure through a series of new products, projects and partners. It also expanded its reach to more clients across diverse locations, culminating in outstanding performance.

Pioneering connectivity has become an essential tool in today’s healthcare industry. The demand for effective communication, dependability and broad access significantly influences patient wellness. Streamlined doctor-patient communication is essential for expanding healthcare accessibility. As a key regional player in network engineering and deploying crucial components such as tele-health and remote monitoring solutions, Cloud Solutions not only delivered cutting-edge technology, but it also expanded options for its use and implementation.

Throughout 2023, Cloud Solutions achieved significant milestones, surpassing both financial and operational benchmarks. By maintaining its exemplary record of delivering commercial targets and

expanding its market footprint, Cloud Solutions continued to increase its contribution to improving patient healthcare while reducing operational costs.

As Cloud Solutions expanded its reach across the Kingdom in 2023, it became the only Saudi company to own local intellectual property rights to cover all health organizations’ needs. In recognition of its cutting-edge system and solutions, crafted with local expertise, and having a significant impact on healthcare sector in the Middle East, Cloud Solutions was named the Best Digital Transformation Healthtech Company in Saudi Arabia 2023 by *International Finance*, a premium business and finance magazine published by UK’s International Finance Publications Limited.

While Saudi Arabia remains the focal point of its operations, Cloud Solutions continued to explore other markets. In line with its strategy to broaden its global footprint, the company is reinforcing its international presence from its established regional offices in Dubai and Manama, along with research and development branches in Colombo and Bangalore. Cloud Solutions participated through its offices in numerous conferences and events including in West Africa, Europe and China.

As healthcare increasingly relies on the latest available technology, there is a greater need than ever to optimize digital transformation and AI. Cloud Solutions not only embraced pioneering innovation, but it also adapted and refined its potential to serve HMG’s requirements for the benefit of its patients, people and process-driven operations.

24

Completed projects

23

Ongoing projects

4

Systems acquisitions

36

Partners

28

Clients



Cloud Solutions Presence



HMG Solutions

Cloud Solutions (Continued)

Cloud Solutions is at the forefront of introducing AI and Internet of Things (IoT) capabilities for the healthcare industry, providing greater knowledge resources and accessibility to support and empower all of the Group's clinical and non-clinical departments.

Advanced Technology Operation and Management System (ATOMS), one of the highlights of 2023, is an essential assets management system that streamlines the maintenance of HMG's healthcare equipment and facilities. In its primary role as a safeguard for critical assets, the system ensures they are available when patients require them and tracks the maintenance schedule for devices already in use.

In building its IoT capabilities, Cloud Solutions introduced a selection of new wireless products to the market, including infrared thermometers, blood glucose monitors, body fat scales, fingertip oximeters, ECG monitors and spirometers. As well as being portable and self-administered, the results can be uploaded to the cloud and relayed in real time to the relevant physicians.

In addition, Cloud Solutions integrated the new Council of Health Insurance (CHI) policies into our VIDA health information platform, and further integrated NPHIES, the national health information exchange platform, designed to unify patient care records for healthcare providers and optimize insurance services.

As AI embeds itself into the DNA of healthcare, the introduction of Cloud Solutions' clinical AI engine offers a number of patient and physician services, including generating medical reports and health summaries, as well as a call center available for patients to cross-check their symptoms with possible diagnosis.

The 2023 upgrade of Cloud Solutions' VIDA health records system will have positive implications across the Kingdom's healthcare industry. As the most widely used locally developed electronic health database in Saudi Arabia, VIDA currently operates across 57 sites.

Cloud Solutions' four new systems acquisitions during the year consisted of an ERP system, asset management system, radiology information system (RIS) and picture archive and communication system (PACS) as well as a tele-radiology system, illustrating its fundamental role in both clinical and non-clinical functions.

In terms of contributions to HMG's overall operations, several projects were launched, including e-Pharmacies as part of digital business, sourcing implementation for purchasing, web chatting for HR and digital billing systems for invoicing. As the need for departmental connectivity continues to escalate, Cloud Solutions implemented the tools, along with providing cross platform accessibility.

As Cloud Solutions expanded its world-class products and services portfolio, it inevitably extended its network of clients and partnerships, adding to the major technology, network and healthcare companies that continue to reap the enormous rewards of their association.

Among the esteemed new clients are King Faisal Specialist Hospital and King Fahad Medical City. Cloud Solutions entered into partnerships with end-to-end security solutions company, Avigilon, ZKR Nurse Call Systems, Lenovo and Lunit, a company at the forefront of developing AI to detect the early stages of cancer and optimize treatment.

Cloud Solutions in 2024

Recognizing the transformative potential of AI and IoT in healthcare, Cloud Solutions aims to harness AI algorithms and IoT devices to enhance healthcare efficiency, accuracy and accessibility. Leveraging advanced analytics and machine learning, Cloud Solutions will empower providers with actionable insight for informed decisions and personalized care.

Additionally, Cloud Solutions is dedicated to revolutionizing the patient journey by streamlining processes, reducing administrative burdens and enabling remote healthcare services. Through innovative solutions, patients will be able to actively participate in their care, receiving high-quality services at home for better health outcomes.

Launching Innovative Products



Building AI engine capabilities



Queuing system



Building IoT capabilities



HMG Solutions

MD Labs

Celebrating nine years of resounding successes at HMG, our Medical Diagnostic Laboratories arm (MD Lab) delivered an exceptional year of operational results, worthy of its milestone anniversary. Supervising and managing 19 satellite labs and processing more than 12.5 million tests was a remarkable feat, demonstrating its value to the HMG healthcare system and the well-being of the community.

Its successes in lab testing accuracy and turnaround times – combined with additional investment in new technology – have kept MD Lab at the forefront of the Kingdom’s leading laboratories.

Driven by a focus on screening, examining and testing in specialized fields, as well as a significant increase in its previous scope, MD Lab conducted more than 12.5 million tests, an increase of 16.5% over the previous year. MD Lab consistently conserves resources and maximizes its efficiency in terms of both human capital and expenditure, optimizing staff efficiency and reducing reagent cost. This results in financial solidity and operational expansion, with the addition of highly sophisticated in-house testing and better supplier rates, through negotiation.

In terms of human resources, MD Lab achieved a staff satisfaction rate of 8.3/10, reinforcing its unwavering commitment to human capital development.

MD Lab’s progress and drive for excellence was highlighted through several other key initiatives, including the enhancement of the sample turnaround time (STAT) program, the phlebotomy reassessment program and the Top 10 in-house program.

KPIs were not only met, but substantially surpassed, most notably in terms of the volume of tests performed, with more than 99% accuracy.

Many of its KPIs were assisted by MD Lab’s investment in additional technology and automation to improve the efficiency of its

operations by reducing turnaround time for test results and improving overall customer service. These contributing key factors enhanced its reputation of dependability, unwavering commitment to quality and relentless pursuit of innovation.

As a testament to its consistent standards of excellence, MD Lab achieved landmark recognition in 2023. For the sixth consecutive year, the company received reaccreditation from the prestigious College of American Pathologists (CAP) and Association for the Advancement of Blood and Biotherapies (AABB) for both its clinical laboratories and blood banks. This rigorous accreditation signifies MD Lab’s uncompromising commitment to the highest standards of safety and quality in serving its patients.



12.5m

Samples
(16.5% improvement)



8.3

Staff satisfaction



8.9

Customer satisfaction



99.4%

Test accuracy



97.6%

Turnaround time
(achievement of target)

Driving Innovation and Sustainability

As a progressive and forward-thinking facility, the laboratory is constantly engaging with clinical staff to familiarize them with operations. In 2023, MD Lab provided training to HMG staff on how to order tests and interpret results, helping employees to provide better care to patients and improve the overall efficiency of the hospital.

Newly recruited nurses were trained for upcoming projects to prepare them for point-of-care tests, which provide patients with faster and more convenient access to their results. In addition, a new business department was established to increase physicians' awareness of offered services, educating them about the tests available at MD Lab and how to order them.

With a solid history of social and environmental responsibility, MD Lab actively engages in community outreach and innovative initiatives, including World Blood Donor Day, which was celebrated at HMG Takhassusi Hospital in 2023. MD Lab led the way in organizing nine blood donation campaigns across Riyadh city, raising awareness and bolstering blood

supply through community engagement. Partnering with the National Association for the Blind (Kafeef), HMG launched a pioneering Braille blood donation form, providing greater access for visually impaired individuals in Saudi Arabia to donate blood. The form will be implemented across HMG hospitals and blood donation centers, empowering blind or partially sighted members of the community to contribute to this essential cause. MD Lab also demonstrated its commitment to social responsibility by supporting a clothing donation campaign for Ehtwaa, one of Saudi Arabia's most respected non-profit organization.

MD Lab's dedication to excellence in healthcare and its deep-rooted values of serving the community reflect its commitment to social responsibility and its unwavering contribution to the people of Saudi Arabia.

Products and Initiatives Highlights in 2023:

- Renal pathology services
- Metabolomics for advanced newborn screening (NBS)
- Phlebotomy re-assessment program
- Digitalization of relaying critical result
- Using Indexor program for tracking transported samples, and improving TAT
- Microbiology total lab automation
- Automated clinical decision support (CDS) solution
- Additional 32 unique tests
- Re-introduction of human leukocyte antigens (HLA)

MD Lab in 2024

MD Lab remains steadfast in its investment in employees and technology, recognizing that these are the essential pillars of its success. In 2024, we will continue to set new benchmarks in both our operations and our financial achievements, with a commitment to provide the most effective services to the patients, the physicians and the Group.



HMG Solutions

Home Healthcare Company

Delivering essential care to patients in need within the comfort of their own homes, the Group's Home Healthcare Company (HHC) continued to offer increasingly advanced medical services and products in 2023. Through a series of initiatives, innovations and partnerships, HHC brought extended treatments, more accurate diagnoses and additional self-administered medication.

With unrivalled healthcare services, HHC is unique in terms of the breadth and depth of its expertise and cutting-edge technology. The highly qualified, multi-specialty physicians and medical staff with more than 20 years' experience in the field, apply their consummate skills across a range of disciplines tailored to meet the needs of housebound patients.

Using the most advanced medical technology, HHC staff is able to perform many of the clinical duties, which previously needed hospital attendance. With access to the smart health record system and Home Healthcare services in the HMG app, all communication and contact is registered on a central network.

Collaborations and Initiatives

As part of HHC's strategy to strengthen its services and deliver greater benefits, the company entered into an agreement with an insurance company to provide services to its clients who have been recently discharged from hospitals.

The collaboration involved the provision of post-acute care transition (PACT), where patients with severe health issues were discharged from hospital but required continuous further care. The introduction of PACT combines the advantage of fewer resources for HMG and greater comfort for the patients, who can receive the same level of care in their own environment.

The program alleviates the pressures on bed spaces, while providing home-transitioned patients with the support of highly qualified medical personnel.

In another key initiative, HHC recognized that a major barrier in discharging children patients was their ability to eat and drink without medical assistance. In order to combat malnutrition, the company introduced total parental nutrition (TPN).

This potentially lifesaving treatment involves an intravenous formula to provide the majority of essential nutrients required by the body when a patient cannot consume food orally. In 2024, HHC will extend TPN to all age groups.

HHC reinforced its position as a vital support system to home-based patients with several initiatives in 2023, including Energizers IV infusion, a combination of electrolytes, fluids, vitamins and antioxidants to combat low energy levels. In addition, HHC launched delivery services for pharmacy products and vitamin supplements to complement existing treatment and encourage healthy living and general well-being.

HHC in 2024

Next year, in a vitally important step for cancer sufferers, HHC will provide oncology services as part of palliative care, including chemotherapy. This initiative will provide enormous comfort to the vast majority of patients who would prefer to receive treatment in the familiar, comforting surroundings of their own homes.

As HHC continues to maximize its technology capabilities, a mobile lab unit will enable the teams to conduct multitude of laboratory tests at home and have immediate access to the results. In addition, the new tele-health system is designed to remotely monitor vital signs and deliver other health data directly to hospital physicians in real time.

Also in 2024, HHC aims to enhance its contributions to HMG by establishing strategic partnerships with other private health insurers, complementing the recent signed agreement.



Flow Medical Company

Flow Medical Company, the Group's trailblazing engineering, technical subsidiary and partner, cemented a year of outstanding achievements with innovative products and long-term strategic partnerships to strengthen HMG's progressive healthcare services and significantly expand its customer base.

In line with its solid reputation as a pioneer in integrated medical technology management and turnkey solutions, Flow focused on various initiatives, adapting to the unparalleled pace of healthcare evolution. Its introduction of the modular solutions, remote enterprise asset life cycle management app ensured HMG continues to develop world-class medical facilities.

With its comprehensive healthcare technology management services, Flow Medical Company achieves cost-effectiveness at optimal quality with minimal risks, continuously monitoring key metrics to measure its strategic success and progress.

Design and Implementation

Flow's dedication to fostering HMG's hospital portfolio through a meticulously crafted range of strategies applied to its future expansion hospital projects in Riyadh, Jeddah, Qassim and Kharj. Its passion for future healthcare ecosystems and cutting-edge medical technologies has meant that Flow committed more than 54,000 project management hours in 2023 to achieve its goals.

With its pioneering approach to engineering, Flow brought the conceptual ideas of HMG's medical centers to life, incorporating the innovative designs throughout implementation in the newly opened medical centers in Digital City, Al Narjis and Al Ghadeer. Its masterplan recognizes the different needs for each

facility and the importance of their long-term development to rival the region's leading medical organizations.

Invention and Innovation

Following the announcement of our collaboration last year, Flow Medical Company and IK Medical Solutions GmbH officially sealed the agreement during Arab Health Expo 2023. As a result, both companies launched Healet, custom-made comprehensive modular solutions for the Kingdom's healthcare facilities.

Healet, designed and developed in Saudi Arabia and produced in Germany, provides state-of-the-art healthcare technology solutions, an elevated healing environment for patients and highly practical working environment for medical staff, while providing maximum safety and sterility.

Healet solutions consists of Healet Patient Rooms, Healet Laboratory, Healet Modular Solutions, Healet Patient Experience, which were implemented in newly launched HMG medical centers and ongoing hospital projects.

In another major breakthrough, Flow Medical Company and Cloud Solutions celebrated the launch of the beta addition of ATOMS on iOS and Android. The app is a user-friendly enterprise asset management software designed to help healthcare providers to manage the Medical Technology 360 lifecycle effectively.

ATOMS tracks and monitors the utilization of medical equipment, manages inventories and services line contracts, and generates customizable reports and analytics.

The app also provides powerful tools to support preventive maintenance programs and streamlines asset repairs, ensuring the highest level of service. Healthcare professionals and medical technology management staff can ensure the safe and efficient use of medical equipment, consolidating patient care and satisfaction.

Flow in 2024

In alignment with Vision 2030, Flow Medical Company will continue to build sustainable, reliable and expandable managed equipment services (MES) capabilities, a PPP model, which offers hospitals long-term access to modern health infrastructure, equipment and services.

Ultimately, Flow Medical Company overriding goal for the future is to assist healthcare providers across the Kingdom in making informed technology investments in the appropriate areas, at the right time, while connecting people and processes to pave a faster and efficient road to a healthcare system built on value.

HMG Solutions

Taswyat Management Company

Taswyat leverages advanced technology with offerings that oversee the entire RCM process. This encompasses managing tasks such as insurance contracting, setting prices, mapping services, appointment scheduling, patient registration, obtaining approvals, coding diagnoses, billing management, as well as overseeing the collection and settlement stages.

Equipped with cutting-edge technology and a broad team of skilled, licensed clinicians from various fields, Taswyat analyzes operational, medical and financial data to optimize process efficiency across the Group.









4

GOVERNANCE

Introduction	94
HMG and its Subsidiaries	98
Board of Directors, Committees, and Executive Management	103
Shareholder Information and Shareholders' Register	144
Related Party Transactions	145
Dividend Policy	152
Main Transactions, Investments and Other Events	154
Statutory Payments	156
Compensation and Remuneration	158
Summary of Assets, Liabilities, and Business Results	166
Loans	167
Statement of the Board of Directors' Responsibilities	168

Governance

1. Introduction

1.1 Corporate Governance

HMG's ("The Company's" or "The Group's") governance framework has been developed to comply with the Global Corporate Governance standards, practices and the local regulations issued by the Saudi Capital Market Authority (CMA). Effective and transparent sound corporate governance supports the effective delivery of HMG's strategy, ensuring the business is run sustainably, to the highest ethical standards and with a focus on value creation. The foundation of HMG's corporate governance framework depends on a set of pillars that insure clarity and discipline of good governance, and these pillars are regulations and policies that promote transparency, accountability, competence, the Company's values, organizational structure design, and authority matrix, with the transparent and effective separation of company management and supervision between HMG's Board and its four (4) committees.

Governance Framework Policies

The Company applies the Corporate Governance Regulations issued by the CMA, and the Company's Board has set the Group's governance principles, policies and charters for the Board's committees. All of these documents are subject to periodic review by the Board and its Committees on an ongoing basis when needed, based on any amendments to regulations, global regulations or best practices; to ensure the Group complies with relevant practices and regulations, and to protect the rights of our shareholders and stakeholders to achieve fairness and transparency in the market and work environment, keeping pace with the economic development of Saudi Arabia. At the same time, it promotes the growth and sustainability of the business.

HMG has a track record of following a framework that balances financial performance with ethical business practices towards all stakeholders. The Group has responded to opportunities and challenges with the goal of keeping its position as the most trusted healthcare provider in medical excellence and patient experience in the region. We are committed to the well-being of our communities and have adopted initiatives that bring together a range of sustainability programs.

Further, in line with the Company objective to set adequate procedures, controls and systems that would enable the Company to achieve good governance that ensures control and accountability in relation to the activities of the Company and its employees in a manner commensurate with the risks involved in these activities, and in implementation and in compliance with the Corporate Governance Regulations issued by the CMA and other related laws and regulations, in addition to the principles of international governance and best practices, the Company has adopted and approved the following, policies and regulations:

- Audit Committee charter
- Nomination and Remuneration Committee charter
- Remuneration policy for the Board, Committees and Executive Management
- Policies, standards and procedures for Board membership
- Patient Safety and Quality of Care Committee charter
- Executive Committee charter
- Board of Directors charter
- Conflict of Interest policy
- Internal Audit Operational manual
- Related Parties Transactions manual
- Transparency and Disclosure policy
- Investor Relations manual
- Shareholders' manual
- Code of Conduct
- Social Responsibility policy
- Competing business standards

In line with the existing and newly developed financial, economic and investment legislation in Saudi Arabia, the Board has formed three (3) committees to assist it in performing its duties, in addition to the Audit Committee formed by the General Assembly of the Company. The following are the formed committees in the Group:

- Audit Committee
- Executive Committee
- Nomination and Remuneration Committee
- Patient Safety and Quality of Care Committee

1.2 Compliance Program

High standards of trust and integrity between the Group and its clients are a top priority and important pillars upon which the Group builds its reputation among its clients and stakeholders. The protection of this reputation in all activities carried out by the Group must be firmly rooted in the minds of the Group's personnel. This requires them to have a high level of trust, integrity and professionalism while carrying out the tasks assigned to them, and their behavior must be committed to the letter and spirit of the laws, regulations and instructions governing the Group's activity.

The Compliance Program is a practice driven to enhance the application of good governance that was implemented in the Group. Compliance carries out an independent function of identifying and assessing the risks associated with the Group's work and activities, and raising the level of the culture of compliance with the regulations, instructions and behavioral and ethical rules in the Group, by providing advice, guidance, recommendations, monitoring and preparing reports related to compliance, to enable an effective response to any potential risks to the Group as a result of any failure to comply with the applicable laws, regulations, Codes of Conduct, medical standards and sound standards and practices within a predetermined time frame, and submitting these reports to the competent department in the Group to deal with such risks in a timely manner.

In order to protect our employees, our clients and our business, we must take every reasonable measure to ensure we all operate in accordance with laws and ethical standards and to comply with and in application of best practices, the Group's employees are required to submit electronically, an annual conflict of interest form. Further, the Group's employees, clients or any third party can report anonymously any unethical or unlawful incidents or activities via an electronic form, and they are investigated in a manner that ensures the confidentiality of the reporter in accordance with the approved whistleblowing policy. At the Group, the current and new employees are required to familiarize themselves with the Codes of Conduct and related information technology policies and review them annually. The Group trains its employees annually on compliance and ethics and information security, where the rules of the Code of Conduct, whistleblowing policy and information technology security are duly explained to ensure their application.

1.3 Corporate Governance Statement

The Board adopted the Transparency and Disclosure policy and procedures, which includes procedures which grant the shareholders the right to inquire, request information and receive answers to their inquiries, provided they do not harm the interests of the Company. Further, the Board confirms that during the year 2023, the Board did not receive any suggestions or comments about the Company or its performance from shareholders.

In line with best practice in corporate governance, and as a general rule, the Group committed to facilitate the shareholders to exercise all their statutory rights related to shares in full, by providing suggestions or comments about the Group and its performance, as well as answering shareholders' questions and inquiries during the Group's General Assembly Meetings, or through Investor Relations department in the Group. Further, the Board informs, reviews and discusses with all its members any proposals it receives from the shareholders.

Governance (Continued)

1. Introduction (Continued)

1.4 Implementation of Provisions of Corporate Governance Regulations

The Company implemented all provisions of the Corporate Governance Regulations issued by the Capital Market Authority, except the provisions listed below.

Article/paragraph number	Article/paragraph stipulates the following	Reason for not being implemented
Article 39: The Assessment Paragraph no. (e)	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three (3) years.	Guiding article: internal performance assessment is conducted on an annual basis and the Company is currently evaluating and considering the selection of a competent external body to assess the performance of the Board in line with best practice.
Article 67: Composition of the Risk Management Committee	The Company's Board shall, by resolution therefrom, form a committee to be named the Risk Management Committee. The Chairman and the majority of its members shall be Non-Executive Directors. The members of that Committee shall possess an adequate level of knowledge in risk management and finance.	Guiding article: the Board considers that there is no need for a Risk Management Committee, as its scope is covered by other committees such as the Audit Committee and the Patient Safety and Quality of Care Committee.
Article 68: Competencies of the Risk Management Committee	Competencies of the Risk Management Committee.	Guiding article: not applicable as the Company has not established a Risk Management Committee.
Article 69: Meetings of the Risk Management Committee	The Risk Management Committee shall convene periodically at least once every six (6) months, and as may be necessary.	Guiding article: not applicable as the Company has not established a Risk Management Committee.
Article 82: Employee Incentives Paragraphs no. (2) and (3)	The Company shall establish programs for developing and encouraging the participation and performance of the Company's employees. The programs shall particularly include the following: Paragraph (2): Establishing a scheme for granting the Company shares or a percentage of the Company profits and pension programs for employees, and setting up an independent fund for such program Paragraph (3): establishing social organizations for the benefit of the Company's employees.	Guiding paragraphs: the Company is currently evaluating and considering the implementation of these paragraphs.
Article 84: Social Responsibility	The Ordinary General Assembly, based on the Board recommendations, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	Guiding article: there is a policy for social responsibility in the Company, which is approved by the Company's Board of Directors.

Article/paragraph number	Article/paragraph stipulates the following	Reason for not being implemented
Article 85: Social Initiatives	<p>The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company, which include:</p> <ol style="list-style-type: none"> 1. Establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities 2. Disclosing the objectives of the Company's social responsibility to its employees, and raising their awareness and knowledge of social responsibility 3. Disclosing plans for achieving social responsibility in the periodic reports on the activities of the Company 4. Establishing awareness programs for the community to familiarize people with the Company's social responsibility. 	<p>Guiding article: the Company has a policy for social responsibility, and implements many initiatives and programs in the field of social work. It also discloses these programs and initiatives in the relevant reports. However, the Company has not established performance indicators that measure the Company's performance to its social work initiatives and to compare that with other companies with similar activities.</p>
Article 90: Disclosure of Remunerations: Paragraph no (4/b)	<p>Paragraph (4): a description of the necessary details with respect to the remunerations and compensations granted to each of the following, separately:</p> <p>b) Five Senior Executives who have received the highest remuneration from the Company, provided that the Chief Executive Officer and chief financial officer are among them.</p>	<p>Partially implemented by the Company: the Company has committed to disclosing the remunerations awarded to Senior Executives in total, in accordance with the regulatory requirements set forth in the subparagraph (4/b) of paragraph (A) of article no. (90) of Corporate Governance Regulations, without disclosing them in detail; protecting the interests of the Company from the harm that may befall the Company if they are disclosed in detail, which is reflected in creating an atmosphere of competition and lack of job instability, which will be reflected on the Company's performance and consequently on the shareholders.</p>
Article 92: Formation of a Corporate Governance Committee	<p>If the Board forms a Corporate Governance Committee, it shall assign to it the competences stipulated in Article (91) of these regulations. Such a committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.</p>	<p>Guiding article: the Board believes there is no need for an independent committee for corporate governance, as its scope is covered by other committees and departments.</p>

Governance (Continued)

2. HMG and its Subsidiaries

The Group has been conducting its business for more than 25 years and is one of the largest providers of private healthcare services in the Kingdom and the region. The Group's principal activities are setting up, managing and operating medical facilities, pharmacies and medical diagnostic and radiological laboratories. The Group currently conducts its business through the operation and management of 11 (eleven) healthcare facilities, namely: (1) Olaya Medical Complex, which consists of (a) Olaya Medical Complex, (b) Bone, Joint and Spine Hospital, (c) Al Mustaqbal Hospital, and (d) IVF Center; (2) Dubai Hospital and the Medical Center; (3) Al Suwaidi Hospital; (4) Al Qassim Hospital; (5) Al Khobar Hospital; (6) Al Rayan Hospital; (7) Al Gharb Takhassusi Hospital; (8) Medical Center in the Diplomatic Quarter (Al Safarat District); (9) the Medical Center in Al Narjis District; (10) the Medical Center in Ghadeer District; and (11) the Medical Center in Digital City.

The Group also provides management and operating services to third parties where it operates and manages the UMC in Bahrain as well as NEOM Community Clinics. The Group also owns the Middle East Pharmacies Company – through which the Group manages and operates pharmacies within the Group's healthcare facilities in the Kingdom – and owns Pharmachoice, through which it operates and manages the Group's pharmacy in Dubai.

In addition, the Group carries out other business in areas such as home healthcare, establishing and operating Medical Diagnostic Laboratories (MD Lab), maintenance of facilities, and providing information technology systems.

2.1 Main Scope of Business Segmentation for HMG, its Subsidiaries, and its Contribution to the Results

2.1.1 Healthcare Facilities

The Group operates and manages eleven (11) healthcare facilities in the Kingdom of Saudi Arabia (the Kingdom) and the Emirate of Dubai, with a capacity of 1,900+ beds as of 31 December 2023. The Group also provides management and operation services to others, as it operates and manages the UMC affiliated with King Abdullah Medical City in the Kingdom of Bahrain.

2.1.2 Pharmaceutical Facilities

The Group carries out pharmaceutical businesses by operating and managing (24) pharmacies in its healthcare facilities in the Kingdom and Dubai, providing diverse medical and consumable products that include all kinds of medicines and medical and cosmetic supplies to cover patients' needs.

2.1.3 Solutions Sector

The Group provides several other healthcare and support services to the Group and to others through the operation and management of the Medical Diagnostic Laboratory Company and the Home Healthcare Company, where it operates home healthcare services. In addition, the Group provides health information technology systems services through its subsidiary company, Hulool Al Sahabah for IT & Communication Company, which provides modern health technology systems to serve clients, improve patient experience and increase operational efficiency. Further, the Group has established new healthcare and support services to the Group and to others through the revenue cycle management services by its subsidiary company, Taswyat Management Company; tele-medicine services solutions to enhance the quality of care and patient experience by its subsidiary company, Rawabet Medical Company; and medical equipment maintenance services by its subsidiary company, Flow Medical Company. The Group also provides facility maintenance services through its subsidiary company, Wrass for Operation and Maintenance Company; and higher education services through its subsidiary company, Dr. Sulaiman Al Habib for Education Company. In addition, the Group manages its real estate services through its subsidiary company, Wrass Real Estate Company.

The effect of the main activities on the Company's business and their contribution to the results are as follows:

	Name of activity	Activity revenue, in Saudi Arabian Riyals (SAR) (2023) (the numbers are rounded to the nearest million Riyals)	Percentage
Activity (1)	Healthcare facilities	7,318	77.0%
Activity (2)	Pharmaceutical facilities	1,991	20.9%
Activity (3)	Solutions sector	199	2.1%
Gross		9,508	100%

2.2 Subsidiary Companies

The Company owns shares and/or stakes in several other companies, and the following table shows the details and percentages of the Company's ownership in those companies.

No.	Subsidiary company name	Capital	Company's ownership percentage	Main scope of business	Country of operation	Country of incorporation
1	Cloud Solutions International Private Limited Company	LKR 5,000,000	100 (completely owned by Hulool Al Sahabah for IT & Communication Company)	Information technology services	Sri Lanka	Sri Lanka
2	Hulool Al Sahabah for IT and Communication Company	SAR 10,000,000	100	Information technology services	Saudi Arabia	Saudi Arabia
3	Dr. Sulaiman Al Habib Hospital FZ – LLC Company	AED 500,000	100	Private healthcare facility	United Arab Emirates	United Arab Emirates
4	Home Healthcare Company	SAR 500,000	100	Home healthcare	Saudi Arabia	Saudi Arabia
5	Sehat Al Olaya Medical Complex Company	SAR 500,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
6	Gharb Jeddah Hospital Company	SAR 179,424,000	50	Private healthcare facility	Saudi Arabia	Saudi Arabia
7	Al Mokhtabarat Diagnostic Medical Company	SAR 500,000	100	Diagnostic laboratory	Saudi Arabia	Saudi Arabia
8	Asharq Al Awsat Pharmacies Company	SAR 100,000,000	100	Managing and operating Pharmacies	Saudi Arabia	Saudi Arabia
9	Al Muhammadiyah Hospital for Healthcare Company	SAR 243,498,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
10	Pharmachoice Pharmacy	AED 100,000	100 (completely owned by Dr. Sulaiman Al Habib Hospital FZ – LLC)	Managing and operating pharmacies	United Arab Emirates	United Arab Emirates
11	Buraidah Al Takhassusi Hospital for Healthcare Company	SAR 3,704,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
12	Al Wosta Medical Limited Company	SAR 85,120,000	50	Private healthcare facility	Saudi Arabia	Saudi Arabia

Governance (Continued)

2. HMG and its Subsidiaries (Continued)

2.2 Subsidiary Companies (Continued)

No.	Subsidiary company name	Capital	Company's ownership percentage	Main scope of business	Country of operation	Country of incorporation
13	Al Rayan Hospital for Healthcare Company	SAR 31,500,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
14	Shamal Al Riyadh for Healthcare Company	SAR 580,986,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
15	Sehat Al Suwaidi Medical Company	SAR 50,000,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
16	Al Gharb Al Takhassusi for Healthcare Company	SAR 75,000,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
17	Sehat Al Sharq Medical Limited Company	SAR 130,382,000	50	Private healthcare facility	Saudi Arabia	Saudi Arabia
18	Rawabet Medical Company*	SAR 500,000	100	Providing medical and tele-medicine services	Saudi Arabia	Saudi Arabia
19	Al Marakez Al Awwalyah for Healthcare Company	SAR 500,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
20	Wrass Real Estate Company**	SAR 500,000	100	Real estate	Saudi Arabia	Saudi Arabia
21	Taswyat Management Company	SAR 3,000,000	100	Providing revenue cycle management services	Saudi Arabia	Saudi Arabia
22	Flow Medical Company	SAR 500,000	100	Medical equipment maintenance	Saudi Arabia	Saudi Arabia
23	Sehat AlKharj for Healthcare Company	SAR 30,737,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
24	Bawabat Al Gharb for Healthcare Company	SAR 500,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
25	Bawabat Al Shamal for Healthcare Company	SAR 500,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
26	Medi Life Limited Company	AED 1,000	100 (completely owned by Dr. Sulaiman Al Habib Hospital FZ – LLC)	Special purpose entity	United Arab Emirates	United Arab Emirates
27	Alpha Care Limited Company	AED 1,000	100 (completely owned by Dr. Sulaiman Al Habib Hospital FZ – LLC)	Special purpose entity	United Arab Emirates	United Arab Emirates
28	Sehat AlHamra for Healthcare Company***	SAR 500,000	100	Private healthcare facility	Saudi Arabia	Saudi Arabia
29	Wrass for Operation and Maintenance Company****	SAR 500,000	100	Ancillary services	Saudi Arabia	Saudi Arabia
30	Dr. Sulaiman Al Habib for Education Company*****	SAR 2,000,000	100	Higher education	Saudi Arabia	Saudi Arabia

- ***Rawabet Medical Company:** During the year, the name of the subsidiary company has been changed from "Intensive Care Company for Healthcare" to "Rawabet Medical Company".
- ****Wrass Real Estate Company:** During the year, the name of the subsidiary company has been changed from "Rawabet Medical Company" to "Wrass Real Estate Company", and its activity changed.
- *****Sehat AlHamra for Healthcare Company:** During the year, the Group established new subsidiary company "Sehat Al Hamra for Health Care Company".
- ******Wrass for Operation and Maintenance Company:** During the year, the Group acquired the remaining 60% of "Wrass for Operation and Maintenance Company", previously "Serco Saudi Services Company" (previously an associate company), to become 100% owned by the Group. The acquisition was done at fair value. The acquisition consideration and the financial information of the acquiree are immaterial to the Group.
- *******Dr. Sulaiman Al Habib for Education Company:** During the year, the Group established a new subsidiary company, "Dr. Sulaiman Al Habib for Education Company".

2.3 Associate Companies

The Company owns shares and/or stakes in several associate companies, and the following table shows the details and percentages of the Company's ownership in those companies.

No.	Associate company name	Capital (SAR)	Company's ownership percentage	Main scope of business	Country of operation	Country of Incorporation
1	Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company	20,000,000	50	Managing and operating dental clinics	Saudi Arabia	Saudi Arabia
2	Tamkeen Human Resources Company	200,000,000	25	Employment services and professional solutions	Saudi Arabia	Saudi Arabia
3	*Eraf Medical Company	4,000,000	40	Home healthcare services centers	Saudi Arabia	Saudi Arabia

***Eraf Medical Company:** During the year, the Group established Eraf Medical Company in partnership with the associate company, Tamkeen Human Resources Company.

Note: During the year 2023, the Group completed the acquisition of the remaining 60% stake in Wrass for Operation and Maintenance Company, thereby achieving 100% ownership of the previously known as Serco Saudi Services Company. Wrass O&M is a Saudi limited liability company specializing in maintenance services within facilities, general cleaning of buildings, exterior cleaning of buildings and specialized cleaning activities.

Governance (Continued)

2. HMG and its Subsidiaries (Continued)

2.3 Associate Companies (Continued)

Below are the share details for each subsidiary or associate company. There are no debt instruments issued by the subsidiary companies or associates.

No.	Associate/subsidiary company name	Shares/ordinary shares
1	Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company	20,000 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
2	Wrass for Operation and Maintenance Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
3	Cloud Solutions International Private Limited Company	500,000 shares, each valued at 10 Sri Lankan Rupees (LKR 10)
4	Hulool Al Sahabah for IT & Communication Company	10,000 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
5	Dr. Sulaiman Al Habib Hospital FZ – LLC Company	500 shares, each valued at one thousand Emirati Dirham (AED 1,000)
6	Home Healthcare Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
7	Sehat Al Olaya Medical Complex Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
8	Gharb Jeddah Hospital Company	179,424 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
9	Al Mokhtabarat Diagnostic Medical Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
10	Asharq Al Awsat Pharmacies Company	100,000 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
11	Al Muhammadiyah Hospital for Healthcare Company	243,498 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
12	Pharmachoice Pharmacy	100 shares, each valued at one thousand Emirati Dirham (AED 1,000)
13	Buraidah Al Takhassusi Hospital for Healthcare Company	3,704 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
14	Al Wosta Medical Limited Company	85,120 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
15	Al Rayan Hospital for Healthcare Company	31,500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
16	Shamal Al Riyadh for Healthcare Company	580,986 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
17	Sehat Al Suwaidi Medical Company	50,000 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
18	Al Gharb Al Takhassusi for Healthcare Company	75,000 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
19	Sehat Al Sharq Medical Limited Company	130,382 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
20	Rawabet Medical Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
21	Al Marakez Al Awwalyah for Healthcare Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
22	Wrass Real Estate Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
23	Taswyat Management Company	3,000 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
24	Flow Medical Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
25	Sehat AlKharj for Healthcare Company	30,737 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
26	Bawabat Al Gharb for Healthcare Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
27	Bawabat Al Shamal for Healthcare Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
28	Medi Life Limited Company	1,000 shares, each valued at one Emirati Dirham (AED 1.00)
29	Alpha Care Limited Company	1,000 shares, each valued at one Emirati Dirham (AED 1.00)
30	Tamkeen Human Resources Company	20,000,000 shares, each valued at ten Saudi Riyals (SAR 10)
31	Sehat AlHamra for Healthcare Company	500 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
32	Dr. Sulaiman Al Habib for Education Company	2,000 shares, each valued at one thousand Saudi Riyals (SAR 1,000)
33	Eraf Medical Company	4,000 shares, each valued at one thousand Saudi Riyals (SAR 1,000)

3. Board of Directors, Committees and Executive Management

3.1 Board of Directors

3.1.1 Composition of the Board of Directors and Classification of its Members

The Company is managed by a Board of Directors consisting of nine (9) members to be appointed by the shareholder's Ordinary General Assembly for a term not exceeding three (3) years in accordance with article (18) of the Company's Bylaw and in accordance with article (17) of the Corporate Governance Regulations issued by the Capital Market Authority (CMA).

The Company's Ordinary General Assembly held on Wednesday, 4 Jumada Al Ula 1443H (corresponding to 8 December 2021) approved the election of the members of the Board of Directors from among the candidates for the current term, which started from 10 December 2021, for a term of three (3) years, and ending on 9 December 2024, as follows.

	Member name	Nature of membership	Membership type
1	Dr. Sulaiman Abdulaziz Al Habib	Chairman	Non-Executive
2	Mr. Mazen Abdulrazzaq Al Rumaih*	Vice-Chairman	Non-Executive
3	Mr. Obaid Abdullah Al Rasheed	Member	Independent
4	Eng. Saleh Mohammed Al Habib	Member	Non-Executive
5	Mr. Nasser Mohammed Al Huqbani**	Member	Non-Executive
6	Mr. Faisal Abdullah Al Nassar	Member	Executive
7	Mr. Hesham Sulaiman Al Habib	Member	Executive
8	Dr. Abdulrahman Sulaiman Al Turaigi	Member	Independent
9	Mr. Rasheed Abdulrahman Al Rasheed	Member	Independent

*Mr. Mazen Abdulrazzaq Al Rumaih was an Independent Board member until 11 May 2023.

**Mr. Nasser Mohammed Al Huqbani: Board membership of Mr. Nasser ended on 15 February 2023 due to his resignation .

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.1 Board of Directors (Continued)

3.1.2 Experience and Academic Qualifications of the Board Members

	<p>Dr. Sulaiman Abdulaziz Al Habib Group Founder and Chairman of the Board of Directors</p> <p>Membership type Non-Executive</p> <p>Date of appointment (current term) 10 December 2021</p>	
Professional experience and skills	<p>Dr. Sulaiman Al Habib is the Chairman of the Board and the founder of the Group and currently serves in the following capacities:</p> <ul style="list-style-type: none"> • Member of the Board of Trustees of the National Museum since 2020 <p>Dr. Sulaiman Al Habib has also previously served in the following capacities:</p> <ul style="list-style-type: none"> • Chairman of the Board of Managers at the International Healthcare Company from 2008 to 2019 • Head of the Medical Committee of Riyadh Chamber of Commerce from 2004 to 2008 • Head of the Department of Pediatrics at the Security Forces Hospital in Riyadh from 1988 to 1991 • Part-time consultant at the Ministry of Health in the Kingdom of Saudi Arabia from 1985 to 1989 • Chief Medical Officer at King Khalid University Hospital in Riyadh from 1986 to 1988 	
Qualifications	<p>Dr. Sulaiman Al Habib earned a Bachelor's degree in Medicine and Surgery from the College of Medicine at King Saud University in Riyadh in 1977. He has a fellowship in Pediatrics from the British Royal College of Physicians in 1984.</p>	
Committee membership	Not applicable	

Mr. Mazen Abdulrazzaq Al Rumaih

Vice-Chairman

Membership type

Non-Executive

Date of appointment (current term)

10 December 2021

Professional
experience and
skills

Mr. Mazen Al Rumaih is the Vice-Chairman of the Group and currently serves in the following capacities:

- Chairman of the Board and the Executive Committee at King Faisal Specialist Hospital and Research Center since 2023
- Chairman of the Board and Chairman of the Executive Committee at the Saudi Fransi Bank since 2019
- Member of the Board of Directors, Investment Committee and Chairman of the Nomination and Remuneration Committee at the Real Estate Development Fund since 2019
- Member of the Board of Directors and member of the Executive Committee of the Saudi Arabian Airlines Public Corporation since 2020
- Member of the Board of Directors and member of the Nomination and Remuneration Committee at the Saudi Tourism Authority since 2020
- Member of the Investment Committee at the Events Investment Fund since 2022
- Member of the Executive Committee at the Saudi-French Business Council since 2021
- Chief Executive Officer (CEO) of Future Generation Company since 2014

Mr. Mazen Al Rumaih has also previously served in the following capacities:

- Member of the Board of Directors of the Local Content and Government Procurement Authority from 2019 to 2022
- Member of the Board of Directors of HSBC Saudi Arabia from 2015 to 2017
- Member of the Board of Directors of Alissa Holding Group Company from 2015 to 2018
- Chairman of the Board of Saudi Fransi Capital from 2016 to 2019
- Member of the Board of Directors of Al Yamamah Steel Company from 2014 to 2015
- Member of the Board of Directors of the Capital Market Authority (CMA) from 2009 to 2014
- Chief Executive Officer (CEO) of Samba Capital & Investment Management Company from 2008 to 2009
- Director General of Corporate Finance Department at the Capital Market Authority (CMA) from 2004 to 2007

Qualifications

Mr. Mazen Al Rumaih earned a Bachelor's degree in Accounting and Financial Management from Buckingham University in Britain in 1994.

Committee
membership

Chairman of the Executive Committee

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.1 Board of Directors (Continued)

	<p>Mr. Obaid Abdullah Al Rasheed Board member</p> <p>Membership type Independent</p> <p>Date of appointment (current term) 10 December 2021</p> 
Professional experience and skills	<p>Mr. Obaid Al Rasheed is a member of the Board of the Group and currently serves in the following capacities:</p> <ul style="list-style-type: none"> • Chief Executive Officer (CEO) of the Arab National Bank since 2021 • Member of the Board of Directors of the Arab National Bank since 2021 • Member of the Board of Directors in ANB Capital Company since 2022 • Vice-Chairman of the Board of Directors and member of the Executive Committee at the Saudi Chemical Company since 2013 • Vice-Chairman of the Board of Directors and member of the Nominations Committee of the Saudi Home Loans Company since 2010 • Member of the Executive Committee of the Saudi British Council since 2023 <p>Mr. Obaid Al Rasheed has also served in the following capacities:</p> <ul style="list-style-type: none"> • Head of Retail and Private Banking Services and the Deputy Chief Executive Officer (CEO) of the Arab National Bank from 2011 to February 2021 • Chairman of the Board of Directors of Al Arabi Heavy Equipment Lease Company from 2010 to January 2021 • Member of the Board of Directors of the Saudi Airlines Company for Aviation Engineering and Industry from 2014 to 2016 • Member of the Board of Malath Cooperative Company from 2010 to 2017 • Member of the Board of Tabuk Cement Company from 2005 to 2013
Qualifications	Mr. Obaid Al Rasheed earned a Bachelor's degree in Business Administration from San Jose State University, California, USA in 1983.
Committee membership	Chairman of the Nomination and Remuneration Committee

Eng. Saleh Mohammed Al Habib

Board member

Membership type

Non-Executive

Date of appointment (current term)

10 December 2021



Professional experience and skills

Eng. Saleh Al Habib is a member of the Board of the Group, and currently serves in the following capacities:

- Member of the Board of Directors of Gheras United Company since 2021
- General Director of Al Jawhara Al Kubra Company since 2018
- General Director of Jawaher Al Gharbia Real Estate Development and Investment Company since 2018
- Deputy Chairman of the Board of Directors since 2021 and Chairman of the Executive Committee of Alandalus Property Company since 2018
- Board Member of Al Hayat Real Estate Company since 2018
- Member of the Board of Managers of Almasa Al Khadraa Real Estate Development and Investment Company since 2018
- Member of the Board of Managers of Manafaa Al Andalus Company since 2017
- Chairman of the Board of Managers of Awal Energy Solutions Company since 2017
- Member of the Board of Managers of Jawharat Al Bahr Investment Company since 2017
- Chairman of the Board of Managers of Qawaed Modern Technology for Information Technology Company since 2017
- Chairman of the Board of Managers of Ebdaa Taiba Real Estate Development Company since 2017
- Member of the Board of Managers of Gharb Jeddah Hospital Company since 2017
- Chairman of the Board of Managers of Asala Elmarkz Company since 2016
- Chairman of the Board of Managers of Araqa Elmarkz Company since 2016
- General Director of Al Nakheel Housing Company since 2015
- General Director of Maalem Investment Holding Company since 2014

- Member of the Board of Managers of Sorouh Almarakiz Company since 2014
- Board Member and Managing Director of Mohammed Abdulaziz Al Habib and Sons Holding Company and General Manager of all subsidiaries owned by Mohammed Abdulaziz Al Habib and Sons Holding Company since 2013
- Chairman of the Board of Hamat Holding Company since 2019
- Member of the Board of Managers of Hamat Property Company since 2009, and Managing Director since 2010
- Member of the Board of Managers of Advanced Markets Company since 2009
- Member of the Board of Managers of Global Healthcare Company since 2007
- Member of the Board of Managers and Chief Executive Officer of Mohammad A. Al Habib & Partner Real Estate Company since 2006
- Member of the Board of Managers of Burooj International Company since 2005

Eng. Saleh Al Habib has also served in the following capacities:

- Member of the Board of Directors of Nitaq Capital Company from 2021 to 2022
- Member of the Board of Directors of Alandalus Property from 2018 to 2021
- Member of the Board of Managers of Qawaem for Real Estate Development Company from 2004 to 2018
- Member of the Board of Directors of Hamat Holding Company from 2013 to 2022

Qualifications

Eng. Saleh Al Habib earned a Bachelor's degree in Architecture from King Saud University in Riyadh in 2000.

Committee membership

Member of the Nomination and Remuneration Committee, and Member of the Executive Committee

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.1 Board of Directors (Continued)

	<p>Mr. Faisal Abdullah Al Nassar Board member, Group Chief Financial Officer (CFO) and Group Chief Executive Officer (CEO)</p> <p>Membership type Executive</p> <p>Date of appointment (current term) 10 December 2021</p>	
<p>Professional experience and skills</p>	<p>Mr. Faisal Al Nassar is a member of the Board of Directors, and he has been appointed as the Group's Chief Executive Officer (CEO) since October 2023. Further, Mr. Faisal currently serves in the following capacities:</p> <ul style="list-style-type: none"> • Manager of Dr. Sulaiman Al Habib for Education Company since 2023 • Chairman of the Board of Managers of Eraf Medical Company since 2023 • Manager of Wrass for Operation and Maintenance Company (previously Saudi Serco Services Company) since 2023 • Manager of Sehat Al Hamra for Healthcare Company since 2023 • HMG's Chief Financial Officer (CFO) since 2011 • Chairman of the Board of Managers of Al Marakez Al Awwalyah for Healthcare Company since 2022 • Chairman of the Board of Directors of Cloud Solutions International Private Limited Company since 2022 • Manager of Wrass Real Estate Company since 2020 • Chairman of the Board of Managers of Taswyat Management Company since 2022 • Chairman of the Board of Managers of Sehat Al Olaya Medical Complex Company since 2022 • Chairman of the Board of Managers of Asharq Alawsat Pharmacies Company since 2022 • Chairman of the Board of Managers of Buraidah Al Takhassusi Hospital for Healthcare Company since 2022 • Chairman of the Board of Managers of Al Rayan Hospital for Healthcare Company since 2022 • Chairman of the Board of Managers of Home Healthcare Company since 2022 • Chairman of the Board of Managers of Al Gharb Al Takhassusi Hospital for Healthcare Company since 2022 • Chairman of the Board of Managers of Al Mokhtabarat Diagnostic Medical Company since 2022 • Chairman of the Board of Managers of Sehat Al Suwaidi Medical Company since 2022 • Chairman of the Board of Managers of Rawabet Medical Company since 2022 • Chairman of the Board of Managers of Sehat Al Sharq Medical Limited Company since 2022 • Chairman of the Board of Managers of Al Wosta Medical Limited Company since 2022 • Chairman of the Board of Managers of Gharb Jeddah Hospital Company since 2022 • Chairman of the Board of Managers of Flow Medical Company since 2022 	<ul style="list-style-type: none"> • Member of the Board of Managers of Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company since 2018 • Chairman of the Board of Managers of Hulool Al Sahabah for IT & Communication Company since 2022 • Manager of Sehat Al Kharj for Healthcare Company since 2022 • Manager of Bawabat Al Shamal for Healthcare Company since 2022 • Manager of Bawabat Al Gharb for Healthcare Company since 2022 • Director of Medi Life Limited Company since 2022 • Director of Alpha Care Limited Company since 2022 • Chairman of the Board of Directors for the branch of Dr. Sulaiman Al Habib Medical Services Group Holding Company, Branch of Foreign Company since 2022 • Member of the Board of Directors and Audit Committee Member at Tamkeen Human Resources Company since 2022 • Board Member and Head of Audit Committee in the Saudi Jordanian Investment Fund since 2022 • Member of the Board of Managers and Chairman of the Investment Committee of Al Ramz Real Estate Company since 2021 • Member of the Board of Directors of Wethaq Capital Platform Company since 2021 • Manager of Al Muhammadiyah Hospital for Healthcare Company since 2018 • Manager of Shamal Al Riyadh for Healthcare Company since 2018 • Manager of Pharmachoice Pharmacy since 2018 • Manager of Dr. Sulaiman Al Habib Hospital FZ-LLC since 2016 • Member of the Board of Managers of Travezy Investments Pvt Ltd Company since 2014 <p>Mr. Faisal Al Nassar has also previously served in the following capacities:</p> <ul style="list-style-type: none"> • Acting Chief Executive Officer (CEO) of the Group from November 2022 to September 2023 • Member of the Board of Managers of Saudi Serco Services Company from 2014 to 2023 • Member of the Board of Managers of Al Afia Pharmacies for Medicines Company from 2016 to 2021 • Member of the Board of Managers of Antab Al Riyadh for Operation and Maintenance Company from 2016 to 2021 • Member of the Board of Managers of Al Rayan for Maintenance and Operation Company from 2016 to 2021 • Member of the Board of Managers of Bone, Joint and Spine Hospital Company from 2016 to 2020 • Member of the Board of Managers of Al Mustaqbal for Hospitals Development Company from 2016 to 2020 • CFO, Member of the Board of Directors, and Member of the Executive Committee at Roiaa Investment Company (previously ACWA Holding) from 2006 to 2011 • Senior Manager of Corporate and Investment Banking Group at Samba Financial Group (merged with SNB Bank) from 1999 to 2006
<p>Qualifications</p>	<p>Mr. Faisal Al Nassar earned a Bachelor's degree in Accounting and Management Information Systems from King Fahd University of Petroleum and Minerals in Dhahran in 2002.</p>	
<p>Committee membership</p>	<p>Member of the Executive Committee</p>	



Mr. Hesham Sulaiman Al Habib

Board member and Chief Business Development and Strategy

Membership type

Executive

Date of appointment (current term)

10 December 2021

Professional experience and skills

Mr. Hesham Al Habib is a member of the Board. Mr. Hesham Al Habib currently serves in the following capacities as well:

- Member of the Board of Managers of Eraf Medical Company since 2023
- Manager of Wrass for Operation and Maintenance Company (previously Saudi Serco Services Company) since 2023
- Manager of Sehat Al Hamra for Healthcare Company since 2023
- HMG's Chief Business Development and Strategy Officer since 2022
- Member of the Board of Managers of Al Marakez Al Awwalyah for Healthcare Company since 2022
- Manager of Wrass Real Estate Company since 2022
- Member of the Board of Managers of Taswyat Management Company since 2022
- Manager of Pharmachoice Pharmacy since 2022
- Manager of Dr. Sulaiman Al Habib Hospital FZ-LLC since 2022
- Member of the Board of Managers of Sehat Al Olaya Medical Complex Company since 2022
- Member of the Board of Managers of Asharq Alawsat Pharmacies Company since 2022
- Member of the Board of Managers of Buraidah Al Takhassusi Hospital for Healthcare Company since 2022
- Member of the Board of Managers of Al Rayan Hospital for Healthcare Company since 2022
- Member of the Board of Managers of Home Healthcare Company since 2022
- Member of the Board of Managers of Al Gharb Al Takhassusi Hospital for Healthcare Company since 2022
- Member of the Board of Managers of Al Mokhtabarat Diagnostic Medical Company since 2022
- Member of the Board of Managers of Sehat Al Suwaidi Medical Company since 2022
- Member of the Board of Managers of Rawabet Medical since 2022
- Member of the Board of Managers of Sehat Al Sharq Medical Limited Company since 2022
- Member of the Board of Managers of Al Wosta Medical Limited Company since 2022
- Member of the Board of Managers of Gharb Jeddah Hospital Company since 2022
- Member of the Board of Managers of Flow Medical Company since 2022
- Member of the Board of Managers of Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company since 2022
- Member of the Board of Managers of Hulool Al Sahabah for IT & Communication Company since 2022

- Manager of Al Muhammadiyah Hospital for Healthcare Company since 2022
- Manager of Shamal Al Riyadh for Healthcare Company since 2022
- Manager of Sehat Al Kharj for Healthcare Company since 2022
- Manager of Bawabat Al Shamal for Healthcare Company since 2022
- Manager of Bawabat Al Gharb for Healthcare Company since 2022
- Director of Medi Life Limited Company since 2022
- Director of Alpha Care Limited Company since 2022
- Member of the Board of Directors of Dr. Sulaiman Al Habib Medical Services Group Holding Company – Branch of Foreign Company since 2022
- Member of the Board of Directors and member of the Executive Committee of Tamkeen Human Resources Company since 2022
- Board Member and Member of Nomination and Remuneration Committee of the Kingdom Holding Company since 2018
- Member of the Board of Managers of Namara Limited Company since 2016
- Member of the Board of Managers of Namara Investment Company since 2014
- Member of the Board of Hamat Holding Company since 2012
- Member of the Board of Managers of Qimam Al Tabadul for Investment Company since 2020
- Member of the Board of Managers of Thabat Al Amal Company since 2014
- Member of the Board of Managers of Jawaher Al Mustaqbal Real Estate company since 2019
- Member of the Board of Managers of Al Masa Al Zarqa Real Estate company since 2019
- Member of the Board of Managers of Manazel Al Wosta Real Estate Company since 2020
- Member of the Board of Managers of Soroh Al Marakez Co since 2016

Mr. Hesham Al Habib has previously served in the following capacities:

- Member of the Board of Managers of Saudi Serco Services Company from 2014 to 2023
- Member of the Board of Directors of Mohammad Abdulaziz Al Habib and Sulaiman Abdulaziz Al Habib for Energy Company from 2019 to 2022
- Vice President for Business Development in the Group from 2014 to February 2022
- Director of Business Development in the Group from 2009 to 2014

Qualifications

Mr. Hesham Al Habib earned a Bachelor's degree in Financial Management from the American University of Sharjah, UAE in 2009.

Committee membership

Member of the Executive Committee

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.1 Board of Directors (Continued)

	<p>Dr. Abdulrahman Sulaiman Al Turaigi Board member</p> <p>Membership type Independent</p> <p>Date of appointment (current term) 10 December 2021</p>	
<p>Professional experience and skills</p>	<p>Dr. Abdulrahman Al Turaigi is a member of the Board of the Group. Dr. Abdulrahman Al Turaigi currently serves in the following capacities as well:</p> <ul style="list-style-type: none"> Member of the Board of Directors and member of the Executive Committee of NEOM Energy and Water Company (Enowa) since 2023 Member of the Nominations and Remunerations Committee at Ekhaa Charity of Orphans' Care since 2023 Chairman of the Remuneration and Nominations Committee at NEOM Energy and Water Company (Enowa) since 2022 Member of the Board of Directors and member of the Audit Committee at Ahmed Abdel Wahab Abed Trading Company since 2022 Member of the Remunerations Committee at the Cultural Development Fund since 2021 Chairman of Audit Committee of First Milling Company since 2021 Member of the Nominations and Remunerations Committee at the Arabian Agriculture Services Company (ARASCO), since 2018 Member of the Audit Committee in King Abdullah University of Science and Technology since 2017 Board Member and Member of the Audit and Risk Committee in the Agriculture Development Fund since 2015 <p>Dr. Abdulrahman Al Turaigi has previously served in the following capacities:</p> <ul style="list-style-type: none"> Member of the Remunerations Committee at El-Ajou Group from 2022 to 2023 Member of the Remunerations Committee at SACO company from 2021 to 2023 Member of the Board of Directors and Chairman of the Nomination and Remuneration Committee, Member of the Governance, Risk and Compliance Committee, and Member of the Executive Committee at Saudi Investment Recycling Company SIRC from 2017 to 2023 Advisor to the Minister of Environment, Water and Agriculture in the Kingdom from 2015 to 2020 	<ul style="list-style-type: none"> CEO of the Presidency of Meteorology and Environment (PME) from 2019 to 2020 Board Member at Almarai Company from 2017 to 2019 Chairman of the Audit Committee at Almarai Company from 2013 to 2019 Board Member, the Chairman of the Audit Committee and Risk Committee and member of the Nomination and Remuneration Committee in Arabian Shield Cooperative Insurance from 2013 to 2018 Secretary-General of the Board of Directors at Almarai Company from 2004 to 2018 Member of the Audit Committee of the Arab Agricultural Services Company (ARASCO) from 2015 to 2018 Member of the Audit Committee of the Saudi Electricity Company from 2015 to 2018 Chairman of the Board of Directors of the Gulf Industrial Development Company from 2012 to 2018 Member of the Board of Directors and a member of the Audit Committee of Al Hassan Ghazi Ibrahim Shaker Company from 2013 to 2016 Assistant to the CEO at Almarai Company in New Projects from 2009 to 2010 General Manager of the Support Services Department in Almarai Company from 2007 to 2010 General Director of Human Resources department at Almarai Company from 2004 to 2007 Director of HR, Sales and Marketing department at Almarai Company from 2001 to 2003 Director of HR, Operation department at Almarai Company from 1999 to 2001 Head of Production Engineering department at the Technical College in Riyadh, at the Technical and Vocational Training Corporation from 1997 to 1999 Vice President of the Arab Students Association in Missouri University of Science and Technology, USA from 1993 to 1996 Consultant at Small Enterprise Center of Business Management Department at the University of Missouri, USA, from 1994 to 1995 Technical and Vocational Training Corporation, from 1986 to 1988
<p>Qualifications</p>	<p>Dr. Abdulrahman Al Turaigi earned a Ph.D. in Engineering Management from the University of Missouri, USA in 1997; a Bachelor's degree in Engineering Management from the University of Missouri, USA, in 1994; a Master's degree in Industrial Systems Engineering from the University of Michigan, USA, in 1990; and a Bachelor's degree in Industrial Systems Engineering from King Saud University, KSA, in 1986. Dr. Abdulrahman Al Turaigi is a Certified Auditor in ISO 9000 Quality Management Systems since 2000.</p>	
<p>Committee membership</p>	<p>Chairman of the Audit Committee</p>	

Mr. Rasheed Abdulrahman Al Rasheed

Board member

Membership type

Independent

Date of appointment (current term)

10 December 2021

**Professional experience and skills**

Mr. Rasheed Al Rasheed is a member of the Board of Directors of the Group, and he currently serves in the following capacities as well:

- Chairman of the Board of Directors of Himmah Capital Investment Company since 2023
- Member of the Board of Managers of Data Volt Information Technology Company since 2023
- Member of the Board of ALHassan Ghazi Ibrahim Shaker Company since 2022
- Member of the Audit Committee of Acwa Power Company (previously the International Company for Water and Power Projects) since 2022
- Chairman of the Board of Directors of Al Ramz Real Estate Company since 2020
- Member of the Board, member of the Executive Committee, member of the Audit Committee and member of the Nomination and Remuneration Committee of SAL Saudi Logistics Services since 2019
- Member of the Board of Tarabot Investment & Development Company since 2012, and Managing Director since 2014
- Member of the Board, Chairman of the Executive Committee, member of the Audit Committee and member of the Nomination and Remuneration Committee of Saudi Airlines Cargo Company since 2012
- Member of the Board and member of the Executive Committee of Vision International Investment Company (formerly Arabian Company for Water and Power Development) since 2007
- Member of the Board of Himmah Capital Limited since 2022
- Member of the Board of Managers and Chairman of the Risk and Audit Committee of Jazan Gas Projects Company since 2015
- Member of the Board of Managers of Tarabot Air Cargo Services Company since 2014
- Member of the Board of Managers of ALAthat Company since 2014
- Member of the Board of Managers of Saudi Integrated Company for Waste Treatment since 2013

Mr. Rasheed Al Rasheed has previously served in the following capacities:

- Vice-Chairman of the Board at Saudi District Cooling Company from 2021 to 2023
- Chairman of the Board of Managers at Zelan Arabia Company from 2007 to 2023
- Chairman of the Board of Managers at Saudi Dhahran Cooling Company from 2009 to 2021

- Chairman of the Board of Managers at Network Coverage Company for Communication from 2020 to 2021
- Chairman of the Board of Managers at Dhahran Valley Cooling Company from 2019 to 2021
- Member of the Board of Managers at Integrated Towers Company for Communication from 2019 to 2022
- Chairman of the Board of Managers at Saudi Riyadh Cooling Company from 2015 to 2021
- Chairman of the Board of Managers at Riyadh Water Production Company from 2015 to 2020
- Member of the Board of Managers at Global Ports and Railways Company from 2014 to 2019
- Member of the Board of Managers at Central District Cooling Company from 2011 to 2021
- Board Member at Saudi District Cooling Company in from 2008 to 2021; and Managing Director from 2011 to 2021
- Chairman of the Board of Managers at Saudi Tabreed Operations & Maintenance Company from 2009 to 2021
- Member of the Board of Managers at Welspun Middle East Pipes Company from 2008 to 2014
- Member of the Board of Managers at Arabian Japanese Membrane Company from 2008 to 2014
- Board Member at International Company for Water and Power Projects from 2008 to 2022
- President and CEO at Arabian Company for Water and Power Development Company (Formerly ACWA Holding) from 2007 to 2014
- Member of the Board of Managers at Shuaibah Water and Electricity Company from 2006 to 2009
- Board Member at Abdullah Abunayyan Group from 2006 to 2009
- Member of the Board of Managers at Shuqaiq Water and Electricity Company from 2006 to 2009
- Member of the Board of Managers at Rabigh Water and Electricity Company from 2006 to 2009
- Member of the Board of Managers at Arabian Company for Water and Power Projects from 2004 to 2011
- Group Vice President and Chief Financial Officer at Abdullah Abunayyan Group from 2000 to 2007
- Senior Management Information Advisor at AL Rashed Certified Public Accountants from 1998 to 2000
- Senior Management Consultant at AL Rashed Certified Public Accountants from 1996 to 1997
- Management Consultant at AL Rashed Certified Public Accountants from 1993 to 1995
- Computer Programmer and Systems Analyst at Royal Saudi Air Force (BDM International) from 1992 to 1993
- Computer Programmer at Saudi Telecom Company (STC) from 1988 to 1992

Qualifications

Mr. Rasheed Al Rasheed earned a Higher Diploma in Management Information Technology Systems from King Saud University, KSA in 1988.

Committee membership

Member of the Audit Committee

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.2 Non-Board Committee Members

Mr. Turki Abdulmuhsen Al Luhaid

Date of appointment (current term)

04 April 2023



Professional experience and skills	<p>Mr. Turki Al Luhaid is a member of the Audit Committee at the Group since 2023, Mr. Turki has vast experience in the audit consulting domain over the past 20 years. Mr. Turki currently serves in the following capacities as well:</p> <ul style="list-style-type: none"> • Managing Partner of Alluhaid and AlYahya Chartered Accountants since 2015 • Audit Committee Member of Tabuk Cement Company since 2016 • Audit Committee Member of Elm Information Company since 2019 • Audit Committee Member of Al Raedah Finance Company since 2018 • Certified examiner in Saudi Organization for Chartered and Professional Accountants (SOCPA) since 2012 	<p>Mr. Turki has previously served in the following capacities:</p> <ul style="list-style-type: none"> • Audit Committee Member of Saudi Fisheries Company from 2020 to 2023 • Former Chairman of the Audit Committee of Tawuniya Insurance Company from 2015 to 2020 • Chairman of the Audit Committee of AlHasan Ghazi Ibrahim Shaker Company (Shaker Group) from 2017 to 2021 • Audit Partner at Ernst & Young Chartered Accountants from 2006 to 2014 • Head of Letter of Credit department at Riyad Bank from 2004 to 2005
Qualifications	<p>Mr. Turki Al Luhaid earned a Bachelor's degree in Accountancy, from the College of Administrative Sciences, King Saud University, 2003. He is also a certified Public Accountant since 2011, qualified at the American Institute for Certified Public Accountants (CPA) since 2009, and a qualified in the Saudi Organization for Chartered and Professional Accountants (SOCPA) since 2007.</p>	
Committee membership	<p>Member of the Audit Committee</p>	

Prof. Abdullah Sulaiman Al Herbish**Date of appointment (current term)**

10 December 2021

**Professional experience and skills**

Prof. Abdullah Al Herbish is a Member of the Patient Safety and Quality of Care Committee at the Group since December 2021, and a Senior Vice President for Physician Affairs at the Group since February 2022; he is also a Diabetologist with extensive experience in private and public healthcare. Prof. Abdullah Al Herbish currently serves in the following capacities as well:

- Chairman of the Academic Council in the Group since 2020
- Examiner for the Pediatric Endocrinology Fellowship in the Saudi Commission for Health Specialties since 2010
- Member of the Clinical Excellence Committee in the Directorate of Health Affairs in Riyadh since 2021
- Member in the Advisory Boards for several medical companies since 2006

Prof. Abdullah Al Herbish joined the Group in 1995 as a part-time medical practitioner and started to work with the Group as a full-time medical practitioner from 2009, in addition to being the Chairman of the Board of Medical Directors of the Group from 2008 to 2021.

Prof. Abdullah Al Herbish served as Professor and consultant at the Department of Pediatrics, Faculty of Medicine, King Saud University from 1982 to 2009, He also served as a Chairman of the Clinical Studies at the Food and Drug Authority from 2019 to 2021, in addition to membership of many committees.

Qualifications

Prof. Abdullah Al Herbish earned the Canadian Fellowship in Pediatric Endocrinology and Diabetes from the Royal Canadian College of Physicians and Surgeons, University of Toronto, Toronto, Canada, in 1989. He also earned a fellowship at the American Board in Pediatric Endocrinology and Diabetes from the American Board Association, USA, 1989, and the Canadian Fellowship in Pediatrics from the Royal Canadian College of Physicians and Surgeons, University of Calgary, Calgary, Canada, 1988, in addition to the American Board in pediatrics from the American Board Association, Seattle, USA, 1988.


Committee membership

Member of the Patient Safety and Quality of Care Committee

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.2 Non-Board Committee Members (Continued)

	
	<p>Prof. Mahmoud Shaheen Al Ahwal</p> <p>Date of appointment (current term) 10 December 2021</p>
Professional experience and skills	<p>Prof. Mahmoud Al Ahwal is the Chairman of the Patient Safety and Quality of Care Committee at the Group since December 2021. Prof. Mahmoud Al Ahwal currently serves in the following capacities:</p> <ul style="list-style-type: none"> • Professor and Consultant in Internal Medicine and Medical Oncology at Bakhsh Hospitals group since 1996 • Chairman of Mortality and Morbidity Committee at Bakhsh Hospitals group since October 2021 • Chairman of Board of Trustees for Dr Soliman Fakeeh Award for Medical Research and Innovation in September 2021 • Consultant in the field of Oncology for GAGA since September 2021 • The Editor of the Saudi Journal of Internal Medicine, a journal of King Abdulaziz University operating in the field of scientific research since 2010 • Chairman of the Board for Health Empowerment Committee since October 2022 • Member of the Gulf Federation for Cancer Control, a regional organization operating in the field of development and support of cancer control programs in the Arabian Gulf region since 2007 • Local Editor for the Gulf Journal of Oncology, a reference journal in the US National Register operating in the field of scientific research since 2007 • Professor/Consultant of Medical Oncology at the Faculty of Medicine, King Abdulaziz University since 2006 • Member and Founder of Al-Eman Association for the Care of Cancer Patients, a charitable association operating in the field of supporting and caring for cancer patients in need since 2004 <p>Prof. Mahmoud Al Ahwal has previously served in the following capacities:</p> <ul style="list-style-type: none"> • Dean of the Faculty of Medicine at King Abdulaziz University from 2009 to 2021 • Supervisor of the Vaccine Center at King Abdulaziz University during 2021 • Chairman of the Saudi Medical Colleges Deans' Committee at King Abdulaziz University from 2010 to 2021 • Chairman of the Health Personnel Allowances Committee, King Abdulaziz University from 2015 to 2021 • Member of the Board of Trustees of the Saudi Commission for Health Specialties from 2015 to 2021 • Chairman of the Saudi Medical Colleges Deans' Committee from 2012 to 2021 • Member of the Supreme National Committee for Cancer Control from 2010 to 2021 • Member of the Board of Sheikh Mohammed Hussien Al-Amoudi Center of Excellence in Breast Cancer, an entity affiliated to the King Abdulaziz University operating in the field of medical care from 2010 to 2021 • Chairman of the Medical Board of King Abdulaziz University from 2009 to 2021 • Member of the King Fahd Center for Medical Research from 2009 to 2021 • Secretary of the Higher Supervisory Committee at the University Hospital affiliated to King Abdulaziz University since 2009 to 2021 • Member of the Board of Wadi Jeddah Company, King Abdulaziz University from 2015 to 2021 • Member of the Center of Innovation in Personalized Medicine from 2015 to 2021 • Acting Dean of the College of Medicine at the University of Jeddah from 2014 to 2021 • Member of the Center of Excellence for Osteoporosis Research, a center of King Abdulaziz University operating in the field of scientific research from 2013 to 2021 • Supervisor of the Colorectal Cancer Chair, a Chair of King Abdulaziz University operating in the field of scientific research from 2010 to 2018 • Vice Dean of the Faculty of Medicine for Clinical Sciences, King Abdulaziz University from 2005 to 2009 • Associate Professor at Faculty of Medicine, King Abdulaziz University from 1999 to 2006 • Head of Internal Medicine Department, Faculty of Medicine, King Abdulaziz University from 2001 to 2005 • Assistant in the Faculty of Medicine, King Abdulaziz University from 1992 to 1999 • Professor and General Director of Medical Department, King Abdulaziz University from 1993 to 1994 • Teaching Assistant at the Faculty of Medicine, King Abdulaziz University from 1987 to 1992 • Prof. Mahmoud Al Ahwal has also published many scientific papers in local and international journals for more than 80 papers in the field of cancerous tumors
Qualifications	<p>Prof. Mahmoud Al Ahwal earned a Bachelor's degree in Medicine and Surgery from King Abdulaziz University Jeddah, Saudi Arabia 1983, and the American Board in Internal Diseases in 1990. Prof. Mahmoud Al Ahwal also earned the Canadian Fellowship in Internal Diseases from University of Alberta, Canada, in 1991, and the Canadian Fellowship in Cancer Diseases from University of Alberta, Canada, in 1994.</p>
Committee membership	<p>Chairman of the Patient Safety and Quality of Care Committee</p>



Dr. Abdulelah Mohammed Rabe Al Hawsawi

Date of appointment (current term)

10 December 2021

Professional experience and skills

Dr. Abdulelah Al Hawsawi is a member of the Patient Safety and Quality of Care Committee at the Group since December 2021. He is an accomplished and resourceful Patient Safety Leader with many years of experience in the healthcare systems. Dr. Abdulelah Al Hawsawi currently serves in the following capacities as well:

- CEO, Novo Genomics since 2022
- Board Member of Joint Commission Resources (JCR) since 2022
- Executive Committee Member of the Global Sepsis Alliance (GSA) since 2020

Dr. Abdulelah Al Hawsawi has previously served in the following capacities:

- Former Advisor at the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI) from 2020 to 2021
- Former Director General of the Saudi Patient Safety Center from 2017 to October 2020
- Consultant HBP Surgeon and Assistant Professor at King Abdulaziz University from 2012 to 2019
- Assistant Director General for Technical Affairs at the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI) from 2012 to 2016
- Program Director at King Abdulaziz University from 2012 to 2015
- Assistant Professor of Surgery at King Abdulaziz University from 2001 to 2019
- General Surgery Resident from 2002 to 2004 and Intern from 2001 to 2002 at King Abdulaziz University Hospital
- Transplant and HBP Surgery Fellow, Dalhousie University, New York from 2009 to 2011
- Chair of the Organizing Committee of the 4th Global Ministerial Summit on Patient Safety held in KSA in Jeddah, in 2019
- Dr. Abdulelah Al Hawsawi has also published many scientific papers, articles, books and chapters in international journals

Qualifications

Dr. Abdulelah Al Hawsawi earned a Bachelor's degree in Medicine and Surgery from King Abdulaziz University in 2001, and Fellowship from Canadian Board in 2009 and American Board in 2010. Dr. Abdulelah Al Hawsawi is also a Certified Surgeon for hepatobiliary organs since 2011. He holds Dual Certified Boards (American–Canadian) of General Surgery with sub-specialty in Transplant and Hepatobiliary Surgery.

Committee membership

Member of the Patient Safety and Quality of Care Committee

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.2 Non-Board Committee Members (Continued)



Mr. Ahmed Saleh Al Sudais

Date of appointment (current term)

10 December 2021

Professional experience and skills	<p>Mr. Ahmed Al Sudais is a member of the Nomination and Remuneration Committee at the Group since December 2021. Mr. Ahmed Al Sudais currently serves in the following capacities as well:</p> <ul style="list-style-type: none"> • Chief Human Resources Officer at Al-Rajhi Bank since 2019 • Member of Nominations and Remunerations Committee at King Saud University since 2023 • Member of the Board and Member of the Nomination and Remuneration Committee at Institute Management since 2022 • Board Member at Management and Development Company for Human Resources (Tanfeeth) since 2021 • Member of the Nominations Committee in the Events Fund since 2021 • Member of the Nominations Committee in the Central Jeddah Development Company since 2020 • Member of the Nominations and Remunerations Committee at the Saudi Payments Company since 2020 • Member of the Nominations Committee at the Tourism Development Fund since 2020 • Member of the Nomination and Remuneration Committee at Masik Holding Company since 2018 • Member of the Remuneration Committee at Thakher Investment and Real Estate Development Company Ltd since 2018 <p>Mr. Ahmed Al Sudais has previously served in the following capacities:</p> <ul style="list-style-type: none"> • Member of the Nominations Committee at the National Development Fund from 2020 to 2023 • Member of the Nominations Committee at Tabadul Company from 2019 to 2023 • Member of the Nominations Committee at the General Authority for Statistics from 2020 to 2022 • Member of the Nominations and Remuneration Committee at the Saudi Ground Services Company from 2018 to 2021 	<ul style="list-style-type: none"> • Member of the Nomination and Remuneration Committee at Mashroat National Program from 2018 to 2021 • Board Member and Member of the Remuneration Committee at Abdullatif Alissa Group from 2018 to 2021 • Vice President of Human Capital at ACWA Power Company from 2017 to 2019 • Member of the Nomination and Remuneration Committee at HSBC Holding from 2016 to 2019 • Board Member of Al Amad Company from 2017 to 2019 • Member of the Board and Chairman of the Nomination and Remuneration Committee at Al Yusr Company from 2018 to 2019 • General Director of Human Resources at the Saudi British Bank from 2012 to 2017 • Head of Branches and Sales department at Saudi British Bank from 2011 to 2012 • Chief Operating Officer of National Air Services Company (NAS) from 2009 to 2011 • Deputy Managing Director of Saudi Research and Publishing Company from 2006 to 2009 • Senior Manager of the Branch Network of Saudi British Bank from 2005 to 2006 • Regional Manager of Human Resources at Saudi British Bank from 2004 to 2005 • Branch Manager of Saudi British Bank from 1997 to 2000 • Privilege Officer at the Saudi British Bank for the year 1997 • Program of New Manager's Development for Banking qualification at the Saudi British Bank from 1996 to 1997 • Director of Communication at Colsa International from 1992 to 1996
Qualifications	Mr. Ahmed Al Sudais earned a Bachelor's degree in Accounting from King Abdulaziz University in Jeddah in the year 1992.	
Committee membership	Member of the Nomination and Remuneration Committee	

3.3 Executive Management



Mr. Faisal Abdullah Al Nassar

Group Chief Financial Officer (CFO); and Group Chief Executive Officer (CEO)

Professional experience and skills

Mr. Faisal Al Nassar is a member of the Board of Directors since December 2021, and the Group's Chief Financial Officer (CFO) since 2011. Mr. Faisal was appointed as the Group's Chief Executive Officer (CEO) since October 2023. Further, Mr. Faisal currently serves in the following capacities as well:

- Manager of Dr. Sulaiman Al Habib for Education Company since 2023
- Chairman of the Board of Managers of Eraf Medical Company since 2023
- Manager of Wrass for Operation and Maintenance Company (previously Saudi Serco Services Company) since 2023
- Manager of Sehat Al Hamra for Healthcare Company since 2023
- Chairman of the Board of Managers of Al Marakez Al Awwalyah for Healthcare Company since 2022
- Chairman of the Board of Directors of Cloud Solutions International Private Limited Company since 2022
- Manager of Wrass Real Estate Company since 2020
- Chairman of the Board of Managers of Taswyat Management Company since 2022
- Chairman of the Board of Managers of Sehat Al Olaya Medical Complex Company since 2022
- Chairman of the Board of Managers of Asharq Alawsat Pharmacies Company since 2022
- Chairman of the Board of Managers of Buraidah Al Takhassusi Hospital for Healthcare Company since 2022
- Chairman of the Board of Managers of Al Rayan Hospital for Healthcare Company since 2022
- Chairman of the Board of Managers of Home Healthcare Company since 2022
- Chairman of the Board of Managers of Al Gharb Al Takhassusi Hospital for Healthcare Company since 2022
- Chairman of the Board of Managers of Al Mokhtabarat Diagnostic Medical Company since 2022
- Chairman of the Board of Managers of Sehat Al Suwaidi Medical Company since 2022
- Chairman of the Board of Managers of Rawabet Medical Company since 2022
- Chairman of the Board of Managers of Sehat Al Sharq Medical Limited Company since 2022
- Chairman of the Board of Managers of Al Wosta Medical Limited Company since 2022
- Chairman of the Board of Managers of Gharb Jeddah Hospital Company since 2022
- Chairman of the Board of Managers of Flow Medical Company since 2022
- Member of the Board of Managers of Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company since 2018
- Chairman of the Board of Managers of Hulool Al Sahabah for IT & Communication Company since 2022
- Manager of Sehat Al Kharj for Healthcare Company since 2022

- Manager of Bawabat Al Shamal for Healthcare Company since 2022
- Manager of Bawabat Al Gharb for Healthcare Company since 2022
- Director of Medi Life Limited Company since 2022
- Director of Alpha Care Limited Company since 2022
- Chairman of the Board of Directors for the branch of Dr. Sulaiman Al Habib Medical Services Group Holding Company, Branch of Foreign Company since 2022
- Member of the Board of Directors and Member of the Audit Committee at Tamkeen Human Resources Company since 2022
- Board Member and Head of Audit Committee in the Saudi Jordanian Investment Fund since 2022
- Member of the Board of Managers and Chairman of the Investment Committee of Al Ramz Real Estate Company since 2021
- Member of the Board of Directors of Wethaq Capital Platform Company since 2021
- Manager of Al Muhammadiyah Hospital for Healthcare Company since 2018
- Manager of Shamal Al Riyadh for Healthcare Company since 2018
- Manager of Pharmachoice Pharmacy since 2018
- Manager of Dr. Sulaiman Al Habib Hospital FZ-LLC since 2016
- Member of the Board of Managers of Travezy Investments Pvt Ltd Company since 2014

Mr. Faisal Al Nassar has also previously served in the following capacities:

- Acting Chief Executive Officer (CEO) of the Group from November 2022 to September 2023
- Member of the Board of Managers of Saudi Serco Services Company from 2014 to 2023
- Member of the Board of Managers of Al Afia Pharmacies for Medicines Company from 2016 to 2021
- Member of the Board of Managers of Antab Al Riyadh for Operation and Maintenance Company from 2016 to 2021
- Member of the Board of Managers of Al Rayan for Maintenance and Operation Company from 2016 to 2021
- Member of the Board of Managers of Bone, Joint and Spine Hospital Company from 2016 to 2020
- Member of the Board of Managers of Al Mustaqbal for Hospitals Development Company from 2016 to 2020
- CFO, Member of the Board of Directors, and Member of the Executive Committee at Roiaa Investment Company (previously ACWA Holding) from 2006 to 2011
- Senior Manager of Corporate and Investment Banking Group at Samba Financial Group (merged with SNB Bank) from 1999 to 2006

Qualifications

Mr. Faisal Al Nassar earned a Bachelor's degree in Accounting and Management Information Systems from King Fahd University of Petroleum and Minerals in Dhahran in 2001.

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.3 Executive Management (Continued)

Mr. Hesham Sulaiman Al Habib

Chief Business Development and Strategy



Professional experience and skills	<p>Mr. Hesham Al Habib is a member of the Board since December 2021, and the Group's Chief Business Development and Strategy since February 2022.</p> <p>Mr. Hesham Al Habib currently serves in the following capacities as well:</p> <ul style="list-style-type: none"> • Member of the Board of Managers of Al Marakez Al Awwalyah for Healthcare Company since 2022 • Manager of Rawabet Medical Company since 2022 • Member of the Board of Managers of Taswyat Management Company since 2022 • Manager of Pharmachoice Pharmacy since 2022 • Manager of Dr. Sulaiman Al Habib Hospital FZ-LLC since 2022 • Member of the Board of Managers of Sehat Al Olaya Medical Complex Company since 2022 • Member of the Board of Managers of Asharq Alawsat Pharmacies Company since 2022 • Member of the Board of Managers of Buraidah Al Takhassusi Hospital for Healthcare Company since 2022 • Member of the Board of Managers of Al Rayan Hospital for Healthcare Company since 2022 • Member of the Board of Managers of Home Healthcare Company since 2022 • Member of the Board of Managers of Al Gharb Al Takhassusi Hospital for Healthcare Company since 2022 • Member of the Board of Managers of Al Mokhtabarot Diagnostic Medical Company since 2022 • Member of the Board of Managers of Sehat Al Suwaidi Medical Company since 2022 • Member of the Board of Managers of Intensive Care Company for Healthcare since 2022 • Member of the Board of Managers of Sehat Al Sharq Medical Limited Company since 2022 • Member of the Board of Managers of Al Wosta Medical Limited Company since 2022 • Member of the Board of Managers of Gharb Jeddah Hospital Company since 2022 • Member of the Board of Managers of Flow Medical Company since 2022 • Member of the Board of Managers of Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company since 2022 • Member of the Board of Managers of Saudi Serco Services Company since 2014 • Member of the Board of Managers of Hulool Al Sahabah for IT & Communication Company since 2022 • Manager of Al Muhammadiyah Hospital for Healthcare Company since 2022 	<ul style="list-style-type: none"> • Manager of Shamal Al Riyadh for Healthcare Company since 2022 • Manager of Sehat Al Kharj for Healthcare Company since 2022 • Manager of Bawabat Al Shamal for Healthcare Company since 2022 • Manager of Bawabat Al Gharb for Healthcare Company since 2022 • Director of Medi Life Limited Company since 2022 • Director of Alpha Care Limited Company since 2022 • Member of the Board of Directors for the branch of Dr. Sulaiman Al Habib Medical Services Group Holding Company, Branch of Foreign Company since 2022 • Member of the Board of Directors of Tamkeen Human Resources Company since 2022 • Board Member and Member of Nomination and Remuneration Committee of the Kingdom Holding Company since 2018 • Member of the Board of Managers of Namara Limited Company since 2016 • Member of the Board of Managers of Namara Investment Company since 2014 • Member of the Board of Hamat Holding Company since 2012 • Member of the Board of Managers of Qimam Al Tabadul for Investment Company since 2020 • Member of the Board of Managers of Thabat Al Amal Company since 2014 • Member of the Board of Managers of Jawaher Al Mustaqbal Real Estate company since 2019 • Member of the Board of Managers of Al Masa Al Zarqa Real Estate company since 2019 • Member of the Board of Managers of Manazel Al Wosta Real Estate Company since 2020 • Member of the Board of Managers of Soroh Al Marakez Company since 2016
Qualifications	<p>Mr. Hesham Al Habib earned a Bachelor's degree in Financial Management from the American University of Sharjah, UAE in 2009.</p>	
	<p>Mr. Hesham Al Habib has previously served in the following capacities:</p> <ul style="list-style-type: none"> • Member of the Board of Directors of Mohammad Abdulaziz Al Habib and Sulaiman Abdulaziz Al Habib for Energy Company from 2019 to 2022 • Vice President for Business development in the Group from 2014 to February 2022 • Director of Business Development in the Group from 2009 to 2014 	



Mr. Saud Abdulaziz Al Arifi

The Group General Counsel and
Secretary of the Board of Directors

Professional experience and skills	<p>Mr. Saud Al Arifi serves as the Group General Counsel since 2016, and Secretary of the Board of Directors since December 2021. Mr. Saud Alarifi has served in a number of senior roles in the legal sector at several renowned institutions, including:</p> <ul style="list-style-type: none"> • Counsel at Clyde & Co LLP, Dubai, United Arab Emirates from 2009 to 2015 • Legal Advisor at DLA Piper Middle East LLP, Dubai, United Arab Emirates from 2007 to 2009 • Legal Researcher at the Saudi Arabian Monetary Authority (SAMA), from 2001 to 2002, and from early 2003 to the end of 2003
Qualifications	<p>Mr. Saud Al Arifi earned a Bachelor's degree in Islamic Call and Media, awarded by Mohammed Bin Saud Islamic University, Riyadh, in 1998, and a Master's Degree in Securities and Financial Regulations, Georgetown University, Washington, in 2007. Mr. Saud also earned a Master's degree in Law, Duke University, Durham in 2004, and Career Master's degree in Law Studies, Institute of Public Administration, Riyadh in 2001.</p>



Prof. Abdullah Sulaiman Al Herbish

Senior Vice President for Physician Affairs and
Consultant Pediatric Endocrinologist and Diabetologist

Professional experience and skills	<p>Prof. Abdullah Al Herbish is a Member of the Patient Safety and Quality of Care Committee at the Group since December 2021, and a Senior Vice President for Physician Affairs at the Group since February 2022, he is also a Diabetologist with extensive experience in private and public healthcare. Prof. Abdullah Al Herbish currently serves in the following capacities as well:</p> <ul style="list-style-type: none"> • Chairman of the Academic Council in the Group since 2020 • Examiner for the Pediatric Endocrinology Fellowship in the Saudi Commission for Health Specialties since 2010 • Member of the Clinical Excellence Committee in the Directorate of Health Affairs in Riyadh since 2021 • Member in the Advisory Boards for several medical companies since 2006 <p>Prof. Abdullah Al Herbish joined the Group in 1995 as a part-time medical practitioner and started to work with the Group as a full-time medical practitioner from 2009, in addition to being the Chairman of the Board of Medical Directors of the Group from 2008 to 2021.</p> <p>Prof. Abdullah Al Herbish served as Professor and consultant at the Department of Pediatrics, Faculty of Medicine, King Saud University from 1982 to 2009, he also served as a Chairman of the Clinical Studies at the Food and Drug Authority from 2019 to 2021, in addition to the memberships in many committees.</p>
Qualifications	<p>Prof. Abdullah Al Herbish earned the Canadian Fellowship in Pediatric Endocrinology and Diabetes from the Royal Canadian College of Physicians and Surgeons, University of Toronto, Toronto, Canada, in 1989. Moreover, Prof. Abdullah Al Herbish earned American Board certification in Pediatric Endocrinology and Diabetes from the American Board Association, USA, 1989, and the Canadian Fellowship in Pediatrics from the Royal Canadian College of Physicians and Surgeons, University of Calgary, Calgary, Canada, 1988, in addition to the American Board certification in Pediatrics from the American Board Association, Seattle, USA, 1988.</p>

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.3 Executive Management (Continued)

Prof. Sulaiman Abdul Aziz Al Majed

Senior Vice President for Medical Affairs,
Consultant of Internal and Chest Diseases and
Supervisor of diagnostic radiology, laboratory and nursing



Professional experience and skills	<p>Prof. Sulaiman Al Majed has over 40 years of experience in the healthcare sector. He served in various roles including:</p> <ul style="list-style-type: none"> Acting Medical Director of Sehat Al Suwaidi Medical Company during 2021 Professor and Consultant in the College of Medicine at King Saud University from 1988 to 2007 Head of Department of Chest in the College of Medicine at King Saud University from 1992 to 2007 Head of the Department of Training and Recognition in Medical Specialties of Internal Medicine at the Faculty of Medicine, King Saud University from 1998 to 2006
Qualifications	<p>Prof. Sulaiman Al Majed earned a Bachelor's degree in Medicine from King Saud University in 1980 in addition to:</p> <ul style="list-style-type: none"> Canadian Fellowship in Internal Diseases and Chest Diseases, University of British Columbia in Vancouver, Canada in 1986 Canadian Fellowship in Chest Diseases University of British Columbia in Vancouver, Canada in 1987 Fellowship in American Board certification for Internal Medicine in 1987 Fellowship in American Board certification for Chest Diseases in 1988 Associate Professor at King Saud University in 1992 Professor at King Saud University in 1996

Mr. Riyadh Muhammad Bajodah

Acting Vice President for Digital Business,
Chief Executive Officer (CEO) and member of the Board of Managers of Taswyat
Management Company (subsidiary company)



Professional experience and skills	<p>Mr. Riyadh Bajodah has extensive experience in senior positions throughout his career and has more than 23 years of professional experience in Information Technology and Security Solutions companies. Mr. Riyadh currently serves in the following capacities in the Group:</p> <ul style="list-style-type: none"> Vice President for Digital Business (Acting) since November 2022 Chief Executive Officer (CEO) and Member of the Board of Managers of Taswyat Management Company (subsidiary company of the Group) since 2020 <p>Mr. Riyadh Bajodah has previously served in several senior positions throughout his career, including:</p> <ul style="list-style-type: none"> Chief Executive Officer (CEO) of Waseel ASP Ltd from 2009 to 2020 Chief Operating Officer of Waseel ASP Ltd from 2002 to 2009 Central Region Manager of Batterjee Security Products (AMB Group) from 2001 to 2022
Qualifications	<p>Mr. Riyadh Bajodah earned a Bachelor's degree in B.A., Management Information Systems (MIS) from King Fahad University for Petroleum and Minerals in Dhahran in 1999.</p>

Prof. Awad Abdullah Al Omari

Chief Medical Officer and Academic Affairs,
Chief Executive Officer (CEO) and member of the Board of Managers of Rawabet
Medical Company (subsidiary company)



Professional
experience and
skills

Prof. Awad Al Omari is the Chief Medical Officer and Academic Affairs at the Group since February 2022. Prof. Awad also currently serves in the following capacities:

- Board member in Saudi Federation of Sports Medicine since 2022
- Board member in the Supervising Committee for Medical College in Imam Mohammed Ibn Saud Islamic University since 2022
- Professor of Medicine at Al Faisal University since 2021
- President of Saudi Critical Care Society since 2020
- Chief Executive Officer (CEO) and member of the Board of Managers of Rawabet Medical Company (subsidiary company) since 2019

Prof. Awad Al Omari has previously served in the following capacities:

- Associate Vice President for Physicians Affairs at Dr. Sulaiman AlHabib Medical Services Group Company from 2019 to 2022
- Associate Vice President for Academic Affairs at the Group from 2017 to 2022
- Associate Professor of Medicine at Al Faisal University from 2016 to 2020
- Assistant Professor of Medicine at Al Faisal University from 2012 to 2016
- Internal Medicine and Infectious Diseases Consultant at Security Forces Hospital from 2012 to 2016
- Critical Care Consultant at Security Forces Hospital from 2012 to 2016
- Medical Director for Critical Care areas at the Group from 2014 to 2022
- Head of Infection Control departments at the Group from 2014 to 2022

Qualifications

Prof. Awad Al Omari earned the Saudi Board in Internal Medicine from Saudi Commission for Health Specialties in January 2009, in addition to the Canadian Board Fellowship in Infectious Diseases, University of Ottawa, in June 2012, and the Canadian Board Fellowship in Intensive Care, University of Ottawa, in June 2012. He also earned the Master of Business Administration, from Alliance Manchester Business School, in October 2023.

Dr. Riyadh Saleh Al Atiqi

General Director of Pharmaceutical Facilities and member of the Board of Managers of
Asharq Alawsat Pharmacies Company (subsidiary company)



Professional
experience and
skills

Dr. Riyadh Al Atiqi is the General Director of Pharmaceutical Facilities at the Group, and member of the Board of Managers of Asharq Alawsat Pharmacies Company. Furthermore, Dr. Riyadh previously held several positions in the pharmaceutical sector including:

- Manager of the Central Region Branch of the Saudi International Trading Company from 1997 to 2008
- Regulatory Relations Officer, Swiss Novartis, Scientific Office branch from 1992 to 1997

Qualifications

Dr. Riyadh Al Atiqi earned a Bachelor's degree in Pharmaceutical Sciences from King Saud University in 1991, and a Master's degree in Business Administration from King Saud University in 1996, Riyadh. Dr. Riyadh Al Atiqi also holds a Diploma in International Finance, awarded by the Paris Business School in 2017.

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.3 Executive Management (Continued)

	
	<p>Eng. Abdulelah Abdulrahman Al Mayman</p> <p>Chief Executive Officer (CEO) and member of the Board of Managers of Hulool Al Sahabah for IT & Communication Company (subsidiary company).</p>
Professional experience and skills	<p>Eng. Abdulelah Al Mayman has more than 23 years of professional experience, and is currently the Chief Executive Officer (CEO) of Hulool Al Sahabah for IT & Communication Company (subsidiary company of the Group).</p> <p>Eng. Abdulelah Al Mayman previously served in several senior positions throughout his career, including:</p> <ul style="list-style-type: none"> • Vice President for Information Technology in the Group from 2012 to 2018 • Director for Business Specifications, Samba Financial Group from 2011 to 2012 • Director for Banking Applications, Alinma Bank from 2007 to 2011 • Manager of American Express Systems, the Saudi Investment Bank from 2006 to 2007 • Supervisor of the main banking systems, the Saudi Investment Bank from 2002 to 2006 • Programmer at the Saudi Investment Bank from 2000 to 2002
Qualifications	Eng. Abdulelah Al Mayman earned a Bachelor's degree in Information Systems from King Saud University, Riyadh, in 2000.

	
	<p>Mr. Mustapha El Omari Alaoui</p> <p>Vice President for Supply Chain</p>
Professional experience and skills	<p>Mr. Mustapha Alaoui held several senior positions throughout his career, including:</p> <ul style="list-style-type: none"> • General Manager of Biscuterie Moderne Zine from 2017 to 2019 • Director of the Department of Supply and Logistics Development for Mondelez International from 2013 to 2017 • Director of the Department of Supply, Logistics and Procurement, Bimo, Casablanca from 2010 to 2012 • Regional Supply and Logistics Manager, Procter & Gamble (P&G Int.) from 2007 to 2009 • Supply and Logistics Manager, Procter & Gamble (P&G Int.) from 2000 to 2006
Qualifications	Mr. Mustapha Alaoui is a State Engineer and a graduate of Mohammadia School of Engineers, Kingdom of Morocco in 2000.

Dr. Abdulwahab Abdullah Al Abdulwahab

Chief Operating Officer (COO)



Professional experience and skills

Dr. Abdulwahab Al Abdulwahab has over 27 years of experience in the healthcare industry sector and is the Group Chief Operation Officer (COO). He currently serves in the following capacities as well:

- Member of the Board of Directors for the branch of Dr. Sulaiman Al Habib Medical Services Group Holding Company, a branch of Foreign Company since 2022
- Member of the Board of Managers of Home Healthcare Company since 2016
- Member of the Board of Managers of Al Mokhtabarat Diagnostic Medical Company since 2016
- Member of the Board of Managers of Sehat Al Suwaidi Medical Company since 2016

Dr. Abdulwahab has previously served in the following capacities:

- General Manager of the Group's hospital in Rayan from 2017 to 2019
- General Manager of Home Healthcare Company, at the Group from 2013 to 2019
- General Manager of UMC at King Abdullah Medical City, Bahrain, a center affiliated to Arabian Gulf University from 2012 to 2019
- General Manager of private projects (obesity center units, physical therapy divisions and skin and plastic surgery centers) at the Group from 2010 to 2019
- Consultant of the General Directorate of Medical Services at the Ministry of Defense from 2009 to 2010
- Consultant of the General Directorate at Prince Sultan Medical Military City from 2008 to 2009
- Administrative Manager of the Department of Family from 2006 to 2008, and Manager of Human Resources from 2005 to 2006, and Planning Development Officer, Human Resources department from 2002 to 2004 at Prince Sultan Medical Military City
- Manager of Rehabilitation division at Ministry of Health from 1996 to 1997


Qualifications

Dr. Abdulwahab Al Abdulwahab earned a Bachelor's degree in Applied Medical Sciences from King Saud University in 1995, and has been awarded a Master's degree in 2000, and a Ph.D. in Healthcare Management in 2002, both awarded by the University of Wales, UK.

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.3 Executive Management (Continued)

	<p>Mr. Vimal Subramanian</p> <p>Chief Internal Auditor and Audit Committee Secretary</p> 
<p>Professional experience and skills</p>	<p>Mr. Vimal Subramanian is the Chief Internal Auditor and the Secretary of the Audit Committee at the Group since 2016. Mr. Vimal Subramanian has vast experience in the risk consulting and internal audit domain over the past 20 years.</p> <p>Previously, Mr. Vimal Subramanian has worked with various renowned consulting firms, including:</p> <ul style="list-style-type: none"> • Assistant Manager of Risk Consulting at KPMG Saudi Arabia from 2014 to 2015 • Manager of Internal Audit at RSM international from 2011 to 2014 • Senior Consultant in Protiviti from 2010 to 2011 • Assistant Manager at Astral Consulting Limited from 2007 to 2010 • Professional Consultant at Astral Consulting Limited from 2002 to 2007
<p>Qualifications</p>	<p>Mr. Vimal Subramanian earned a Bachelor's degree in Commerce – Accounting, from the University of Anamalai, India in 2002, and a Master's degree in Business Administration – Finance, from Bharathiar University in 2014. He is also a Certified Internal Auditor (CIA), the Institute of Internal Auditors, USA, in 2009, and a Certified Fraud Examiner (CFE), the Association of Certified Fraud Examiners, USA, in 2010.</p> <p>Mr. Vimal Subramanian holds Certification in Risk Management Assurance (CRMA) from the Institute of Internal Auditors, USA, 2011 and Certified Information Systems Auditor (CISA), the Association of Information Systems Audit and Control Association, USA, 2014.</p>

3.4 Board of Directors Formation and Function

The Board has adopted performance standards to evaluate its actions, members and committee members. In the interest of the Board to ensure continuity of development and raise the efficiency of its performance, it has set standards and procedures to evaluate the performance of the Board, its members and committee members. The Board has also established a procedure to evaluate its work periodically.

3.4.1 Names of Companies, both within the Kingdom and Outside of it, in which a Member of the Company's Board of Directors is a Member of the Current or Former Board of Directors or is a Manager

Member name	Names of companies, both within the Kingdom and outside of it, in which a member of the Company's Board of Directors is a member of the current or former Board of Directors or is a manager	Inside/outside the Kingdom	Board membership or managerial position (current or previous)	Legal entity
Dr. Sulaiman Abdulaziz Al Habib	Board of Trustees of the National Museum	Inside the Kingdom	Current	Governmental entity
	International Healthcare Company	Inside the Kingdom	Previous	Limited liability company
Mr. Mazen Abdulrazzaq Al Rumaih	Banque Saudi Fransi	Inside the Kingdom	Current	Listed joint stock company
	Future Generation Company	Inside the Kingdom	Current	Limited liability company
	Saudi Tourism Authority	Inside the Kingdom	Current	Governmental entity
	King Faisal Specialist Hospital and Research Center	Inside the Kingdom	Current	Independent, private, non-profit organization
	Real Estate Development Fund	Inside the Kingdom	Current	Governmental entity
	Saudi Arabian Airlines Public Corporation	Inside the Kingdom	Current	Governmental entity
	Local Content & Government Procurement Authority	Inside the Kingdom	Previous	Governmental entity
	HSBC Saudi Arabia	Inside the Kingdom	Previous	Closed joint stock company
	Alissa Holding Group Company	Inside the Kingdom	Previous	Closed joint stock company
	Al Yamamah Steel Company	Inside the Kingdom	Previous	Listed joint stock company
	Samba Capital & Investment Management Company	Inside the Kingdom	Previous	Closed joint stock company
	Saudi Fransi Capital	Inside the Kingdom	Previous	Closed joint stock company
Capital Market Authority (CMA)	Inside the Kingdom	Previous	Governmental entity	

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.4 Board of Directors Formation and Function (Continued)

Member name	Names of companies, both within the Kingdom and outside of it, in which a member of the Company's Board of Directors is a member of the current or former Board of Directors or is a manager	Inside/outside the Kingdom	Board membership or managerial position (current or previous)	Legal entity
Eng. Saleh Mohammed Al Habib	Al Jawhara Al Kubra Company	Inside the Kingdom	Current	Limited liability company
	Jawaher Al Gharbia Real Estate Development and Investment Company	Inside the Kingdom	Current	Limited liability company
	Gheras United Company	Inside the Kingdom	Current	Closed joint stock company
	Andalus Property	Inside the Kingdom	Current	Listed joint stock company
	Al Hayat Real Estate	Inside the Kingdom	Current	Closed joint stock company
	Almasa Al Khadraa Real Estate Development and Investment Company	Inside the Kingdom	Current	Limited liability company
	Manafaa Al Andalus Company	Inside the Kingdom	Current	Limited liability company
	Awal Energy Solutions Company	Inside the Kingdom	Current	Limited liability company
	Jawharat Al Bahr Investment Company	Inside the Kingdom	Current	Limited liability company
	Qawaed Modern Technology for Information Technology Company	Inside the Kingdom	Current	Limited liability company
	Ebdaa Taiba Real Estate Development Company	Inside the Kingdom	Current	Limited liability company
	Gharb Jeddah Hospital	Inside the Kingdom	Current	Limited liability company
	Asala Elmarkz Company	Inside the Kingdom	Current	Limited liability company
	Araqa Elmarkz Company	Inside the Kingdom	Current	Limited liability company
	Al Nakheel Housing Company	Inside the Kingdom	Current	Limited liability company
	Maalem Investment Holding Company	Inside the Kingdom	Current	Limited liability company
	Sorouh Almarakiz Company	Inside the Kingdom	Current	Limited liability company
	Mohammed Abdulaziz Al Habib and Sons Holding Company	Inside the Kingdom	Current	Closed joint stock company
	Hamat Holding Company	Inside the Kingdom	Current	Closed joint stock company
	Hamat Property Company	Inside the Kingdom	Current	Limited liability company
Advanced Markets Company	Inside the Kingdom	Current	Limited liability company	
Global Healthcare Company	Inside the Kingdom	Current	Limited liability company	
Mohammad A. Al-Habib & Partner Real Estate Company	Inside the Kingdom	Current	Limited liability company	
Burooj International Company	Inside the Kingdom	Current	Limited liability company	
Nitaq Capital Company	Inside the Kingdom	Previous	Closed joint stock company	
Qawaem for Real Estate Development Company	Inside the Kingdom	Previous	Limited liability company	

Member name	Names of companies, both within the Kingdom and outside of it, in which a member of the Company's Board of Directors is a member of the current or former Board of Directors or is a manager	Inside/outside the Kingdom	Board membership or managerial position (current or previous)	Legal entity
Mr. Hesham Sulaiman Al Habib	Kingdom Holding Company	Inside the Kingdom	Current	Listed joint stock company
	Namara Limited Company	Inside the Kingdom	Current	Limited liability company
	Manazel Al Wosta Real Estate Company	Inside the Kingdom	Current	Limited liability company
	Al Masa Al Zarqa Real Estate Company	Inside the Kingdom	Current	Limited liability company
	Qimam Al Tabadul for Investment Company	Inside the Kingdom	Current	Limited liability company
	Thabat Al Amal Company	Inside the Kingdom	Current	Limited liability company
	Jawaher Al Mustaqbal Real Estate Company	Inside the Kingdom	Current	Limited liability company
	Namara Investment Company	Inside the Kingdom	Current	Limited liability company
	Hamat Holding Co.	Inside the Kingdom	Current	Closed joint stock company
	Al Marakez Al Awwalyah for Health Care Company	Inside the Kingdom	Current	Limited liability company
	Wrass Real Estate Company	Inside the Kingdom	Current	Limited liability company
	Taswyat Management Company	Inside the Kingdom	Current	Limited liability company
	Pharmachoice Pharmacy	United Arab Emirates	Current	Limited liability company
	Dr. Sulaiman Al Habib Hospital FZ-LLC	United Arab Emirates	Current	Limited liability company
	Sehat Al Olaya Medical Complex Company	Inside the Kingdom	Current	Limited liability company
	Asharq Alawsat Pharmacies Company	Inside the Kingdom	Current	Limited liability company
	Buraidah Al Takhassusi Hospital for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Al Rayan Hospital for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Home Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Al Gharb Al Takhassusi Hospital for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Al Mokhtabarat Diagnostic Medical Company	Inside the Kingdom	Current	Limited liability company
	Eraf Medical Company	Inside the Kingdom	Current	Limited liability company
	Wrass for Operation and Maintenance Company (previously Saudi Serco Services Company)	Inside the Kingdom	Current	Limited liability company
	Sehat Al Hamra for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Sehat Al Suwaidi Medical Company	Inside the Kingdom	Current	Limited liability company

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.4 Board of Directors Formation and Function (Continued)

Member name	Names of companies, both within the Kingdom and outside of it, in which a member of the Company's Board of Directors is a member of the current or former Board of Directors or is a manager	Inside/outside the Kingdom	Board membership or managerial position (current or previous)	Legal entity
Mr. Hesham Sulaiman Al Habib (Continued)	Rawabet Medical Company	Inside the Kingdom	Current	Limited liability company
	Sehat Al Sharq Medical Limited Company	Inside the Kingdom	Current	Limited liability company
	Al Wosta Medical Limited Company	Inside the Kingdom	Current	Limited liability company
	Gharb Jeddah Hospital Company	Inside the Kingdom	Current	Limited liability company
	Flow Medical Company	Inside the Kingdom	Current	Limited liability company
	Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company	Inside the Kingdom	Current	Limited liability company
	Hulool Al Sahabah for IT & Communication Company	Inside the Kingdom	Current	Limited liability company
	Al Muhammadiyah Hospital for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Shamal Al Riyadh for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Sehat Al Kharj for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Bawabat Al Shamal for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Bawabat Al Gharb for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Medi Life Limited Company	United Arab Emirates	Current	Offshore company with limited liability
	Alpha Care Limited Company	United Arab Emirates	Current	Offshore company with limited liability
	Dr. Sulaiman Al Habib Medical Services Group Holding Company, Branch of Foreign Company	Kingdom of Bahrain	Current	Branch of a foreign company
	Tamkeen Human Resources Company	Inside the Kingdom	Current	Closed joint stock company
Saudi Serco Services Company	Inside the Kingdom	Previous	Limited liability company	
Mohammad Abdulaziz Al Habib and Sulaiman Abdulaziz Al Habib for Energy Company	Inside the Kingdom	Previous	Closed joint stock company	

Member name	Names of companies, both within the Kingdom and outside of it, in which a member of the Company's Board of Directors is a member of the current or former Board of Directors or is a manager	Inside/outside the Kingdom	Board membership or managerial position (current or previous)	Legal entity
Dr. Abdulrahman Sulaiman Al Turaigi	NEOM Energy and Water Company (Enowa)	Inside the Kingdom	Current	Limited liability company
	Ahmed Abdel Wahab Abed Trading Company	Inside the Kingdom	Current	Limited liability company
	Agriculture Development Fund	Inside the Kingdom	Current	Governmental credit institution
	Saudi Investment Recycling Company-SIRC	Inside the Kingdom	Previous	Private company owned by a governmental entity
	Presidency of Meteorology and Environment (PME)	Inside the Kingdom	Previous	Governmental entity
	AlMarai Company	Inside the Kingdom	Previous	Listed joint stock company
	Arabian Shield Cooperative Insurance	Inside the Kingdom	Previous	Listed joint stock company
	Gulf Industrial Development Company	Inside the Kingdom	Previous	Closed joint stock company
	Al Hassan Ghazi Ibrahim Shaker Company	Inside the Kingdom	Previous	Listed joint stock company
Mr. Obaid Abdullah Al Rasheed	Arab National Bank	Inside the Kingdom	Current	Listed joint stock company
	Saudi Home Loans	Inside the Kingdom	Current	Closed joint stock company
	Saudi Chemical Company	Inside the Kingdom	Current	Listed joint stock company
	ANB Capital Company	Inside the Kingdom	Current	Closed joint stock company
	Tabuk Cement Company	Inside the Kingdom	Previous	Listed joint stock company
	Al-Arabi Heavy Equipment Lease Company	Inside the Kingdom	Previous	Closed joint stock company
	Malath Cooperative Company	Inside the Kingdom	Previous	Listed joint stock company
	Saudi Airlines Company for Aviation Engineering and Industry	Inside the Kingdom	Previous	Subsidiary for a governmental entity
Mr. Rasheed Abdulrahman Al Rasheed	Himmah Capital Investment Company	Inside the Kingdom	Current	Closed joint stock company
	Data Volt Information Technology Company	Inside the Kingdom	Current	Limited liability company
	AlHassan Ghazi Ibrahim Shaker Company	Inside the Kingdom	Current	Listed joint stock company
	Acwa Power Company (Previously the International Company for Water and Power Projects)	Inside the Kingdom	Current	Listed joint stock company
	Vision International Investment Company (Formerly Arabian Company for Water and Power Development)	Inside the Kingdom	Current	Closed joint stock company
	Saudi Airlines Cargo Company	Inside the Kingdom	Current	Closed joint stock company
	SAL Saudi Logistics Services	Inside the Kingdom	Current	Closed joint stock company
	AL Ramz Real Estate Company	Inside the Kingdom	Current	Closed joint stock company
	Himmah Capital Limited	Inside the Kingdom	Current	Closed joint stock company

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.4 Board of Directors Formation and Function (Continued)

Member name	Names of companies, both within the Kingdom and outside of it, in which a member of the Company's Board of Directors is a member of the current or former Board of Directors or is a manager	Inside/outside the Kingdom	Board membership or managerial position (current or previous)	Legal entity
Mr. Rasheed Abdulrahman Al Rasheed (Continued)	Tarabot Investment & Development Company	Inside the Kingdom	Current	Closed joint stock company
	Jazan Gas Projects Company	Inside the Kingdom	Current	Limited liability company
	Tarabot Air Cargo Services Company	Inside the Kingdom	Current	Limited liability company
	AL Athat Company	Inside the Kingdom	Current	Limited liability company
	Saudi Integrated Company for Waste Treatment	Inside the Kingdom	Current	Limited liability company
	Saudi District Cooling Company	Inside the Kingdom	Previous	Limited liability company
	Zelan Arabia Company	Inside the Kingdom	Previous	Limited liability company
	International Company for Water and Power Projects	Inside the Kingdom	Previous	Listed joint stock company
	Integrated Towers Company	Inside the Kingdom	Previous	Limited liability company
	Dhahran Valley Cooling Company	Inside the Kingdom	Previous	Limited liability company
	Riyadh Cooling Company	Inside the Kingdom	Previous	Limited liability company
	Network Coverage Company for Communication	Inside the Kingdom	Previous	Limited liability company
	Riyadh Water Production Company	Inside the Kingdom	Previous	Limited liability company
	Global Ports and Railways Company	Inside the Kingdom	Previous	Limited liability company
	Central District Cooling Company	Inside the Kingdom	Previous	Limited liability company
	Arabian Company for Water and Power Projects	Inside the Kingdom	Previous	Limited liability company
	Saudi Dhahran Cooling Company	Inside the Kingdom	Previous	Limited liability company
	Saudi Tabreed Operations & Maintenance Company	Inside the Kingdom	Previous	Limited liability company
	Rabigh Water and Electricity Company	Inside the Kingdom	Previous	Limited liability company
	Welspun Middle East Pipes Company	Inside the Kingdom	Previous	Limited liability company
Arabian Japanese Membrane Company	Inside the Kingdom	Previous	Limited liability company	
Arabian Company for Water and Power Development Company	Inside the Kingdom	Previous	Limited liability company	
Shuaibah Water and Electricity Company	Inside the Kingdom	Previous	Limited liability company	
Abdullah Abunayyan Group	Inside the Kingdom	Previous	Closed joint stock company	
Shuqaiq Water and Electricity Company	Inside the Kingdom	Previous	Limited liability company	

Member name	Names of companies, both within the Kingdom and outside of it, in which a member of the Company's Board of Directors is a member of the current or former Board of Directors or is a manager	Inside/outside the Kingdom	Board membership or managerial position (current or previous)	Legal entity
Mr. Faisal Abdullah Al Nassar	Wrass for Operation and Maintenance (Previously Saudi Serco Services Company)	Inside the Kingdom	Current	Limited liability company
	Dr. Sulaiman Al Habib for Education Company	Inside the Kingdom	Current	Limited liability company
	Eraf Medical Company	Inside the Kingdom	Current	Limited liability company
	Sehat Al Hamra for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Pharmachoice Pharmacy	United Arab Emirates	Current	Limited liability company
	Dr. Sulaiman Al Habib Hospital (FZ-LLC)	United Arab Emirates	Current	Limited liability company
	Al Marakez Al Awwalyah for Health Care Company	Inside the Kingdom	Current	Limited liability company
	Wrass Real Estate Company	Inside the Kingdom	Current	Limited liability company
	Taswyat Management Company	Inside the Kingdom	Current	Limited liability company
	Sehat Al Olaya Medical Complex Company	Inside the Kingdom	Current	Limited liability company
	Asharq Alawsat Pharmacies Company	Inside the Kingdom	Current	Limited liability company
	Cloud Solutions International Private Limited Company	Inside the Kingdom	Current	Limited liability company
	Buraidah Al Takhassusi Hospital for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Al Rayan Hospital for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Home Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Al Gharb Al Takhassusi Hospital for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Al Mokhtabarat Diagnostic Medical Company	Inside the Kingdom	Current	Limited liability company
	Sehat Al Suwaidi Medical Company	Inside the Kingdom	Current	Limited liability company
	Hulool Al Sahaba for IT & Communication Company	Inside the Kingdom	Current	Limited liability company
	Rawabet Medical Company	Inside the Kingdom	Current	Limited liability company
Sehat Al Sharq Medical Limited Company	Inside the Kingdom	Current	Limited liability company	
Al Wosta Medical Limited Company	Inside the Kingdom	Current	Limited liability company	
Gharb Jeddah Hospital Company	Inside the Kingdom	Current	Limited liability company	
Flow Medical Company	Inside the Kingdom	Current	Limited liability company	

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.4 Board of Directors Formation and Function (Continued)

Member name	Names of companies, both within the Kingdom and outside of it, in which a member of the Company's Board of Directors is a member of the current or former Board of Directors or is a manager	Inside/outside the Kingdom	Board membership or managerial position (current or previous)	Legal entity
Mr. Faisal Abdullah Al Nassar (Continued)	Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company	Inside the Kingdom	Current	Limited liability company
	Al Ramz Real Estate Company	Inside the Kingdom	Current	Closed joint stock company
	Travezy Investments Pvt Ltd. Company	Inside the Kingdom	Current	Limited liability company
	Wethaq Capital Platform Company	Inside the Kingdom	Current	Closed joint stock company
	Shamal Al Riyadh for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Al Muhammadiyah Hospital for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Sehat Al Kharj for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Bawabat Al Shamal for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Bawabat Al Gharb for Healthcare Company	Inside the Kingdom	Current	Limited liability company
	Medi Life Limited Company	United Arab Emirates	Current	Offshore company with limited liability
	Alpha Care Limited Company	United Arab Emirates	Current	Offshore company with limited liability
	Dr. Sulaiman Al Habib Medical Services Group Holding Company, Branch of Foreign Company	Kingdom of Bahrain	Current	Branch of a foreign company
	Tamkeen Human Resources Company	Inside the Kingdom	Current	Closed joint stock company
	Saudi Jordanian Investment Fund	Hashemite Kingdom of Jordan	Current	Special joint stock company
	Saudi Serco Services Company	Inside the Kingdom	Previous	Limited liability company
	Al Afia Pharmacies for Medicines Company	Inside the Kingdom	Previous	Limited liability company
	Antab Al Riyadh for Operation and Maintenance Company	Inside the Kingdom	Previous	Limited liability company
	Al Rayan for Maintenance and Operation Company	Inside the Kingdom	Previous	Limited liability company
	Bone, Joint and Spine Hospital Company	Inside the Kingdom	Previous	Limited liability company
	Al Mustaqbal for Hospitals Development Company	Inside the Kingdom	Previous	Limited liability company
Roiaa Investment Company	Inside the Kingdom	Previous	Closed joint stock company	

3.4.2 Board of Directors' Meetings

The following table shows the attendance of the members of the Board of Directors for the Board meetings during the financial year ending on 31 December 2023.

No.	Member name	Five (5) meetings					Total meetings attended
		First meeting 19 February 2023	Second meeting 07 May 2023	Third meeting 06 August 2023	Fourth meeting 29 October 2023	Fifth meeting 17 December 2023	
1	Dr. Sulaiman Abdulaziz Al Habib	✓	✓	XX	✓	✓	4
2	Mr. Mazen Abdulrazzaq Al Rumaih	✓	✓	✓	✓	✓	5
3	Mr. Hesham Sulaiman Al Habib	✓	✓	✓	✓	✓	5
4	Mr. Obaid Abdullah Al Rasheed	✓	✓	XX	✓	✓	4
5	Mr. Faisal Abdullah Al Nassar	✓	✓	✓	✓	✓	5
6	Eng. Saleh Mohammed Al Habib	✓	✓	✓	✓	XX	4
7	Mr. Rasheed Abdulrahman Al Rasheed	✓	✓	✓	✓	✓	5
8	Dr. Abdulrahman Sulaiman Al Turaigi	✓	✓	✓	✓	✓	5

✓ Attendance in person

X Attendance by proxy by another Board member

XX Absence

Last meeting of the General Assembly was on 10 April 2023

3.4.3 Annual General Assembly Meetings

The Company held the Shareholders' General Assembly meetings during the year 2023 through modern technology, and the record of attending the Shareholders' General Assembly meetings during the year 2023 was as follows.

No.	Member name	Ordinary General Assembly Meeting on 10 April 2023
1	Dr. Sulaiman Abdulaziz Al Habib	✓
2	Mr. Mazen Abdulrazzaq Al Rumaih	✓
3	Mr. Hesham Sulaiman Al Habib	✓
4	Mr. Obaid Abdullah Al Rasheed	✓
5	Mr. Faisal Abdullah Al Nassar	✓
6	Eng. Saleh Mohammed Al Habib	✓
7	Mr. Rasheed Abdulrahman Al Rasheed	✓
8	Dr. Abdulrahman Sulaiman Al Turaigi	✓

✓ Attendance in person

X Attendance by proxy by another Board member

XX Absence

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.5 Audit Committee

The Audit Committee represents and assists the Group's Board in fulfilling its oversight responsibility of the integrity of the financial statements and internal control of the Group, through the supervision of both the internal and external auditors, and their independence and effectiveness by:

- Examining the manner in which management ensures and monitors the adequacy of the nature, extent and effectiveness of accounting and internal control systems and risk management
- Reviewing arrangements established by Management for compliance with regulatory and financial reporting requirements
- Performing, monitoring and reviewing, on behalf of the Board, compliance with the requirements relating to the audit of the Group in accordance with the laws and regulations of the KSA
- Overseeing and evaluating the performance of the Group's external auditors, including a review and evaluation of the external auditors' qualifications and independence
- Supervising the activities of the external auditors and approve any activity beyond the scope of the audit work assigned to them during the performance of their duties
- Reviewing, together with the external auditor, the audit plan and make any comments thereon
- Reviewing the external auditor's comments on the financial statements and follow up on the actions taken
- Reviewing the interim and annual financial statements prior to presentation to the Board; and to give opinion and recommendations with respect thereto

The duties of the Committee shall particularly include:

External Audit

- Recommend to the Board the appointment, dismissal and the remuneration of external auditors
- Verify the independence of the external auditors, their objectivity, fairness and effectiveness of the audit activity, taking into account the relevant rules and standards
- Supervise and assess the plan and activities of the external auditors, ensure the auditors do not provide any technical or administrative work beyond their scope, and recommend to the Board the approval or denial of any activity beyond the scope of the audit work assigned to the external auditors during the performance of their duties
- Review the external auditors' reports and their comments on the financial statements and follow up the actions taken about them
- Respond to queries from the Group's external auditors
- Get to know the lead external audit partner and meet periodically
- Review the external auditors' proposed audit plan, scope and approach, including coordination of audit effort with internal audit
- Review with the external auditors any problems or difficulties, and Management's response
- Review the external auditors' report (Auditors' Report on the Financial Statements), review and discuss report on Management's internal controls (Management Letter Points), from the time that such reports are prepared, and hold timely discussions with the external auditors regarding the following:
 - ▶ All critical accounting policies and practices
 - ▶ All alternative treatments of financial information that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors
 - ▶ Other material written communications between the external auditors and management, including, but not limited to, the management letter and schedule of unadjusted differences. The Committee shall follow up on the actions taken about the comments raised by the external auditors
- Apply the instructions and directives of the Ministry of Commerce and Investment, Saudi Organization for Certified Public Accountants and Capital Market Authority, releasing updates from time to time, with respect to the appointment of the external auditors

Internal Audit

- Examine and review the Group's internal and financial control systems and risk management system
- Analyze internal audit reports and follow up on the implementation of corrective measures with respect to remarks made in such reports
- Supervise the Group's Internal Audit department (including outsourced internal auditors, if any) to ensure its effectiveness in executing the activities and duties specified by the Board
- Review and advise on the selection or removal of the Head of Internal Audit. The Internal Audit department shall report to the Board via the Committee
- Monitor and oversee the performance and activities of the Internal Audit department of the Company to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties
- Provide a recommendation to the Board on appointing the Head of the Group's Internal Audit department, and suggest their remuneration, benefits and assessment of performance
- Monitor and review the effectiveness of the internal audit function. This includes reviewing the internal audit procedure and preparing a written report on such audit and its recommendation with respect to it; and pursue the implementation of the corrective measures in respect of the comments included in such internal audit
- Periodically review with the Internal Audit department any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the department's work

Compliance

- Review the findings of the reports of supervisory authorities and ensure that the Company has taken the necessary actions in connection therewith
- Ensure compliance with relevant laws, regulations, policies and instructions
- Review the contracts and proposed related party transactions and provide recommendations to the Board in connection therewith

Overseeing Accounting and Financial Reporting

- Analyze the Group's interim and annual financial statements before presenting them to the Board, and provide opinions and recommendations thereon to ensure their integrity, fairness and transparency
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas
- Review estimates in respect of significant matters that are contained in the financial reports
- Review accounting policies followed by the Group and provide its opinion and recommendations to the Board thereon
- Review recent professional and regulatory pronouncements and initiatives, and understand their impact on the financial statements
- Understand how management develops quarterly and annual financial information, and the nature and extent of internal and external auditor involvement
- Review and discuss annual and quarterly financial statements with the Management and the external auditors, as applicable, especially before filing with the Board and follow-up actions. Consider whether the financial reports are complete and consistent with the information known to the Audit Committee members and to give an opinion and recommendations with respect thereto to ensure their integrity fairness and transparency
- Provide its technical opinion, at the request of the Board, regarding whether the Board's report and Group's financial statements are fair, balanced, understandable and contain information that allows shareholders and investors to assess the Group's financial position, performance, business model and strategy
- Accurately investigate any issues raised by the Group's Chief Financial Officer (or any person assuming such duties), compliance officer or external auditors
- Review management responses to CMA inspection reports and management representations declared during audit activities

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.5 Audit Committee (Continued)

- Receive and review any disclosure from the Group's Executive Management made in connection with the Group's quarterly and annual reports on:
 - ▶ All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting, which are likely to adversely affect the Group's ability to record, process, summarize and report financial data
 - ▶ Material fraud cases that involve management or other employees who have a significant role in the Group's internal controls
- Review analysis prepared by management and the external auditors setting forth significant or non-familiar financial reporting issues and judgments made in connection with the preparation of the financial statements
- In consultation with the external and internal auditors, review the integrity of the Group's financial reporting processes (both internal and external), and the internal control structure (including disclosure controls and procedures and internal control over financial reporting)
- Review with the external auditors, internal auditors and Management the extent to which changes or improvements in financial or accounting practices have been implemented
- Understand key controls and reporting risk areas as assessed by financial management, the internal auditors and the external auditors, as well as the mitigating controls and safeguards

Overseeing Controls over the Group's Operations

- Ensure the existence of an effective and efficient system of internal controls over operations of the Group
- Monitor the application of documented and approved policies and procedures. This includes monitoring the adherence to policies and procedures manuals, and their continuous update
- Review the process for communicating the Code of Conduct to Group personnel, and for monitoring compliance therewith
- Establish procedures for the receipt, retention and treatment of complaints regarding operational matters, accounting matters, operational and accounting internal controls and auditing matters. This includes establishing procedures for the confidential, anonymous submission by the Group's employees regarding questionable management practices
- Institute and oversee special investigations as needed, such as fraud cases

Group Board

- Maintain direct organizational and reporting relations to the Board
- Report as often as it determines, but not less frequently than quarterly, to the Group's Board about the Audit Committee's activities, issues and related recommendations
- Provide an open avenue of communication between internal audit, the external auditors and the Group's Board
- If there is a conflict between the recommendations of the Audit Committee and the Board's decisions, or if the Board refuses to accept the recommendation of the Committee regarding the appointment of the Company's auditors, dismissal, the determination of his fees, the performance evaluation or the appointment of the internal auditors, the Board report shall include the Committee's recommendation and justifications and reasons for not taking it

The Committee members shall not be less than three (3) members and not more than five (5); and shall be composed of Independent, Non-Executive Board members or shareholders or others, at least one (1) of whom shall be an independent member and shall not include any of the Executive members or any of the Senior Executives in the Company; with at least one (1) of whom is competent in financial and accounting matters.

During the fiscal year 2023, the Audit Committee held five (5) meetings, and the attendance of the Committee members was as detailed below.

No.	Member name	Nature of membership	Five (5) meetings					Total meetings attended
			First meeting 16 February 2023	Second meeting 04 May 2023	Third meeting 03 August 2023	Fourth meeting 26 October 2023	Fifth meeting 10 December 2023	
1	Dr. Abdulrahman Sulaiman Al Turaigi	Chairman	✓	✓	✓	✓	✓	5
2	Mr. Sulaiman Nasser Al Qahtani*	Member	✓		Membership ended			1
3	Mr. Rasheed Abdulrahman Al Rasheed	Member	✓	✓	✓	✓	✓	5
4	Mr. Turki Abdulmuhsen Al Luhaid**	Member	Membership has not yet commenced	✓	✓	✓	✓	4

* Mr. Sulaiman Nasser Al Qahtani: Mr. Sulaiman's membership ended on 4 April 2023 due to resignation .

**Mr. Turki Abdulmuhsen Al Luhaid: Mr. Turki was appointed to the Audit Committee on 4 April 2023.

✓ Attendance in person

XX Absence

3.5.1 Results of the Annual Review of the Effectiveness of the Internal Control Procedures of the Company and the Opinion of the Audit Committee with Respect to the Adequacy of the Company's Internal Control System

The Company's Management is responsible for establishing an adequate and effective internal control system that includes policies, procedures/operations, and information systems as approved by the Board of Directors in order to facilitate the achievement of efficient and highly effective operations. The internal control system guarantees the quality of external and internal reports, maintaining appropriate records and procedures, and adherence to internal rules, regulations and policies regarding the workflow.

The Internal Audit department – independently and objectively – evaluated the adequacy and effectiveness of the Company's internal control system, focusing on significant risks that could affect the Company's business process using the risk-based audit methodology. The Company's operations, during 2023, were subject to periodic audits and follow-ups, as per the internal audit plan approved by the Audit Committee. The recommendations were largely implemented by the Executive Management of the Company in accordance with the approved plan.

The Audit Committee studies and reviews quarterly reports prepared by the Company's Internal Audit department in addition to the Company's external auditors' observations regarding the evaluation of the Company's internal control procedures in terms of their design and implementation. During 2023 – based on the audit reports and the evaluation by the Audit Committee in relation to the adequacy of internal controls, and the results of the annual audit of the effectiveness of the control procedures – the Company did not show any significant deficiencies or any fundamental change in the internal control systems, and the evaluation confirmed that it is, to a large extent, effective to prevent and discover material errors, and that no material breach or breach of internal control systems have occurred during the year 2023.

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.6 Board of Directors' Committees

3.6.1 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for nominating members to the Board and the Senior Executive Management, defining rules and setting the remuneration policy for the Board and the Senior Executive Management. The duties and responsibilities of the Nomination and Remuneration Committee include the following.

Nomination

- Recommend clear policies and standards for Board membership, Executive Management and the Group's representatives in subsidiaries and associates
- Produce an annual review of membership requirements for the Board and Executive Management, and prepare a description of the required remuneration capabilities and qualifications for such membership
- Determine the time a Board member should allocate to the work of the Board
- Review the structure and composition of the Board, Board committees, and the Group's Executive Management, and provide recommendations regarding changes
- Recommend appointing new members to the Board or Board committees to fill vacancies as needed
- Provide job descriptions for Executive, Non-Executive, Independent Board members and Senior Executive Management
- Set procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant
- Assess performance of the Board in terms of strengths and weaknesses, and recommend necessary solutions in the best interests of the Company through proposing the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management – using KPIs linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company – through assisting the Board in its responsibility towards carrying out the necessary arrangements to obtain an assessment of its performance from a competent third party every three (3) years
- Provide recommendations to the Board for the nomination and re-nomination of its members in accordance with approved policies and standards, taking into account nominations shall not include any person convicted of a crime involving moral turpitude or dishonesty
- Ensure on an annual basis the independence of Independent Directors and ensure the absence of any conflicts of interest if a Board member also acts as a member of the Board of another company
- Study and review the CEO's recommendations concerning the appointment and termination of the Executive Management team
- Study and review succession plans for the Company in general and for the Board, CEO and Executive Management in particular
- Provide an appropriate level of training and introduce new Board and committee members to the Company's businesses and assistance to enable them to perform their role effectively and efficiently
- Develop the necessary mechanisms for Board members and Executive Management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company
- Ensure the Group publishes the Board nomination announcements on the websites of the Group and Tadawul, and through any other medium specified by the CMA to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period shall remain open for at least one (1) month from the date of the announcement

Remuneration

- Prepare a clear remuneration policy for Board members, its committees and the Executive Management, which enhances management team motivation and helps in retaining employees. The Committee should present such policy to the Board in preparation for approval by the General Assembly Meeting, provided that such policy follows standards that are linked to performance and disclosing and ensuring the implementation of such policy
- Clarify the relation between the paid remunerations and the adopted remuneration policy and highlight any material deviation from that policy
- Review periodically the remuneration policy and assess its effectiveness in achieving its objectives
- Provide recommendations to the Board in respect of the remunerations of its members, committee members and Senior Executives, in accordance with approved policy
- Take into consideration situations where remuneration should be suspended or reclaimed if it is determined that such remuneration was set based on inaccurate information provided by a member of the Board or the Executive Management, in order to prevent abuse of power to obtain unmerited remunerations
- Provide recommendations with respect to the grant of Company shares to the Board members and the Executive Management, whether newly issued or purchased by the Company
- Review the Executive Management remunerations, including long- and short-term incentives, set the Executive Management KPIs, and recommend to the Board in this regard
- Review and approve the CEO's recommendations concerning the general guidelines of the Executive Management remuneration and other benefits, which the CEO implements in light of the remuneration policy
- Committee members shall be knowledgeable, with competence, work experience and a thorough understanding of qualifications, roles and responsibilities of Directors and Executives, and shall be able to devote adequate time to their duties

During the fiscal year 2023, the Nomination and Remuneration Committee held two (2) meetings and the attendance of the Committee members was as detailed below.

No.	Member name	Nature of membership	Two (2) meetings		
			First meeting 01 February 2023	Second meeting 28 December 2023	Total meetings attended
1	Mr. Obaid Abdullah Al Rasheed	Chairman	✓	✓	2
2	Eng. Saleh Mohammed Al Habib	Member	✓	✓	2
3	Mr. Ahmad Saleh Al Sudais	Member	✓	✓	2

✓ Attendance in person

X Attendance by proxy by another member

XX Absence

3.6.2 Executive Committee

The main purpose of the Executive Committee is to provide support and advice to the Board on matters as the Board may delegate from time to time to the Committee. The Committee, to the extent permitted by law, exercises the powers delegated to it to manage the business and affairs of the Company and all operational matters where implementation requires input and guidance from the Board. The Committee's duties include the following:

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.6 Board of Directors committees (Continued)

- Track the long-term, medium-term and short-term plans of the Company's strategy, update them and review them from time to time
- Meet with division heads, internal and external auditors, and whoever is charged with monitoring business and financial performance of the Company and its divisions
- Track the execution of Company budgets, analyzing deviation from them – if noticed – and submitting recommendations in that respect
- Recommend entering into new investments and develop existing activities, both vertically and horizontally
- Track and review all significant issues that are related to legal proceedings and establish insurance and risk strategies and contracts
- Establish relationships with banks and other financial institutions, and define the terms and conditions under which the relationship will operate
- Approve credit facilities necessary to operate the business on a day-to-day basis
- Approve real estate transactions such as the sale, purchase and lease of land and/or facilities
- Obtain advice and assistance from internal or external legal, accounting or other advisors
- Form and delegate authority to sub-committees when appropriate
- Periodically review and reassess the adequacy of the charter and recommend any proposed changes to the Board for approval
- Annually review its own performance

The Committee members shall be knowledgeable, with competence, work experience from diverse professional backgrounds, as well as have a thorough understanding of the Group's scope of business along with rapid knowledge in the healthcare industry and shall be able to devote adequate time to their duties.

During the fiscal year 2023, the Executive Committee held five (5) meetings and the attendance of the committee members was as detailed below.

No.	Member name	Nature of membership	Five (5) meetings					Total meetings attended
			First meeting 16 February 2023	Second meeting 04 May 2023	Third meeting 03 August 2023	Fourth meeting 26 October 2023	Fifth meeting 14 December 2023	
1	Mr. Mazen Abdulrazzaq Al Rumaih	Chairman	✓	✓	✓	✓	✓	5
2	Mr. Faisal Abdullah Al Nassar	Member	✓	✓	✓	✓	✓	5
3	Eng. Saleh Mohammed Al Habib	Member	✓	✓	✓	✓	XX	4
4	Mr. Hesham Sulaiman Al Habib	Member	✓	✓	✓	✓	✓	5

✓ Attendance in person

XX Absence

3.6.3 Patient Safety and Quality of Care Committee

The Patient Safety and Quality of Care Committee (PSQCC) is responsible for developing the Group's strategies for improving overall quality, safety and control of its healthcare facilities. The Patient Safety and Quality of Care Strategy will allow the Group to improve its services to its patients and increase patient's satisfaction.

The following represents the duties and responsibilities of the PSQCC.

Strategy and Performance

- Create a vision for quality of healthcare services for the Group, with long-term performance measures and goals
- Advise the Group's clinical leadership on competitive strategies in clinical practices to be assessed and implemented, if deemed appropriate
- Monitor the Group's clinical performance against internal and external benchmarks
- Oversee the effectiveness of the Group's plans for improving clinical practice performance and quality of healthcare
- Make recommendations to the Board on the Group's overall quality of care and patient safety, and suggest performance improvement initiatives
- Provide coordination and oversight of the Group's plan to improve the quality of care and patient safety in the Group's healthcare facilities
- Help the Group develop, implement and evaluate its plan to improve the quality of care and patient safety
- Review reports and minutes of meetings of all quality improvement committees in Group healthcare facilities
- Grant approval to quality improvement initiatives suggested by quality improvement committees in Group healthcare facilities
- Review patient satisfaction scores, on a quarterly basis, in Group healthcare facilities
- Review sentinel events and root cause analysis; and recommend corrective action
- Review the findings from the analysis of significantly adverse outcomes to approve or recommend actions designed to mitigate re-occurrence
- Monitor disclosure mechanisms related to critical incidents and quality indicators concerning hospital acquired infections, mortality and any others as required and/or deemed advisable

Communication

- Enhance awareness of the Group's clinical performance to the Management and other external stakeholders via the appropriate communication channels
- On a quarterly and annual basis, report to the Board statistical data on the Group's healthcare performance and clinical performance, and quality improvement plans
- Develop quarterly and annual reports to disclose clinical performance and quality improvement plans
- Receive quality reports and provide feedback to the relevant stakeholder
- Review strategic objectives on quality improvement and patient safety to provide feedback and approval

Policies

- Carry out annual reviews of the policies and procedures developed by the corporate medical departments in relation to healthcare quality and patient safety, including those in relation to errors and injuries
- Review the development of internal systems and controls to implement the Group's safety and quality standards and policies
- Develop risk mitigation strategies from a patient safety and quality of care perspective
- Develop policies on full transparency about data on patient safety and quality of care to emphasize respectful practice, disclosure, support and resolution

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.6 Board of Directors committees (Continued)

Operations

- Suggest mechanisms to link incentives and compensation for Senior Management to quality metrics
- Ensure the attainment of all relevant accreditations including CBAHI, JCI, etc.
- Committee members shall be knowledgeable, with competence and work experience, as well as have a thorough understanding of the Group's policies and procedures in connection with the delivery of medical care service with quality and safety to patients, and shall be able to devote adequate time to their duties

During the fiscal year 2023, the Patient Safety and Quality of Care Committee held four (4) meetings and the attendance of the committee members was as detailed below.

No.	Member name	Nature of membership	Four (4) meetings				Total meetings attended
			First meeting 29 March 2023	Second meeting 14 June 2023	Third meeting 27 September 2023	Fourth meeting 13 December 2023	
1	Prof. Mahmoud Shaheen Al Ahwal	Chairman	✓	✓	✓	✓	4
2	Dr. Abdulelah Mohammed Rabe Al Hawsawi	Member	✓	✓	XX	✓	3
3	Prof. Abdullah Sulaiman Al Herbish	Member	✓	✓	✓	✓	4

✓ Attendance in person

XX Absence

3.7 Share Direct Ownership of Board Members, Senior Executives, their Wives and Minor Children

3.7.1 The Following Table Shows any Interest of the Board Members, their Wives and Minor Children in the Shares of the Company and any Change in that Interest or those Rights during the Fiscal Year 2023

No.	Name of person to whom the interest, contractual securities or rights issue belongs	Number of shares at the beginning of the year 2023	Number of shares at the end of the year 2023	Net change	Percentage change	Debt instruments
1	Dr. Sulaiman Abdulaziz Al Habib	140,111,070	140,111,070	-	-	Not available
2	Mr. Mazen Abdulrazzaq Al Rumaih	79,378	79,378	-	-	Not available
3	Mr. Hesham Sulaiman Al Habib	7,000,000	7,000,000	-	-	Not available
4	Mr. Obaid Abdullah Al Rasheed	22,200	22,200	-	-	Not available
5	Mr. Nasser Mohammed Al Huqbani*	100,000	100,000	-	-	Not available
6	Eng. Saleh Mohammed Al Habib (Mohammad Abdulaziz Al Habib and Sons Company)	118,136,666	118,137,746	1,080	0.0009%	Not available
7	Mr. Faisal Abdullah Al Nassar	-	-	-	-	Not available
8	Mr. Rasheed Abdulrahman Al Rasheed	-	-	-	-	Not available
9	Dr. Abdulrahman Sulaiman Al Turaigi	15	15	-	-	Not available

**Mr. Nasser Mohammed Al Huqbani: Board membership of Mr. Nasser ended on 15 February 2023 due to his resignation .

3.7.2 The Following Table Shows any Interest of the Senior Executives, their Wives and Minor Children in the Shares of the Company and any Change in that Interest or those Rights during the Fiscal Year 2023

No.	Name of person to whom the interest, contractual securities or rights issue belongs	Number of shares at the beginning of the year 2023	Number of shares at the end of the year 2023	Net change	Percentage change	Debt instruments
1	Mr. Hesham Sulaiman Al Habib	7,000,000	7,000,000	-	-	Not available
2	Dr. Abdulwahab Abdullah Al Abdulwahab	23,900	33,400	9,500	39.75%	Not available
3	Prof. Sulaiman Abdul Aziz Al Majed	140,550	142,582	1,963	1.40%	Not available
4	Mr. Riyadh Muhammad Bajodah	4,900	4,200	(700)	(14.29%)	Not available

Governance (Continued)

3. Board of Directors, Committees and Executive Management (Continued)

3.7 Share Direct Ownership of Board Members, Senior Executives, their Wives and Minor Children (Continued)

3.7.3 Description of any Interest in a Class of Voting Shares Held by Major Shareholders (other than the Company's Directors, Senior Executives, their Wives and Minor Children) According to Article (85) of the Rules for Offering Securities and Continuing Obligations during the Fiscal Year 2023

No.	Name of person to whom the interest belongs	Number of shares at the beginning of the year 2023	Number of shares at the end of the year 2023	Net change	Percentage change
1	Mohammed Abdulaziz Al Habib and Sons Holding Company	118,136,666	118,138,644	1,978	0.002%

4. Shareholder Information and Shareholders' Register

4.1 Major Shareholders' Information

Ownership of HMG's major shareholders who own 5% or more of the total issued shares as of 31 December 2023.

Major shareholder 2023	Percentage of ownership	Number of shares
Dr. Sulaiman Abdulaziz Al Habib	40.03%	140,105,000
Mohammed Abdulaziz Al Habib and Sons Holding Company	33.75%	118,136,666
Total	73.78%	258,241,666

4.2 Number of HMG's Requests for the Shareholders' Register

	Request date	Request reason
1	2-Jan-23	The Company Procedure
2	19-Feb-23	Dividend Entitlement
3	6-Apr-23	Others
4	10-Apr-23	General Assembly
5	7-May-23	Dividend Entitlement
6	15-May-23	The Company Procedure
7	06-Aug-23	Dividend Entitlement
8	14-Aug-23	The Company Procedure
9	29-Oct-23	Dividend Entitlement

5. Related Party Transactions

During its normal business cycle, the Company deals with related parties. These transactions are done under the same terms applied to the transactions being done with other parties, and the following is the information relating to any business or contract to which the Company is a party and in which a Director of the Company, a Senior Executive or any person related to any of them have interest in, or any transaction between the Company and any related party.

5.1 Statement of the Business or Contract to which the Company is a Party and in which a Director of the Company, a Senior Executive or any Person Related to any of them have an Interest

During the fiscal year 2023, some contracts continued, to which the Company was a party, and in which a Director of the Company has an interest in and some of these contracts were agreed upon in previous years and come as an extension of continuous relations that began before the fiscal year 2023:

No.	Related party	Related party's Relationship type with the Company	Type of interest	Contract/ purchase order party	Transaction type/contract/ purchase order nature	Transaction conditions/terms	Contract/ transaction duration	Contract/ Purchase Order Value (SAR)	Transaction value during 2023 (SAR)
1	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Direct	Dr. Sulaiman Abdulaziz Al Habib	Lease contract of warehouse	There are no preferential terms compared to the local market	A contract for a period of one (1) year; to be renewed on an annual basis thereafter	49,008	49,008
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
2	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Direct	Dr. Sulaiman Abdulaziz Al Habib	Lease contract of warehouse	There are no preferential terms compared to the local market	A contract for a period of one (1) year; to be renewed on an annual basis thereafter	98,016	98,016
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
3	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Direct	Dr. Sulaiman Abdulaziz Al Habib	Acquisition of 100% of the concession rights of the commercial building (medical center) in Dubai, United Arab Emirates for the remaining (17) years of concession rights	There are no preferential terms compared to the local market	A contract for a period of seventeen (17) years from 02 October 2022	43,862,160	43,862,160
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
4	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Direct	Dr. Sulaiman Abdulaziz Al Habib	Lease contract of warehouse	There are no preferential terms compared to the local market	A contract for a period of one (1) year; to be renewed on an annual basis thereafter	94,953	7,913
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						

Governance (Continued)

5. Related Party Transactions (Continued)

5.1 Statement of the Business or Contract to which the Company is a Party and in which a Director of the Company, a Senior Executive or any Person Related to any of them have an Interest (Continued)

No.	Related party	Related party's Relationship type with the Company	Type of interest	Contract/ purchase order party	Transaction type/contract/ purchase order nature	Transaction conditions/terms	Contract/ transaction duration	Contract/ Purchase Order Value (SAR)	Transaction value during 2023 (SAR)
5	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Mohammed Abdulaziz Al Habib Real Estate Investment Company	A rental contract of residential complex for the employees	There are no preferential terms compared to the local market	A contract for a period of fifteen (15) years from the date of 01 December 2012; to be auto-renewed	24,000,000	1,600,000
	Eng. Saleh Mohammed Al Habib	Board member	Indirect						
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
6	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Alandalus Property Company	A partnership, design, development, management and operation contract for Gharb Jeddah Hospital	There are no preferential terms compared to the local market	A contract for a period of ninety-nine (99) years from the date of 30 October 2014; to be auto-renewed	Not Applicable	41,777,995
	Eng. Saleh Mohammed Al Habib	Board member	Indirect						
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
7	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Namara Specialized for Trading Est.	Purchase orders of electrical tools and supplies for multiple projects	There are no preferential terms compared to the local market	A contract for a period of three (3) years from the date of signing the agreement; it will be renewed automatically annually thereafter. The value of the contract is linked to purchase orders	5,479,242	1,320,458
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
8	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for gypsum board work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of fourteen (14) months	50,536,974	21,268,709
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
9	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for general contracting for building of Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	37,937,229	4,512,290
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						

No.	Related party	Related party's Relationship type with the Company	Type of interest	Contract/ purchase order party	Transaction type/contract/ purchase order nature	Transaction conditions/terms	Contract/ transaction duration	Contract/ Purchase Order Value (SAR)	Transaction value during 2023 (SAR)																																																																							
10	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for structural work for Women's Health Hospital Project	There are no preferential terms compared to the local market	A contract for a period of one (1) year	71,036,972	2,284,973																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							11	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for additional work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of thirty (30) months or less	14,658,479	0	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	12	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase order for general contracting for buildings of Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of eighteen (18) months or less	1,035,000	0	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	13	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	107,335,638	39,678,134	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	14	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	40,492,998	39,613,380	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	15	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for gypsum board work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	9,615,445	4,607,885	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	16	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting for Shamal Al Riyadh Hospital Project
11	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for additional work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of thirty (30) months or less	14,658,479	0																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							12	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase order for general contracting for buildings of Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of eighteen (18) months or less	1,035,000	0	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	13	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	107,335,638	39,678,134	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	14	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	40,492,998	39,613,380	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	15	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for gypsum board work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	9,615,445	4,607,885	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	16	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	25,950,567	24,751,531	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
12	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase order for general contracting for buildings of Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of eighteen (18) months or less	1,035,000	0																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							13	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	107,335,638	39,678,134	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	14	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	40,492,998	39,613,380	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	15	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for gypsum board work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	9,615,445	4,607,885	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	16	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	25,950,567	24,751,531	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																			
13	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	107,335,638	39,678,134																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							14	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	40,492,998	39,613,380	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	15	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for gypsum board work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	9,615,445	4,607,885	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	16	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	25,950,567	24,751,531	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																
14	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	40,492,998	39,613,380																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							15	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for gypsum board work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	9,615,445	4,607,885	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	16	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	25,950,567	24,751,531	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																													
15	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for gypsum board work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	9,615,445	4,607,885																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							16	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	25,950,567	24,751,531	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																																										
16	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	25,950,567	24,751,531																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																																																													

Governance (Continued)

5. Related Party Transactions (Continued)

5.1 Statement of the Business or Contract to which the Company is a Party and in which a Director of the Company, a Senior Executive or any Person Related to any of them have an Interest (Continued)

No.	Related party	Related party's Relationship type with the Company	Type of interest	Contract/ purchase order party	Transaction type/contract/ purchase order nature	Transaction conditions/terms	Contract/ transaction duration	Contract/ Purchase Order Value (SAR)	Transaction value during 2023 (SAR)																																																																							
17	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of one (1) year and eight (8) months	348,876,589	1,616,022																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							18	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase order for construction of structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	4,567,800	4,567,800	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	19	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	30,084,163	5,711,260	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	20	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional steel purchase order for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	27,053,750	0	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	21	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of eighteen (18) months	518,043,235	260,588,324	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	22	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for additional structural work for outpatient clinics at Buraidah Hospital	There are no preferential terms compared to the local market	A contract for a period of five (5) months	18,689,579	10,145,445	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	23	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract of structural work for a medical center project in Buraidah City
18	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase order for construction of structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	4,567,800	4,567,800																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							19	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	30,084,163	5,711,260	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	20	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional steel purchase order for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	27,053,750	0	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	21	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of eighteen (18) months	518,043,235	260,588,324	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	22	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for additional structural work for outpatient clinics at Buraidah Hospital	There are no preferential terms compared to the local market	A contract for a period of five (5) months	18,689,579	10,145,445	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	23	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract of structural work for a medical center project in Buraidah City	There are no preferential terms compared to the local market	A contract for a period of five (5) months	11,592,796	7,367,764	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
19	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for structural work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	30,084,163	5,711,260																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							20	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional steel purchase order for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	27,053,750	0	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	21	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of eighteen (18) months	518,043,235	260,588,324	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	22	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for additional structural work for outpatient clinics at Buraidah Hospital	There are no preferential terms compared to the local market	A contract for a period of five (5) months	18,689,579	10,145,445	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	23	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract of structural work for a medical center project in Buraidah City	There are no preferential terms compared to the local market	A contract for a period of five (5) months	11,592,796	7,367,764	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																			
20	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional steel purchase order for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	Not applicable	27,053,750	0																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							21	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of eighteen (18) months	518,043,235	260,588,324	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	22	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for additional structural work for outpatient clinics at Buraidah Hospital	There are no preferential terms compared to the local market	A contract for a period of five (5) months	18,689,579	10,145,445	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	23	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract of structural work for a medical center project in Buraidah City	There are no preferential terms compared to the local market	A contract for a period of five (5) months	11,592,796	7,367,764	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																
21	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for glazing work, mechanical, electrical and plumbing (MEP) work for Shamal Al Riyadh Hospital Project	There are no preferential terms compared to the local market	A contract for a period of eighteen (18) months	518,043,235	260,588,324																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							22	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for additional structural work for outpatient clinics at Buraidah Hospital	There are no preferential terms compared to the local market	A contract for a period of five (5) months	18,689,579	10,145,445	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	23	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract of structural work for a medical center project in Buraidah City	There are no preferential terms compared to the local market	A contract for a period of five (5) months	11,592,796	7,367,764	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																													
22	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for additional structural work for outpatient clinics at Buraidah Hospital	There are no preferential terms compared to the local market	A contract for a period of five (5) months	18,689,579	10,145,445																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							23	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract of structural work for a medical center project in Buraidah City	There are no preferential terms compared to the local market	A contract for a period of five (5) months	11,592,796	7,367,764	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																																										
23	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract of structural work for a medical center project in Buraidah City	There are no preferential terms compared to the local market	A contract for a period of five (5) months	11,592,796	7,367,764																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																																																													

No.	Related party	Related party's Relationship type with the Company	Type of interest	Contract/ purchase order party	Transaction type/contract/ purchase order nature	Transaction conditions/terms	Contract/ transaction duration	Contract/ Purchase Order Value (SAR)	Transaction value during 2023 (SAR)																																																																							
24	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for structural work for Al Hamra Hospital in Al Riyadh City	There are no preferential terms compared to the local market	A contract for a period of ten (10) months	63,283,097	30,314,967																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							25	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for enabling and structural work for Sehat Al-Kharj Hospital	There are no preferential terms compared to the local market	A contract for a period of thirteen (13) months	83,252,676	1,635,985	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	26	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting work for Sehat Al-Kharj Hospital	There are no preferential terms compared to the local market	Not applicable	25,001,313	21,450,150	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	27	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for structural work for multiple projects	There are no preferential terms compared to the local market	Not applicable	8,184,094	5,363,385	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	28	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Al Hamra Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	9,690,457	9,009,657	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	29	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for outpatient clinics in Buraida Hospital	There are no preferential terms compared to the local market	Not applicable	4,962,897	1,348,661	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	30	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Women's Health Hospital in Riyadh City
25	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	A contract for enabling and structural work for Sehat Al-Kharj Hospital	There are no preferential terms compared to the local market	A contract for a period of thirteen (13) months	83,252,676	1,635,985																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							26	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting work for Sehat Al-Kharj Hospital	There are no preferential terms compared to the local market	Not applicable	25,001,313	21,450,150	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	27	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for structural work for multiple projects	There are no preferential terms compared to the local market	Not applicable	8,184,094	5,363,385	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	28	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Al Hamra Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	9,690,457	9,009,657	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	29	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for outpatient clinics in Buraida Hospital	There are no preferential terms compared to the local market	Not applicable	4,962,897	1,348,661	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	30	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Women's Health Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	1,716,606	465,521	Mr. Hesham Sulaiman Al Habib	Board member	Indirect						
26	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Additional purchase orders for general contracting work for Sehat Al-Kharj Hospital	There are no preferential terms compared to the local market	Not applicable	25,001,313	21,450,150																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							27	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for structural work for multiple projects	There are no preferential terms compared to the local market	Not applicable	8,184,094	5,363,385	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	28	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Al Hamra Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	9,690,457	9,009,657	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	29	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for outpatient clinics in Buraida Hospital	There are no preferential terms compared to the local market	Not applicable	4,962,897	1,348,661	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	30	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Women's Health Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	1,716,606	465,521	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																			
27	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for structural work for multiple projects	There are no preferential terms compared to the local market	Not applicable	8,184,094	5,363,385																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							28	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Al Hamra Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	9,690,457	9,009,657	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	29	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for outpatient clinics in Buraida Hospital	There are no preferential terms compared to the local market	Not applicable	4,962,897	1,348,661	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	30	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Women's Health Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	1,716,606	465,521	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																
28	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Al Hamra Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	9,690,457	9,009,657																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							29	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for outpatient clinics in Buraida Hospital	There are no preferential terms compared to the local market	Not applicable	4,962,897	1,348,661	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	30	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Women's Health Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	1,716,606	465,521	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																													
29	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for outpatient clinics in Buraida Hospital	There are no preferential terms compared to the local market	Not applicable	4,962,897	1,348,661																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							30	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Women's Health Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	1,716,606	465,521	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																																										
30	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for Women's Health Hospital in Riyadh City	There are no preferential terms compared to the local market	Not applicable	1,716,606	465,521																																																																							
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																																																													

Governance (Continued)

5. Related Party Transactions (Continued)

5.1 Statement of the Business or Contract to which the Company is a Party and in which a Director of the Company, a Senior Executive or any Person Related to any of them have an Interest (Continued)

No.	Related party	Related party's Relationship type with the Company	Type of interest	Contract/ purchase order party	Transaction type/contract/ purchase order nature	Transaction conditions/terms	Contract/ transaction duration	Contract/ Purchase Order Value (SAR)	Transaction value during 2023 (SAR)																																																			
31	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for structural work for multiple projects	There are no preferential terms compared to the local market	Not applicable	42,453	0																																																			
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							32	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for medical center in Burraidah city	There are no preferential terms compared to the local market	Not applicable	6,867,151	6,867,151	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	33	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Rawafed Al Seha International Company	Purchase orders of medical tools, supplies and devices, and furniture for the hospitals	There are no preferential terms compared to the local market	A contract for a period of one (1) year; to be renewed on an annual basis thereafter, the value of the contract is linked to purchase orders	124,599,935	56,477,527	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	34	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Eraf Medical company	A contract for supply and implementation of computer systems and software	There are no preferential terms compared to the local market	A contract for five (5) years from 16 October 2023	1,437,602	0	Mr. Faisal Abdullah Al Nassar	Board member	Indirect	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	35	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Tamkeen Human Resources	Joint venture agreement to establish a new jointly owned LLC company with capital of SAR 4,000,000 to engage in the provision of Home Healthcare services	There are no preferential terms compared to the local market	Not applicable	1,600,000
32	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Masah Construction Company	Purchase orders for additional construction of structural work for medical center in Burraidah city	There are no preferential terms compared to the local market	Not applicable	6,867,151	6,867,151																																																			
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							33	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Rawafed Al Seha International Company	Purchase orders of medical tools, supplies and devices, and furniture for the hospitals	There are no preferential terms compared to the local market	A contract for a period of one (1) year; to be renewed on an annual basis thereafter, the value of the contract is linked to purchase orders	124,599,935	56,477,527	Mr. Hesham Sulaiman Al Habib	Board member	Indirect	34	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Eraf Medical company	A contract for supply and implementation of computer systems and software	There are no preferential terms compared to the local market	A contract for five (5) years from 16 October 2023	1,437,602	0	Mr. Faisal Abdullah Al Nassar	Board member	Indirect		Mr. Hesham Sulaiman Al Habib	Board member	Indirect							35	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Tamkeen Human Resources	Joint venture agreement to establish a new jointly owned LLC company with capital of SAR 4,000,000 to engage in the provision of Home Healthcare services		There are no preferential terms compared to the local market	Not applicable	1,600,000					
33	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Rawafed Al Seha International Company	Purchase orders of medical tools, supplies and devices, and furniture for the hospitals	There are no preferential terms compared to the local market	A contract for a period of one (1) year; to be renewed on an annual basis thereafter, the value of the contract is linked to purchase orders	124,599,935	56,477,527																																																			
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect							34	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Eraf Medical company	A contract for supply and implementation of computer systems and software	There are no preferential terms compared to the local market	A contract for five (5) years from 16 October 2023	1,437,602	0	Mr. Faisal Abdullah Al Nassar	Board member	Indirect		Mr. Hesham Sulaiman Al Habib	Board member	Indirect							35	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Tamkeen Human Resources	Joint venture agreement to establish a new jointly owned LLC company with capital of SAR 4,000,000 to engage in the provision of Home Healthcare services	There are no preferential terms compared to the local market	Not applicable	1,600,000	1,600,000	Mr. Faisal Abdullah Al Nassar	Board member	Indirect		Mr. Hesham Sulaiman Al Habib	Board member	Indirect											
34	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Eraf Medical company	A contract for supply and implementation of computer systems and software	There are no preferential terms compared to the local market	A contract for five (5) years from 16 October 2023	1,437,602	0																																																			
	Mr. Faisal Abdullah Al Nassar	Board member	Indirect																																																									
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																																									
35	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Indirect	Tamkeen Human Resources	Joint venture agreement to establish a new jointly owned LLC company with capital of SAR 4,000,000 to engage in the provision of Home Healthcare services	There are no preferential terms compared to the local market	Not applicable	1,600,000	1,600,000																																																			
	Mr. Faisal Abdullah Al Nassar	Board member	Indirect																																																									
	Mr. Hesham Sulaiman Al Habib	Board member	Indirect																																																									

5.2 Any Transaction between the Company and any other Related Party

During the fiscal year 2023, some contracts continued, to which the Company/its affiliates was a party; some of these contracts were agreed upon in previous years and were actually started before the fiscal year 2023.

No.	Related party	Related party's relationship with the Company	Transaction type/contract nature	Transaction conditions/terms	Transaction duration	Transaction value during 2023 (SAR)
1	Serco Saudi Services Company (currently Wrass for Operation and Maintenance Company)	Associate (previously)	Purchases and services	There are no preferential terms for the local market	A contract for a period of three years from 01/01/2013 and to be automatically renewed	14,291,148*
2	Dr. Abdulaziz Ibrahim Ajaji Dental Clinics Company	Associate	Revenue	There are no preferential terms for the local market	A contract for a period of 15 years from 24/04/2014 and to be automatically renewed	62,575,773

* Up to 17 May 2023.

Governance (Continued)

5. Related Party Transactions (Continued)

5.3 Statement of Information Relating to any Competing Business with the Company or any of its Activities, in which any Member of the Board is or was Engaging in such Competing Business

No.	Board member engaging in competing business	Relationship type with the Company	Nature of competing business
1	Dr. Sulaiman Abdulaziz Al Habib	Board Chairman	Dr. Sulaiman Abdulaziz Al Habib owns stakes in the Global Healthcare Company. The Global Healthcare Company is a limited liability company operating in the field of pharmacies activities, drug store activities and retail sale of medical devices, equipment and supplies.*
2	Eng. Saleh Muhammad Al Habib	Board Member	Eng. Saleh Muhammad Al Habib is a manager and he also owns stakes in the Global Healthcare Company. The Global Healthcare Company is a limited liability company operating in the field of pharmacies activities, drug store activities and retail sale of medical devices, equipment and supplies.**
3	Mr. Mazen Abdulrazzaq AlRumaih	Board Member	Mr. Mazen Abdulrazzaq AlRumaih is a chairman of the Board of Directors of King Faisal Specialist Hospital & Research Centre, which practice healthcare services.

* Participation of the Chairman of the Board, Dr. Sulaiman Abdulaziz Al Habib, in a business competing with the Company's business was approved in the Shareholders' General Assembly meeting, which was held on Monday, 17 Ramadan 1443H (corresponding to 18 April 2022).

** Participation of the Board member, Eng. Saleh Muhammad Al Habib, in a business competing with the Company's business was approved in the Shareholders' General Assembly meeting, which was held on Monday, 17 Ramadan 1443H (corresponding to 18 April 2022).

6. Dividend Policy

The shares give their holders the right to obtain the profits announced by the Company, and the Company intends to distribute annual dividends to its shareholders in order to enhance the value obtained by the shareholders in line with the Company's profits, its financial situation and the restrictions that distribution of profits are subject according to financing and debt agreements, the results of the Company's business activities, the Company's current and future cash needs, expansion plans, investment requirements and other factors, including analysis of investment opportunities, the Company's investment requirements, monetary and capital requirements, trade expectations, and the impact of any distribution of profits on any of the legal or regulatory considerations. The dividend policy can also change from time to time.

Although the Company intends to distribute annual profits to its shareholders, there are no guarantees for an actual distribution of profits, and there is no guarantee regarding the amounts to be paid in any year.

As per the Company's bylaws, the Company's annual net profits will be distributed as follows:

- 10% of net income shall be retained from net profit to form a statutory reserve. In this regard, the Ordinary General Assembly may decide that such retention be discontinued when the total of such reserve becomes equivalent to 30% of the paid-up capital
- A percentage of the profit allocated to the preferred shares shall be distributed to the holders of such shares
- A percentage of net income shall be retained to form an additional reserve allocated to such purposes as may be suggested by the Board and approved by the Ordinary General Assembly. The Ordinary General Assembly may decide to form other reserves, to the extent that it is in the interest of the Company or to ensure fixed profits are distributed as much as possible to shareholders. The aforementioned assembly may also deduct from the net profits sums to establish social institutions for the Company's employees or to assist the existing ones
- From the remaining net income balance, a first instalment of the dividends equivalent to 5% of the paid capital shall be distributed to the shareholders

- Subject to the provisions stipulated in the 22nd Article of the Company's bylaws and the 76th Article of the Companies Law, a percentage of no more than 10% shall be allocated to the remuneration of the Board, provided the entitlement to this remuneration is proportional to the number of sessions attended by the member
- The remaining is then distributed to the shareholders as additional profits

The Company may, after fulfilling the controls set by the competent authorities, distribute semi-annual and quarterly profits.

During the year 2023, the Board of Directors announced the recommendation to distribute interim dividends of SAR 1,435,000,000 at SAR 4.10 per share (representing 41.00% of the nominal value of the share), based on the authorization to distribute interim dividends to the shareholders – quarterly or semi-annually, for the fiscal year 2022 – which was granted to the Board of Directors by the Ordinary General Assembly held on Monday, 17 Ramadan 1443H (corresponding to 18 April 2022) and based on the authorization to distribute interim dividends to the shareholders – quarterly or semi-annually, for the fiscal year 2023 – which was granted to the Board of Directors by the Ordinary General Assembly held on Monday, 19 Ramadan 1444H (corresponding to 10 April 2023), as follows:

- On 18 February 2023, the Board of Directors announced the recommendation to distribute interim dividends of SAR 325,500,000 at SAR (0.93) only 93 halala per share (representing 9.3% of the nominal value of the share) for the fourth quarter of 2022. (This was approved by the Ordinary General Assembly meeting held on 19 Ramadan 1444H (corresponding to 10 April 2023))
- On 6 May 2023, the Board of Directors announced the recommendation to distribute interim dividends of SAR 350,000,000 at SAR (1) only one riyal per share (representing 10% of the nominal value of the share) for the first quarter of 2023
- On 5 August 2023, the Board of Directors announced the recommendation to distribute interim dividends of SAR 350,000,000 at SAR (1) only one riyal per share (representing 10% of the nominal value of the share) for the second quarter of 2023
- On 28 October 2023, the Board of Directors announced the recommendation to distribute interim dividends of SAR 409,500,000 at SAR (1.17) only one riyal and 17 halala per share (representing 11.7% of the nominal value of the share) for the third quarter of 2023

Total interim distributed dividends for the periods of first quarter, second quarter, and third quarter of the year 2023 is SAR 1,109,500,000, at SAR 3.17 per share (representing 31.70% of the nominal value of the share).

The interim dividends that were distributed during the year ending on 31 December 2022 were approved at the Ordinary General Assembly meeting held on 19 Ramadan 1444AH (corresponding to 10 April 2023).

The following is a summary of the dividends that the Company announced and paid to its shareholders during the financial year 2023.

Fiscal year 2023	Distributed dividends during 2023				Proposed dividends to be distributed for the fourth quarter of 2023	Total dividends announced for fiscal year 2023
	13 March 2023	29 May 2023	28 August 2023	20 November 2023	04 March 2024	
Percentage of dividend to the share par value (%)	9.3%	10%	10%	11.7%	11.5%	43.2%
Total distributed dividends (SAR)	325,500,000	350,000,000	350,000,000	409,500,000	402,500,000 *	1,512,000,000

* On 18 February 2024, the Board of Directors announced the approval to distribute interim dividends of SAR 402,500,000 at SAR (1.15) (only one Riyal and fifteen Halala) per share (representing 11.5% of the nominal value of the share) for the fourth quarter of the year 2023.

Total interim dividends for the periods of first quarter, second quarter, third quarter and fourth quarter of the year 2023 is SAR 1,512,000,000, at SAR 4.32 per share (representing 43.2% of the nominal value of the share).

There are no agreements or arrangements to waive any rights to dividends by any shareholders.

Governance (Continued)

7. Main Transactions, Investments and other Events

7.1 Future Projects

The Group is currently planning to establish several private healthcare facilities in the Kingdom in line with the Group's future plans to expand the scope of its geographical services considering obtaining the relevant regulatory approvals, these projects are as follows.

(1) Gharb Jeddah (South West Jeddah) Hospital

- HMG's ownership: 50%
- Total estimated project cost: SAR 1.7 billion
- Location: Al Fayhaa in Jeddah City, KSA
- Number of beds: 330+
- Construction phase: Finishing works
- Expected completion: 2024
- Approved bank facility limit: 1.5 billion (Sharia-compliant facilities – from SAUDI AWWAL BANK (SAB))

(2) Shamal Al Riyadh (North Riyadh) Hospital

- HMG's ownership: 100%
- Total estimated project cost: SAR 3 billion
- Location: Sahafa in Riyadh City, KSA
- Number of beds: 500+
- Construction phase: Finishing works
- Expected completion: 2024
- Approved bank facility limit: 2.2 billion (Sharia-compliant facilities – from SAUDI AWWAL BANK (SAB))

(3) Al Muhammadiyah (North Jeddah) Hospital

- HMG's ownership: 100%
- Total estimated project cost: SAR 2.3 billion
- Location: Al Muhammadiyah in Jeddah City, KSA
- Number of beds: 350+
- Construction phase: MEP works
- Expected completion: 2024
- Approved bank facility limit: 1.8 billion (Sharia-compliant facilities – from SAUDI NATIONAL BANK (SNB))

(4) Women's Health Hospital

- HMG's ownership: 100%
- Total estimated project cost: SAR 0.6 billion
- Location: Al Takhassusi in Riyadh City, KSA
- Number of beds: 145+
- Construction phase: Finishing works
- Expected completion: 2024

(5) Sehat Al Kharj Hospital

- HMG's ownership: 100%
- Total estimated project cost: SAR 0.8 billion
- Location: Jawharat Al Kharj, Kharj City, KSA
- Number of beds: 140+
- Construction phase: MEP and finishing works
- Expected completion: 2024

(6) Expansion of the Outpatient Clinics of Qassim Hospital

- HMG's ownership: 100%
- Total estimated project cost: SAR 0.2 billion
- Location: Al Safra, Buraidah City, KSA
- Construction phase: Finishing works
- Expected completion: 2024

(7) Sehat Al Hamra Hospital

- HMG's ownership: 100%
- Total estimated project cost: SAR 0.6 billion
- Location: Al Hamra, Riyadh City, KSA
- Number of beds: 90+
- Construction phase: Finishing works
- Expected completion: 2025

(8) Tabuk Hospital

- HMG's ownership: 100%
- Total estimated project cost: SAR 0.4 billion
- Location: Al-Morouj Al-Thani, Tabuk City, KSA
- Number of beds: 140+
- Construction phase: Preliminary work
- Expected completion: 2027

(9) Al Madinah Al Munawwarah Hospital

On 25 November 2021, the Group signed a lease contract to invest a land in construction, operation and maintenance of a hospital in Al Madinah Al Munawwarah with the Municipality of Al Madinah for a period of 50 (fifty) years, with a lease amount of SAR 30,194,731.34 (without VAT) representing the total rent value for the entire duration of the contract. According to the contract, the Municipality of Al Madinah Al Munawwarah region has leased the Group the plot of land in the Mudhainib neighborhood in the Mittan area at Al Madinah Al Munawwarah, which is located on King Abdullah bin Abdulaziz Road after the second notary, with an area of 18,772.24 m². The Group plans to establish a hospital on the leased land that provides integrated healthcare services that include many different medical specialties, after obtaining the necessary approvals and licenses from the relevant authorities.

(10) Jubail Industrial City Hospital

On 16 May 2023, the Group signed off a conditional investment agreement with the Royal Commission for Jubail and Yanbu to allocate a land with an area of (115,482.9) m² in Al Dafi neighborhood in Jubail Industrial City to construct and operate a hospital in Jubail Industrial City. The duration of this agreement is twelve (12) months, during which the Group shall submit to the Royal Commission for Jubail and Yanbu the engineering drawings in addition to the specifications of the project including the proposed development area and the infrastructure works.

Governance (Continued)

7. Main Transactions, Investments and other Events (Continued)

7.1 Future Projects (Continued)

Following its approval on the final engineering drawings, the Royal Commission for Jubail and Yanbu will conclude an investment agreement to lease the land to the Group for a period of fifty (50) Hijri years with a total yearly rental amount of SAR (1,154,829), and the yearly rental value will be free for two years starting from the date of signing the investment agreement to lease the land.

(11) Medical Centers

HMG's strategy to expand the Medical Centers services under the trademark Dr. Sulaiman Al Habib Medical Center through Al Marakez Al Awwalyah for Healthcare Company, a wholly owned subsidiary of the Group is in line with the Group's future plans to expand its reach, geographically broaden its services and enhance its operating model according to the highest standards to provide health services that improves the patient experience. The future medical center includes the following.

(11.1) Qassim Medical Center

- HMG's ownership: 100%
- Total estimated project cost: SAR 129.4 million
- Location: Al Rayan District, Buraidah City, KSA
- Construction phase: Finishing works
- Expected completion: 2024

(11.2) King Abdullah Economy City (KAEC) Medical Center

- HMG's ownership: 100%
- Total estimated project cost: SAR 20.3 million
- Location: King Abdullah Economic City, Rabigh City, KSA
- Construction phase: Finishing works
- Expected completion: 2024

8. Statutory Payments

Except as provided below, there is no material punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Capital Market Authority or any other supervisory, regulatory or judiciary authority. The following table shows a summary of the violations that were imposed on the Company in 2023 and the corrective measures taken by the Company in relation to these violations and the steps taken to avoid their recurrence.

No.	Punishment, penalty, precautionary procedure or preventive measure	Reasons for non-compliance	The imposing authority	The measures undertaken to remedy and avoid such non-compliance in the future
1	SAR 643,000	Violations of the Law of Private Health Institutions	The Committee of the Violations of the Law of Private Health Institutions	The payment has been made, with the necessary corrective measures taken by the Company in a timely manner, and the commitment of the competent department to the regulatory requirements has been confirmed.
2	SAR 2,500	Violations of the Law of Pharmaceutical and Herbal Establishments	The Committee of the Violations of the Law of Private Health Institutions	The payment has been made, with the necessary corrective measures taken by the Company in a timely manner, and the commitment of the competent department to the regulatory requirements has been confirmed.
3	SAR 1,000	Violations of Ministry of Commerce Law	Ministry of Commerce	The payment has been made, with the necessary corrective measures taken by the Company in a timely manner, and the commitment of the competent department to the regulatory requirements has been confirmed.
4	SAR 162,600	Violations of Ministry of Municipal and Rural Affairs and Housing Law	Riyadh Municipality	The payment has been made, with the necessary corrective measures taken by the Company in a timely manner, and the commitment of the competent department to the regulatory requirements has been confirmed.
5	AED 20,903.32	Violations of Dubai Health Authority and Dubai Healthcare City Law	Dubai Health Authority and Dubai Healthcare City	The payment has been made, with the necessary corrective measures taken by the Company in a timely manner, and the commitment of the competent department to the regulatory requirements has been confirmed.
6	SAR 30,000	Violations of Labor Law	Ministry of Labor and Social Development Law	The payment has been made, with the necessary corrective measures taken by the Company in a timely manner, and the commitment of the competent department to the regulatory requirements has been confirmed.

Governance (Continued)

8. Statutory Payments (Continued)

8.1 Statutory Payments

The numbers are rounded to the nearest million in SAR.

Statement	2023		A brief description of the statutory payment	Reasons statement
	Paid	Outstanding and have not been paid until the end of the annual financial period		
Zakat	60.9	177.50	Zakat on income	Annual zakat declaration
Value Added Taxes (VAT)	484.5	61.6	VAT	VAT on supplies of goods and services
Withholding Taxes (WHT)	9.5	2.0	WHT	Withholding tax on foreign service providers and non-Saudis
General Organization for Social Insurance (GOSI)	60.8	8.1	Social insurance	The monthly insurance payable for Saudi and non-Saudi workers
Visa and passport costs	88.2	-	Visas of the employees	First-time entry visas, exit and re-entry visas for employees
Labor office fees	11.8	-	Other governmental payments	Other governmental payments regarding employees

9. Compensation and Remuneration

The Board, based on the recommendation of the Nomination and Remuneration Committee, determines the remuneration of each member of the Board, and a member of the Committee from members of the Board, and a member of the Committee who are not members of the Board and Executive Management, in accordance with the policy approved by the Board and the remuneration policy for Board, committees and Executive Management, approved by the General Assembly of the Company.

9.1 Remuneration Policy

The Remuneration policy for the Board, committees and Executive Management aims to stipulate and clearly outline the remuneration for the Board and its committee members and Executive Management in line with the requirements of the Companies Law and CMA regulations. In addition, the policy aims to attract talented professionals to work on the Group's Board, its committees and Executive Management through adapting performance-related motivational plans and programs for remuneration, which contributes to improve the performance of the Group to achieve the best results for its shareholders. This policy is prepared in coordination with the Nomination and Remuneration Committee.

9.2 Principles and Standards Regulating the Remuneration

In light of the provisions regulating the remuneration of the Board and its sub-committees set forth in the Companies Law, the Corporate Governance Regulations, the regulatory controls and procedures issued in implementation of the Companies Law for listed joint stock companies, and the bylaws of the Company, the remuneration of the members of the Board and its sub-committees and Senior Executives shall be in accordance with the following principles and criteria:

- The remuneration to be proportionate to Group activities and the required skills for its management
- The variable part of the remuneration shall be linked to long-term performance
- Remuneration shall be consistent with the strategy, objectives, magnitude, nature and level of risks faced by the Group
- Benchmarking shall be used to take into consideration the remuneration practices by other companies and the market, and shall avoid unjustifiable increases in remuneration and compensations
- Remuneration shall be determined on the basis of job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance
- Remuneration shall be fair and proportionate to the Board or committee members' activities carried out and responsibilities borne by the Board or committee members, in addition to the objectives set out by the Board to be achieved during the financial year
- Take into consideration the sector in which the Group operates, its size and experience of its Board members
- Remuneration shall be reasonably sufficient to attract and retain highly qualified and experienced Board members and employees
- The remuneration shall be suspended if it has been determined that such remuneration was based on inaccurate information provided by a member of the Board or the Executive Management, to prevent abuse of power and prevent such individuals from obtaining unmerited remunerations

9.3 Remuneration of Board Members

- The remuneration of HMG Board members may consist of a specified sum, an attendance fee, expense fees, other in-kind benefits, a certain percentage of the net profits, or a combination of two (2) or more of those benefits. The remuneration of a Board member shall not exceed the limit stated in the Companies Law, and shall be in line with the remuneration policy for the Board, committees and Executive Management, and any amendments that may take place in the future to be approved in line with relevant regulations
- Where the remuneration represents a certain percentage of HMG's profits, provisions of Article 76, Item No. 2 of the Companies Law shall be taken into consideration, in addition to Article 22 of HMG's bylaws. In no event may the total amount of any compensation and remuneration – whether it be cash or in-kind benefits received by a Board member – be greater than SAR 500,000 annually.
- The remuneration of Independent Board members shall not be a percentage of the profits that are realized by HMG, nor shall it be based directly or indirectly on HMG's profitability.

9.4 Remuneration of Committee Members

- The Board shall determine and approve its committee members' remuneration – excluding the Audit Committee and Nomination and Remuneration Committee remuneration – attendance fees and other benefits based on a recommendation from the Nomination and Remuneration Committee
- Committee members' remuneration shall comprise an annual remuneration (a lump sum) and attendance fees, and other benefits as defined in the policy for the Board, committees and Executive Management
- Audit Committee and Nomination and Remuneration Committee members' remuneration shall be governed by its charters, which are approved by the General Assembly of the Company as per the regulations
- When forming any Board committee, the number of seats that are occupied by each Board member shall be taken into consideration as the total amount paid for his/her membership on both the Board and committees shall not exceed the statutory limit defined in the Companies Law.

9.5 Remuneration of the Executive Management

The Nomination and Remuneration Committee shall review and approve the salary scale and the incentive scheme for all employees and Executive Management, on a regular basis, based on Management's recommendations. The Executive Management remuneration includes:

- Basic salary (to be paid on a monthly basis at the end of each Gregorian month)
- Allowances that include, for example (and not limited to) housing, transportation, children's education/school fees and phone allowances
- Medical insurance benefits for all employees and Executive Management and their families
- Life insurance policy (including events of partial or permanent disability, and death at workplace)

Governance (Continued)

9. Compensation and Remuneration (Continued)

9.5 Remuneration of the Executive Management (Continued)

- Annual bonus, based on KPI objectives associated with individual annual appraisal evaluation
- Short-term incentive plans linked with extraordinary/exceptional performance and long-term incentive plans, such as stock programs (whenever these exist)
- Other benefits included, but are not limited to, annual leave, annual air tickets, and end-of-service benefits according to Labor Law and HR policies adopted by the Company

9.6 Remuneration during 2023

The annual remuneration for the members of the Board is paid out after the approval of the General Assembly of the Company's shareholders. Below is the total remuneration paid out or allocated by the Company to the Chairman and members of the Board, committee Chairs and members, and Senior Executives for the fiscal year ending 31 December 2023.



Governance (Continued)

9. Compensation and Remuneration (Continued)

9.6.1 Remuneration of Board Members¹ (SAR)

Member name	Specific amount	Fixed remuneration				Remunerations of the Chairman, Managing Director or Secretary, if a member
		Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	
1. Non-Executive Directors						
Dr. Sulaiman Abdulaziz Al Habib	160,000	12,000	-	-	-	-
Eng. Saleh Mohammed Al Habib	160,000	12,000	18,000	-	-	-
Mr. Mazen Abdulrazzaq Al Rumaih	200,000	15,000	15,000	-	-	-
Total	520,000	39,000	33,000	-	-	-
2. Executive Directors						
Mr. Faisal Abdullah Al Nassar	200,000	15,000	15,000	-	-	-
Mr. Hesham Sulaiman Al Habib	200,000	15,000	15,000	-	-	-
Total	400,000	30,000	30,000	-	-	-
3. Independent Directors						
Mr. Obaid Abdullah Al Rasheed	160,000	12,000	6,000	-	-	-
Dr. Abdulrahman Sulaiman Al Turaigi	200,000	15,000	15,000	-	-	-
Mr. Rasheed Abdulrahman Al Rasheed	200,000	15,000	15,000	-	-	-
Total	560,000	42,000	36,000	-	-	-
4. Directors whose membership expired during 2023						
Mr. Nasser Mohammed Al Huqbani*	-	-	-	-	-	-

*Mr. Nasser Mohammed Al Huqbani: His membership on the Board of Directors ended on 15 February 2023 due to resignation, and he did not attend any Board meetings.

1. The annual remuneration for the board membership for the year 2023 will be paid after approval of the General Assembly.

Variable remuneration

Total	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares	Total	End-of-service award	Aggregate amount	Expenses allowance
172,000	-	-	-	-	-	-	-	172,000	-
190,000	-	-	-	-	-	-	-	190,000	-
230,000	-	-	-	-	-	-	-	230,000	-
592,000	-	-	-	-	-	-	-	592,000	-
230,000	-	-	-	-	-	-	-	230,000	-
230,000	-	-	-	-	-	-	-	230,000	-
460,000	-	-	-	-	-	-	-	460,000	-
178,000	-	-	-	-	-	-	-	178,000	-
230,000	-	-	-	-	-	-	-	230,000	-
230,000	-	-	-	-	-	-	-	230,000	-
638,000	-	-	-	-	-	-	-	638,000	-
-	-	-	-	-	-	-	-	-	-

Governance (Continued)

9. Compensation and Remuneration (Continued)

9.6.2 Remuneration of Senior Executives for the Financial Year ended on 31 December 2023

The figures are rounded to the nearest million in SAR.

Capacity	Fixed remuneration				Variable remuneration						End-of-service award	Total remuneration for Board	Grand total
	Salaries	Allowances	In-kind benefits	Total	Periodic remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares	Total			
Top five (5) Senior Executives who received the highest remuneration from the Company, including the CEO and CFO	3.7	9.7	-	13.4	16.5	-	-	-	-	16.5	1.1	0.4	31.4

The Company has committed to disclosing the remunerations awarded to Senior Executives in total in accordance with the regulatory requirements set forth in the subparagraph (4/b) of paragraph (A) of article no. (90) of Corporate Governance Regulations, without disclosing them in detail; thereby protecting the interests of the Company from the harm that may befall the Company if they are disclosed in detail, reflected in creating an atmosphere of competition and lack of job stability, which will be reflected on the Company's performance and consequently on the shareholders.

9.6.3 Remuneration of Committee Chairs and Members for the Financial Year ended on 31 December 2023 (SAR)

Committee member name	Fixed remuneration (excluding the allowance for attending committee meetings)	Allowance for attending committee meetings	Total
1. Audit Committee			
Dr. Abdulrahman Sulaiman Al Turaigi	150,000	15,000	165,000
Mr. Rasheed Abdulrahman Al Rasheed	150,000	15,000	165,000
Mr. Turki Abdulmuhsen Al Luhaid	120,000	12,000	132,000
Total	420,000	42,000	462,000
2. Nomination and Remuneration Committee			
Mr. Obaid Abdullah Al Rasheed	50,000	6,000	56,000
Eng. Saleh Mohammed Al Habib	50,000	6,000	56,000
Mr. Ahmad Saleh Al Sudais	50,000	6,000	56,000
Total	150,000	18,000	168,000
3. Patient Safety and Quality of Care Committee			
Prof. Mahmoud Shahin Al Ahwal	50,000	12,000	62,000
Prof. Abdullah Sulaiman Al Herbish	50,000	12,000	62,000
Dr. Abdulelah Mohammed Rabe Al Hawsawi	37,500	9,000	46,500
Total	137,500	33,000	170,500
4. Executive Committee			
Mr. Mazen Abdulrazzaq Al Rumaih	50,000	15,000	65,000
Mr. Faisal Abdullah Al Nassar	50,000	15,000	65,000
Eng. Saleh Mohammed Al Habib	40,000	12,000	52,000
Mr. Hesham Sulaiman Al Habib	50,000	15,000	65,000
Total	190,000	57,000	247,000
5. Committee members whose membership expired during 2023			
Mr. Nasser Mohammed Al Huqbani*	-	-	-
Mr. Sulaiman Nasser Al Qahtani**	30,000	3,000	33,000

*Mr. Nasser Mohammed Al Huqbani: Mr. Nasser's membership on the Executive Committee ended on 15 February 2023 due to resignation, and he did not attend any Committee meetings.

**Mr. Sulaiman Nasser Al Qahtani: Mr. Sulaiman's membership ended on 4 April 2023 due to resignation.

There are no agreements or arrangements to waive any remuneration by any of the Company's Board members or a Senior Executive.

Governance (Continued)

10. Summary of Assets, Liabilities and Business Results

The table below shows the Company's assets, liabilities and its business results of the past five fiscal years.

10.1 Assets and Liabilities Comparison

The numbers are rounded to the nearest million SAR.

Particulars	2023	2022	2021	2020	2019
Current assets	4,137.8	4,160.5	4,133.4	3,793.4	3,285.0
Non-current assets	11,660.2	8,423.6	6,693.9	5,687.7	5,182.3
Total assets	15,798.0	12,584.1	10,827.4	9,481.1	8,467.3
Current liabilities	3,299.2	2,590.3	2,047.7	1,693.7	1,495.3
Non-current liabilities	5,732.6	3,888.1	3,252.6	2,698.9	2,381.2
Total liabilities	9,031.8	6,478.4	5,300.3	4,392.6	3,876.5

10.2 Profit and Loss Comparison

The numbers are rounded to the nearest million SAR.

Particulars	2023	2022	2021	2020	2019
Revenue	9,508.4	8,310.7	7,250.5	5,861.6	5,016.3
Cost of revenue	6,238.4	5,562.6	4,920.2	3,997.2	3,492.7
Gross profit	3,270.0	2,748.1	2,330.3	1,864.4	1,523.6
Operating income	2,095.7	1,700.5	1,466.2	1,114.9	867.7
Net income	2,046.0	1,650.8	1,376.6	1,055.5	870.2

Clarification of any material differences in the operational results compared with the preceding year's results, or any expectations announced by the Company.

The numbers are rounded to the nearest million SAR.

Particulars	2023	2022	Change (+) or (-)	Percentage change
Revenue	9,508.4	8,310.7	1,197.7	14.4%
Cost of revenue	6,238.4	5,562.6	675.8	12.1%
Gross profit	3,270.0	2,748.1	521.9	19.0%
Operating expenses	1,174.3	1,047.7	126.6	12.1%
Operating income	2,095.7	1,700.5	395.2	23.2%
Net income	2,046.0	1,650.8	395.2	23.9%

10.3 Geographical Analysis of the Company's, its Subsidiaries' and Affiliates' Gross Revenue

The numbers are rounded to the nearest million SAR.

Year	Gross revenue	Eastern Geographic Region (Khobar)	Central Geographic Region (Riyadh)	Central Geographic Region (Qassim)	External Geographic Region (United Arab Emirates)	External Geographic Region (Bahrain)
2023	9,508.4	1,291.2	7,066.8	597.0	549.7	3.7

11. Loans

The Group has used a variety of banking facilities, along with cash flows from operating activities, to meet the capital expenditure requirements. The Group intends to continue its strategy of leveraging cash flows from operating activities and long-term loans from banks to maintain an ideal financing structure. It is worth noting that all the bank facilities obtained by the Company are in accordance with the provisions of Islamic Sharia and are approved by the Sharia committees inside the banks.

Loans as of 31 December 2023 (numbers are rounded to the nearest million SAR).

	Creditor's name	Loan terms	Ending balance as at 31 Dec 2022	Additions during the year	Repayments during the year	Final balance as at 31 Dec 2023	Debt repayment period
A (1+2)	Approved banks Sharia-compliance facilities as at 31 December 2023		2,812	1,930	186	4,557	2021 until 2034
1	Saudi Awwal Bank		1,823	1,095	-	2,918	2025 until 2033
	Approved facilities limit SAR 2.17 billion	Tenor: 13 Years, 16 semi-annual	1,028	730	-	1,758	2025 until 2033
	Approved facilities limit SAR 1.24 billion	Tenor 13 years, 28 quarterly	795	365	-	1,160	2026 until 2032
2	Saudi National Bank		989	835	186	1,639	2021 until 2034
	Approved facilities limit SAR 0.83 billion	Tenor: 13 years, 20 semi-annual	989	-	186	804	2021 until 2030
	Approved facilities limit SAR 1.85 billion	Tenor: 13 years, 18 semi-annual	-	835	-	835	2025 until 2034
B	Ministry of Finance principal loans		454	-	44	410	2012 until 2041
	Loan by SAR 20.8 million	Tenor: 18 years, 16 annually	5	-	1	4	2012 until 2026
	Loan by SAR 37.1 million	Tenor: 18 years, 16 annually	16	-	5	12	2014 until 2028
	Loan by SAR 44.1 million	Tenor: 18 years, 16 annually	14	-	6	8	2012 until 2026
	Loan by SAR 50 million	Tenor: 18 years, 16 annually	16	-	3	13	2012 until 2027
	Loan by SAR 75.3 million	Tenor: 18 years, 16 annually	33	-	9	24	2014 until 2028
	Loan by SAR 200 million	Tenor: 23 years, 20 annually	170	-	10	160	2020 until 2039
	Loan by SAR 200 million*	Tenor: 23 years, 20 annually	200	-	10	190	2023 until 2041
Total loans (A+B)			3,266	1,930	229	4,967	

*This amount represents the remaining balance of the loans granted by the Ministry of Finance, which is divided into loans and government grants where both are included in the consolidated financial statements and presented as per IAS 20 according to standards and requirements.

Governance (Continued)

12. Statement of the Board of Directors' Responsibilities

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (collectively referred to as "IFRS" as endorsed in Kingdom of Saudi Arabia).

The external auditors' report has not contained any reservations on the Annual Financial Statements.

There is no recommendation from the Board to replace the external auditors before the end of their term.

There was no recommendation by the Audit Committee regarding the need to appoint internal auditors because the Company already has an Internal Audit department.

The Board confirms the following:

- Proper books of accounts have been maintained
- The system of internal control is sound in design and has been effectively implemented
- There are no significant doubts concerning the Company's ability to continue its activity
- There was no recommendations by the Audit Committee, which conflicts with Board resolutions, or any recommendations that the Board refused to take regarding the appointment, dismissal, determining the remuneration and assessment of the performance of external auditors to the Company, or appointment of internal auditors
- No convertible debt instruments, contractual securities, preemptive right or similar rights were issued or granted by the Company during the year 2023
- No conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights were issued or granted by the Company during the year 2023 or any preceding years
- No debt instruments were issued by the Company or its affiliates. Consequently, the Company did not purchase, redeem or cancel any debt instruments or such securities mentioned above
- No investments have been made and no reserves have been set up for the benefit of the employees of the Company
- The Company does not hold any treasury shares



د. سليمان الحبیب
DR. SULAIMAN AL HABIB
مركز علاج السموم

العقم
مركز علاج السموم



د. سليمان الحبيب
DR SULAIMAN AL HABIB



5

FINANCIAL STATEMENTS

Independent Auditor's Report	172
Consolidated Statement of Financial Position	176
Consolidated Statement of Income	177
Consolidated Statement of Comprehensive Income	178
Consolidated Statement of Changes in Equity	179
Consolidated Statement of Cash Flows	180
Notes to the Consolidated Financial Statements	181

Independent Auditor's Report

to the Shareholders of Dr. Sulaiman Al Habib Medical Services Group Company
(Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Dr. Sulaiman Al Habib Medical Services Group Company and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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 is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

to the Shareholders of Dr. Sulaiman Al Habib Medical Services Group Company
(Saudi Joint Stock Company) (Continued)

Key audit matter

Revenue recognition

During the year ended 31 December 2023, the Group recognized revenue of SR 9.5 billion (2022: SR 8.3 billion).

The Group recognizes revenue upon satisfaction of performance obligations attached to medical and related services at the fair value of consideration received or receivable, net of variable consideration.

Certain contracts with customers include variable considerations in the form of prompt payment discount or any expected discounts for some of the services provided. Significant accounting judgments, estimates and assumptions are made by the management to determine the variable consideration.

Revenue recognition is considered as a key audit matter due to the existence of risks associated with the amount of revenues related to the controls and judgments that mainly depend on management's estimates when the amount of revenue is recognised.

Refer to note 4.4 for the accounting policy related to revenue recognition and note 5.1 for estimates and assumption used in revenue recognition.

How our audit addressed the key audit matter

Our audit procedures included, among others, the following:

- Assessed the appropriateness of the Group's revenue recognition.
- Assessed the appropriateness of significant accounting judgments, estimates and assumptions made by the management to determine the variable consideration.
- Assessed the design and tested (on a sample basis) the operating effectiveness of relevant controls in relation to revenue recognition.
- Involved our IT experts in testing the applied IT controls and the internal control around them.
- Performed analytical procedures by comparing the expectations with actual revenue and analysing the variances.
- Performed tests (on a sample basis) of settlements, claims and collections made with major clients of the group.
- Assessed the adequacy of relevant disclosures in the consolidated financial statements.

Other Information Included in The Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2023 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2023 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report

to the Shareholders of Dr. Sulaiman Al Habib Medical Services Group Company
(Saudi Joint Stock Company) (Continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 The Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

to the Shareholders of Dr. Sulaiman Al Habib Medical Services Group Company
(Saudi Joint Stock Company) (Continued)

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 consolidated 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.

for Ernst & Young Professional Services

The image shows a handwritten signature in blue ink, which appears to be 'Waleed G. Tawfiq'. To the right of the signature is a blue square stamp containing the EY logo and the text 'Ernst & Young' and 'Certified Public Accountant'.

Waleed G. Tawfiq
Certified Public Accountant
License No. (437)

Riyadh: 8 Shaban 1445
(18 February 2024)

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	31 December 2023 SR	31 December 2022 SR
Assets			
Current assets			
Cash and cash equivalents	7	2,620,380,482	2,746,989,005
Accounts receivable	8	703,123,099	741,713,503
Prepayments and other assets	9	271,273,583	181,380,520
Inventories	10	543,059,382	490,392,915
Total current assets		4,137,836,546	4,160,475,943
Non-current assets			
Investments in associates	11	197,589,504	186,999,110
Investments in equity instruments – Sukuk		300,000,000	300,000,000
Property and equipment	12	11,162,615,517	7,936,642,673
Total non-current assets		11,660,205,021	8,423,641,783
Total assets		15,798,041,567	12,584,117,726
Liabilities and equity			
Liabilities			
Current liabilities			
Current portion of long-term loans	28.1	96,039,119	167,651,299
Accounts payable	13	1,280,445,284	961,319,436
Accruals and other liabilities	15	1,703,369,813	1,247,476,180
Zakat payable	16	177,462,010	169,722,113
Current portion of lease liabilities	28.2	41,844,787	44,142,088
Total current liabilities		3,299,161,013	2,590,311,116
Non-current liabilities			
Long-term loans	28.1	4,810,264,140	3,032,584,836
Government grant	17	54,601,524	60,337,851
Lease liabilities	28.2	235,270,089	277,078,057
Employees' end-of-service benefits	18	632,502,982	518,141,099
Total non-current liabilities		5,732,638,735	3,888,141,843
Total liabilities		9,031,799,748	6,478,452,959
Equity			
Issued and paid-up share capital	19	3,500,000,000	3,500,000,000
Statutory reserve	20	1,050,000,000	876,157,331
Retained earnings		1,935,484,939	1,502,535,470
Equity attributable to equity holders of the parent		6,485,484,939	5,878,692,801
Non-controlling interests		280,756,880	226,971,966
Total equity		6,766,241,819	6,105,664,767
Total liabilities and equity		15,798,041,567	12,584,117,726

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Income

For the year ended 31 December 2023

	Notes	2023 SR	2022 SR
Revenue		9,508,438,768	8,310,738,514
Cost of revenue		(6,238,390,700)	(5,562,603,296)
Gross profit		3,270,048,068	2,748,135,218
Selling and marketing expenses	22	(402,700,290)	(324,779,475)
General and administrative expenses	23	(771,698,862)	(722,868,413)
Operating income		2,095,648,916	1,700,487,330
Share of income of associates	11	22,177,099	19,605,347
Finance costs	24	(70,106,623)	(49,356,745)
Other income	25	122,267,519	125,921,171
Income before zakat		2,169,986,911	1,796,657,103
Zakat	16	(68,516,333)	(107,707,925)
Income for the year		2,101,470,578	1,688,949,178
Attributable to:			
Equity holders of the parent		2,046,013,922	1,650,750,047
Non-controlling interests		55,456,656	38,199,131
		2,101,470,578	1,688,949,178
Earnings per share:			
Basic and diluted earnings per share from income for the year attributable to equity holders of the parent	26	5.85	4.72

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 SR	2022 SR
Income for the year		2,101,470,578	1,688,949,178
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement (loss) income on employees' end-of-service benefits	18	(5,893,526)	27,139,586
Other comprehensive (loss) income for the year		(5,893,526)	27,139,586
Total comprehensive income for the year		2,095,577,052	1,716,088,764
Attributable to:			
Equity holders of the parent company		2,041,792,138	1,677,021,363
Non-controlling interests		53,784,914	39,067,401
		2,095,577,052	1,716,088,764

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Attributable to equity holders of the parent				Non-controlling interests SR	Total equity SR
	Issued and paid-up share capital SR	Statutory reserve SR	Retained earnings SR	Total SR		
As at 1 January 2022	3,500,000,000	711,082,326	1,128,089,112	5,339,171,438	187,904,565	5,527,076,003
Income for the year	-	-	1,650,750,047	1,650,750,047	38,199,131	1,688,949,178
Other comprehensive income	-	-	26,271,316	26,271,316	868,270	27,139,586
Total comprehensive income	-	-	1,677,021,363	1,677,021,363	39,067,401	1,716,088,764
Transfer to statutory reserve	-	165,075,005	(165,075,005)	-	-	-
Dividends (note 21)	-	-	(1,137,500,000)	(1,137,500,000)	-	(1,137,500,000)
As at 31 December 2022	3,500,000,000	876,157,331	1,502,535,470	5,878,692,801	226,971,966	6,105,664,767
Income for the year	-	-	2,046,013,922	2,046,013,922	55,456,656	2,101,470,578
Other comprehensive loss	-	-	(4,221,784)	(4,221,784)	(1,671,742)	(5,893,526)
Total comprehensive income	-	-	2,041,792,138	2,041,792,138	53,784,914	2,095,577,052
Transfer to statutory reserve	-	173,842,669	(173,842,669)	-	-	-
Dividends (note 21)	-	-	(1,435,000,000)	(1,435,000,000)	-	(1,435,000,000)
As at 31 December 2023	3,500,000,000	1,050,000,000	1,935,484,939	6,485,484,939	280,756,880	6,766,241,819

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 SR	2022 SR
Operating activities			
Income before zakat		2,169,986,911	1,796,657,103
Non-cash adjustments to reconcile income before zakat to net cash flows:			
Depreciation	12	312,678,500	309,222,808
Share of income of associates	11	(22,177,099)	(19,605,347)
Provisions		246,539,534	206,909,725
Finance costs	24	70,106,623	49,356,745
Employees' end-of-service benefits	18	145,716,580	126,598,525
		2,922,851,049	2,469,139,559
<i>Working capital changes:</i>			
Accounts receivable		(202,433,447)	(40,290,156)
Inventories		(58,182,150)	(92,566,741)
Prepayments and other assets		(86,518,459)	4,209,176
Accounts payable		326,076,696	156,188,070
Accruals and other liabilities		445,681,362	486,823,535
Cash generated from operations		3,347,475,051	2,983,503,443
Zakat paid	16	(60,886,595)	(69,368,923)
Employees' end-of-service benefits paid	18	(42,435,827)	(70,453,285)
Net cash from operating activities		3,244,152,629	2,843,681,235
Investing activities			
Purchase of property and equipment		(3,496,893,243)	(1,513,364,980)
Investment in associates		(2,550,000)	(126,035,354)
Dividends from associates	11	12,815,094	-
Investments in equity instruments – Sukuk		-	(300,000,000)
Net cash used in investing activities		(3,486,628,149)	(1,939,400,334)
Financing activities			
Proceeds from long-term loans, net		1,700,512,995	432,333,493
Finance costs paid		(63,988,656)	(43,274,148)
Lease liabilities paid		(85,657,342)	(52,680,905)
Dividends paid	21	(1,435,000,000)	(1,137,500,000)
Net cash from (used) in financing activities		115,866,997	(801,121,560)
Net (decrease) increase in cash and cash equivalents		(126,608,523)	103,159,341
Cash and cash equivalents at the beginning of the year	7	2,746,989,005	2,643,829,664
Cash and cash equivalents at the end of the year	7	2,620,380,482	2,746,989,005
Non-cash transactions:			
Recognition of right-of-use assets	12	46,645,200	100,761,318
Recognition of lease liabilities	28.2	46,645,200	100,761,318

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

31 December 2023

1. Corporate Information and Activities

Dr. Sulaiman Al Habib Medical Services Group Company (the “Company”) (a Saudi Joint Stock Company) is registered in Riyadh, under commercial registration number 1010118330 dated 11 Jumada al-thani 1414H (corresponding to 25 November 1993). The registered office is located at Olaya District, P.O. Box 301578, Riyadh 11372, Kingdom of Saudi Arabia (the “Kingdom”), and the Company was listed on the Saudi Stock Exchange (Tadawul) on 22 Rajab 1441H (corresponding to 17 March 2020).

The activities of the Company and its subsidiaries (collectively referred to as “the Group”) are to provide private health services and ancillary services for its operations in the Kingdom and the region through the establishment, management, and operation of hospitals, general and specialized medical complexes, day surgery centers, pharmaceutical facilities, and other ancillary areas which include providing services of Home health care, specialized medical laboratories, technology services & information systems, providing facility maintenance services, Tele-medicine services, revenue cycle management services, medical equipment maintenance services, and real estate activity.

The Company has two branches, the first branch is located in Riyadh, Kingdom, “Branch of Dr. Sulaiman Al Habib Medical Services Group Company” (“the Branch”) under commercial registration number 1010357146 dated 24 Muharram 1434H (corresponding to 8 December 2012). The Branch is engaged in wholesale and retail trade in cosmetics and maintenance of medical devices and equipment. The second branch is located in the Kingdom of Bahrain, “Dr. Sulaiman Al-Habib Medical Services Group Holding Company - Foreign Branch” (“the Foreign Branch”) under commercial registration number 81609-1 dated 22 Rajab 1433H (corresponding to 12 June 2012). The Foreign Branch is engaged in activities of head offices and management offices.

The consolidated financial statements include the financial information of the branches mentioned above and subsidiaries mentioned in note 3.

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants (collectively referred to as “IFRS” as endorsed in Kingdom of Saudi Arabia”).

These consolidated financial statements are prepared on a historical cost basis unless otherwise stated in the accounting policies below. The consolidated financial statements are presented in Saudi Riyals, which is the functional, and presentation currency of the Company and all values are rounded to the nearest one Riyal, except when otherwise indicated.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

3. Basis of Consolidation

These consolidated financial statements comprise the financial statements of the Company and its following subsidiaries (collectively referred to as "the Group"), mainly domiciled in Kingdom of Saudi Arabia ("KSA") and United Arab Emirates ("UAE") as at 31 December 2023 and 31 December 2022:

	Country of incorporation and business	Activities	Ownership %	
			31 December 2023	31 December 2022
Sehat Al Olaya Medical Complex Company	KSA	Hospital	100%	100%
Asharq Alawsat Pharmacies Company	KSA	Pharmacy	100%	100%
Dr. Sulaiman Al Habib Hospital FZ – LLC	UAE	Hospital	100%	100%
Buraidah Al Takhassusi Hospital for Healthcare Company	KSA	Hospital	100%	100%
Al Rayan Hospital for Healthcare Company	KSA	Hospital	100%	100%
Home Healthcare Company	KSA	Home Healthcare services	100%	100%
Al Gharb Al Takhassusi Hospital for Healthcare Company	KSA	Hospital	100%	100%
Al Mokhtabarat Diagnostic Medical Company	KSA	Laboratory Services	100%	100%
Sehat Al Suwaidi Medical Company	KSA	Hospital	100%	100%
Hulool Al Sahaba for IT & Communication Company	KSA	IT Support Services	100%	100%
Rawabet Medical Company*	KSA	Medical Services, and Telemedicine services	100%	100%
Sehat Al Sharq Medical Limited Company	KSA	Hospital	50%	50%
Al Wosta Medical Limited Company	KSA	Hospital	50%	50%
Gharb Jeddah Hospital Company	KSA	Hospital	50%	50%
Shamal Al Riyadh for Healthcare Company	KSA	Hospital	100%	100%
Al Muhammadiyah Hospital for Healthcare Company	KSA	Hospital	100%	100%
Taswyat Administrative Company	KSA	Revenue cycle management	100%	100%
Al Marakez Al Awwalyah for Healthcare Company	KSA	Medical Primary Healthcare centers	100%	100%
Wrass Real Estate Company**	KSA	Real Estate	100%	100%
Flow Medical Company	KSA	Medical equipments maintenance	100%	100%
Sehat Al Kharj for Healthcare Company	KSA	Hospital	100%	100%
Bawabat Al Gharb for Healthcare Company	KSA	Hospital	100%	100%
Bawabat Al Shamal for Healthcare Company	KSA	Hospital	100%	100%
Sehat Al Hamra for Healthcare Company***	KSA	Hospital	100%	-
Wrass for Operation and Maintenance Company****	KSA	Anciliary services	100%	40%
Dr. Sulaiman Al Habib for Education Company***	KSA	Higher Education	100%	-

* During the year, the name of this subsidiary has been changed from "Intensive Care Company for Healthcare" to "Rawabet Medical Company".

** During the year, the name of this subsidiary has been changed from "Rawabet Medical Company" to "Wrass Real Estate Company", and its activity changed.

*** During the year, the Group established new subsidiaries "Sehat Al Hamra for Health Care Company" and "Dr. Sulaiman Al Habib for Education Company".

**** On 17 May 2023, the Group acquired the remaining 60% of "Wrass for Operation and Maintenance Company", previously "Serco Saudi Services Company", to become 100% owned. The acquisition was done at fair value. The acquisition consideration and the financial information of the acquiree are immaterial to the Group.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

4. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

4.1 Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is measured at fair value with the changes in fair value in consolidated statement of income. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4.2 Investments

4.2.1 Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

The consolidated statement of income reflects the Group's share of income of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of income of an associate is shown on the face of the consolidated statement of income outside operating profit and represents income after zakat and tax wherever applicable.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the loss as 'Share of income of associates' in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of income.

4.2.2 Investments in Equity Instruments – Sukuk

It represents investments in equity instruments - Sukuk Tier 1 type with Mudaraba structure, perpetual maturity, and non-listed Sukuk. Each unit of the Sukuk constitutes an unsecured, conditional, and subordinated obligation for the issuer Bank classified under equity. First, the call date is 5 years after the issue date. It is initially recognized at cost, and subsequently, income is recognized when the profit/dividends payment is received on a quarterly basis.

4.3 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 the liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or the 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 Group 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 consolidated 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:

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

4. Summary of Significant Accounting Policies (Continued)

4.3 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 consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group 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.

4.4 Revenue Recognition

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: the transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- b. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c. The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Patient Services

The patient services revenue is recognized when the services are rendered to the patient net off for any discount or rebates expected at the time of providing services to the patients.

Sale of Goods

The sales from medicine, cosmetics, medical supplies and medical equipment are recognized when goods are delivered to patients and all the control have been transferred to them. The sales are recorded net off any discount or rebates expected at the time of delivery of goods to the patients.

Rental Income

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 consolidated statement of income.

Others

All other revenues are recognized on an accrual basis.

For advance from customer or accounts receivable, the Group used the practical expedient. As such, the Group will not adjust the promised amount of the consideration for the effects of a financing component in contracts, where the Group expects, at contract inception, that the period between the time the customer pays for the good or service and when the Group transfers that promised good or service to the customer will be one year or less.

4.5 Foreign Currencies

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 into Saudi Riyals at the exchange rate prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of income, if material.

The results and financial position of the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Items of equity (except retained earnings and non-controlling interest) are translated at the rate prevailing on the acquisition date.
- Assets and liabilities are translated using the exchange rate prevailing at the reporting date.
- Statement of income items are translated using the weighted average rate for the year. Material gains and losses are translated at the rate prevailing on the date of their occurrence.
- All resulting exchange differences, if material, are recognized as a separate component of equity.

When those entities are partially sold or disposed of, exchange differences that were recorded in equity are recognized in the consolidated statement of income as part of the gains or losses on sale.

4.6 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

4. Summary of Significant Accounting Policies (Continued)

4.6 Government Grants (Continued)

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to consolidated statement of income over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

4.7 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Such costs include the cost of replacing parts of the property and equipment, borrowing costs for long-term construction projects if the recognition criteria are met and decommissioning and site restoration costs, if applicable.

Depreciation is calculated on all property and equipment, other than land and capital work-in-progress, at the following useful lives calculated to write off the cost of each asset on a straight-line basis over its expected useful life:

	Years
Buildings	10 – 33
Leasehold improvements	The estimated useful life or lease period whichever is lower
Medical and general equipment	5 – 10
Motor vehicles and ambulances	4 – 10
Furniture, fixtures and office equipment	4 – 6.67
Right of use Assets	The estimated useful life or lease period whichever is lower

Capital work-in-progress is stated at cost. When commissioned, capital work in progress is transferred to the appropriate property and equipment asset category and depreciated in accordance with the Group's policies.

The carrying value of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the consolidated statement of income as the expense is incurred.

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income under other operating income when the asset is de-recognized.

The expected useful lives and residual values of property and equipment are reviewed annually and adjusted prospectively as appropriate. The review of the asset lives and residual values of properties and equipment takes into consideration the plans of the business and levels of expenditure incurred on an ongoing basis to maintain the property and equipment in a fit and proper state for their ongoing use at hospitals and the forecast timing of disposal.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

4.8 Impairment of Non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit ("CGU") fair value less costs of disposal and its value in use. It 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.

Where 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 pre-zakat 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.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized as income immediately in the consolidated statement of income.

4.9 Leases

The Group assess whether a contract contains a lease, at inception of the contract. For all such lease arrangements the Group recognize right of use assets and lease liabilities except for the short term leases and leases of low value assets as follows:

Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

4. Summary of Significant Accounting Policies (Continued)

4.9 Leases (Continued)

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term Leases and Leases of Low-value Assets

The Group applies the short-term lease recognition exemption to its short-term leases of commercial buildings, accommodations and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of commercial buildings, accommodations and offices that are considered of low value (i.e., below SR 20,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.10 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.

4.11 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

A financial asset or financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date.

Classification

The Group classifies its financial assets into the following measurement categories:

- Those to be measured subsequently at amortized cost;
- Fair value through other comprehensive income;
- Fair value through profit or loss.

The classification depends on the Group's contractual terms of the financial assets cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (FVTPL). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. Financial liabilities are not reclassified.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at fair value through profit or loss and other comprehensive income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through the profit or loss are expensed in the consolidated statement of income or other comprehensive income.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through the profit or loss or other comprehensive income (irrevocable election at the time of recognition).

De-recognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Group has transferred substantially all the risks and rewards of the asset or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income or other comprehensive income.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

For accounts receivables, the Group recognizes expected credit losses based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Group to track the changes in credit risk; rather, the Group recognizes a loss allowance based on lifetime expected credit losses at each reporting date.

Objective evidence that financial assets are impaired may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in profit or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4.12 Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term murabaha Islamic deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

4.13 Inventories

Inventories are measured at the lower of cost or net realizable value with due allowance for any obsolete or slow moving items, near to expiry items and damages. Cost is determined using the weighted average method.

Cost includes expenditure incurred in acquiring the inventories and costs incurred in bringing them to their existing location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

4. Summary of Significant Accounting Policies (Continued)

4.14 Provisions

Provisions are recognized when the Group 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. The Group may expect some or all of a provision to be reimbursed, for example under an insurance contract, these reimbursements are recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-zakat 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.

4.15 Employees' End-of-Service Benefits

The Group operates a defined benefit plan for employees in accordance with Saudi Labor Law as defined by the conditions stated in the laws of the Kingdom of Saudi Arabia. The plan is unfunded. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in consolidated statement of income on the defined benefit liability are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to consolidated statement of income in subsequent periods.

Past service costs are recognized in consolidated statement of income on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Interest expense is calculated by applying the discount rate to the defined benefit liability. The Group recognizes the following changes in the defined benefit obligation in the consolidated statement of income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Interest expense.

4.16 Zakat and Value Added Tax (VAT)

Zakat is provided for in accordance with Zakat, Tax and Customs Authority ("ZATCA") regulations in the Kingdom of Saudi Arabia. Zakat provision is estimated and charged to the consolidated statement of income. Any differences in the estimations is recorded when the final assessment is approved at which time the provision is adjusted.

Zakat is calculated on a consolidated basis for the Company and its 100% legally owned subsidiaries since 31 December 2009. Accordingly, the Company and its 100% legally owned subsidiaries are considered as a single entity for the purposes of Zakat calculation. As for the subsidiaries which are less than 100% owned by the Company, Zakat is calculated on a standalone basis.

The subsidiary registered in free zone - Dubai, United Arab Emirates and the branch in the Kingdom of Bahrain, are not subject to any Zakat or taxation.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

Expenses, and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, 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; and/or
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

4.17 New and Amended Standards and Interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 17 Insurance Contracts

The new standard had no impact on the Group's consolidated financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's disclosures of accounting policies, nor the measurement, recognition or presentation of any items in the Group's financial statements.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12

The amendments had no impact on the Group's consolidated financial statements.

4.18 Standards Issued but not yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

4. Summary of Significant Accounting Policies (Continued)

4.18 Standards Issued but not yet Effective (Continued)

Amendments to IAS 1:

Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

5. Significant Accounting Judgments, Estimates, Assumptions

5.1 Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

Revenue Recognition

The application of IFRS 15 has required management to make the following judgments::

- Satisfaction of performance obligations

The Group is required to assess each of its contracts with patients to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue.

- Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its agreements with customers (mainly insurance companies). In making such judgment the Group assess the impact of any variable consideration in the contract, due to insurance claims discount or any other variable items, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

- Transfer of control in contracts with customers

In case where the Group determines that performance obligation are satisfied at a point in time, revenue is recognized when services or control over the assets that is subject of contract is transferred to the patients.

Allowance for Expected Credit Losses

For accounts receivables, the Group applies the simplified approach. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were derived from published default rates and historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factors such as inflation and gross domestic product growth rate.

Employees' End-of-Service Benefits

The cost of employees' defined benefit obligation and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexity of the valuation, the underlying assumptions 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.

Impairment of Non-financial Assets

An 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 for the next five years and do not include restructuring activities that the Group 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 expected future cash-inflows and the growth rate used for extrapolation purposes.

Useful lives of Property and Equipment

The useful life of each of the Group's items of property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation, experience with similar assets and application of judgment as to when the assets become available for use and the commencement of the depreciation charge.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

5. Significant Accounting Judgments, Estimates, Assumptions (Continued)

5.1 Estimates and Assumptions (Continued)

The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded operating expenses and decrease non-current assets.

Provision for Inventories

Inventories are held at the lower of cost or net realizable value. When inventories become slow moving or obsolete or near to expiry or damages, an estimate is made for their fair value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are slow moving or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

Fair value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

5.2 Critical Judgments in Applying Accounting Standards

The following critical Judgments have the most significant effect on the amounts recognized in the consolidated financial statements:

Component Parts of Property and Equipment

The Group's assets, classified within property and equipment, are depreciated on a straight-line basis over their economic useful lives. When determining the economic useful life of an asset, it is broken down into significant component parts such that each significant component part is depreciated separately.

Judgments is required in ascertaining the significant components of a larger asset, and while defining the significance of a component, management considers quantitative materiality of the component part as well as qualitative factors such as difference in useful life as compared to related asset, its pattern of consumption and its replacement cycle/maintenance schedule.

Determination of Control and Significant Influence

Management's Judgments In Assessing Control Over Consolidated Subsidiaries

Subsidiaries are all investees over which the Group has control. The Group's management considers that the Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group considers all other relevant facts and circumstances in assessing whether it has power over an investee, including any contractual and other such arrangements which may affect the activities which impact investees' return.

The determination about whether the Group has power thus depends on such relevant activities, the way decisions about the relevant activities are made and the rights the Group has, in relation to the investees.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

In certain cases where the Group owns less than 50% of voting rights, it may still be the single largest partner with presence on the governing body giving it power to direct relevant activities of the investees, whereby the other shareholders individually do not hold sufficient voting rights and power to overrule the Group's directions. There is no prior instance of other shareholders collaborating to exercise their votes collectively or to out-Vote the Group.

The management has considered the integration of all such investees (where the Group has equal or less than a majority of the voting rights) within the Group structure and located in cities in KSA, the ability of the Group to impact variable returns of the investees through the provision of various key services to such investees, the relationship of the Group with other entities which may impact returns of investees, appointment of certain key management personnel and various other such factors.

Significant Judgments in Determining the Lease term of Contracts with Renewal Options

The Group determines the lease term as the 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. The Group has the option, under some of its leases to lease the assets for additional terms of 5 to 15 years. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

6. Segment Information

Operating segments is determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM uses underlying income as reviewed at monthly Executive Committee and Performance meetings as the key measure of the segments' results as it reflects the segments' performance for the period under evaluation. Revenue and segment profit is a consistent measure within the Group.

The identified key segments are Hospitals / Healthcare Facilities, Pharmacies and HMG Solutions / Others (which includes IT support services, laboratory services, home healthcare services, medical equipments maintenance, revenue cycle management and real estate). The segment results (gross profit) for the year ended 31 December 2023 and the reconciliation of the segment measures to the respective statutory items included in the consolidated financial information are as follows:

SR' million	Hospitals / Healthcare Facilities	Pharmacies	HMG Solutions / Others	Total
For the year ended 31 December 2023				
Revenue	7,318	1,991	199	9,508
Gross profit	2,561	626	83	3,270
As at 31 December 2023				
Total assets	12,042	488	3,268	15,798
Total liabilities	7,457	632	943	9,032

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

6. Segment Information (Continued)

SR' million	Hospitals / Healthcare Facilities	Pharmacies	HMG Solutions / Others	Total
For the year ended 31 December 2022				
Revenue	6,298	1,724	289	8,311
Gross profit	2,097	544	107	2,748
As at 31 December 2022				
Total assets	9,003	420	3,161	12,584
Total liabilities	5,194	558	726	6,478

7. Cash and Cash Equivalents

	As at 31 December 2023 SR	As at 31 December 2022 SR
Short-term murabaha Islamic deposits with banks	2,082,731,721	2,226,866,752
Cash at banks	522,317,236	513,556,296
Cash on hand	15,331,525	6,565,957
	2,620,380,482	2,746,989,005

8. Accounts Receivable

	As at 31 December 2023 SR	As at 31 December 2022 SR
Accounts receivable	1,103,233,034	1,025,130,931
Less: allowance for expected credit losses ("ECL")	(400,109,935)	(283,417,428)
	703,123,099	741,713,503

The movement in the allowance for expected credit losses is as follows:

	As at 31 December 2023 SR	As at 31 December 2022 SR
At the beginning of the year	283,417,428	180,668,016
Charge for the year (note 22)	241,023,851	197,847,275
Write-off during the year	(124,331,344)	(95,097,863)
At the end of the year	400,109,935	283,417,428

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

As of 31 December, the ageing analysis of unimpaired trade receivables is as follows:

	Total SR	Less than one year SR	Greater than one year SR
31 December 2023	703,123,099	625,019,999	78,103,100
31 December 2022	741,713,503	709,714,734	31,998,769

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. As at 31 December 2023 the allowance for expected credit losses reached SR 400,109,935 (as at 31 December 2022: SR 283,417,428).

As at 31 December 2023, approximately 90% of the Group's accounts receivable's balance was due from various governmental and insurance entities (31 December 2022: SR 94%).

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

9. Prepayments and Other Assets

	As at 31 December 2023 SR	As at 31 December 2022 SR
Prepaid expenses	162,007,556	109,268,429
Advances to employees	29,210,789	25,564,968
Advances to suppliers and contractors	26,501,800	5,095,196
Value Added Tax	16,369,830	-
Others	37,183,608	41,451,927
	271,273,583	181,380,520

10. Inventories

	As at 31 December 2023 SR	As at 31 December 2022 SR
Inventories	566,641,747	507,538,436
Less: provision for inventories	(23,582,365)	(17,145,521)
	543,059,382	490,392,915

Cost of inventories recognized in the consolidated statement of income for the year ended 31 December 2023 amounted to SR 2,165,580,121 (2022: SR 1,931,769,783).

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

11. Investments in Associates

The Group investment in associates comprise of:

- 50% interest in Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company ("Ajaji Dental"), a Saudi limited liability company registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration no. 1010218565 dated 6 Ramadan 1434H (corresponding to 14 July 2013). Ajaji Dental objectives include specialized medical complexes, medical operation of medical complexes and day surgery centers.
- 40% interest in Wrass for Operation and Maintenance Company ("Wrass O&M"), previously "Serco Saudi Services Company", a Saudi limited liability company registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration no. 1010242254 dated 17 Ramadan 1434H (corresponding to 25 July 2013). Wrass objectives include maintenance services within facilities, general cleaning of buildings, exterior cleaning of buildings, specialized cleaning activities for buildings. On 17 May 2023, the Group acquired the remaining 60% of Wrass for Operation and Maintenance Company to become 100% owned. The acquisition of Wrass was done at fair value (Note 3).
- 25% interest in Tamkeen Human Resources Company ("Tamkeen"), a Saudi Closed Joint Stock company registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration no. 1010451749 dated 23 Ramadan 1439H (corresponding to 7 June 2018). Tamkeen objectives include recruit workers and providing labor services in relation to domestic workers and employment for public and private sectors and local contracting.
- 40% interest in Eraf Medical company ("Eraf"), a Saudi limited liability company registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration no. 1010866144 dated 14 Shaban 1444H (corresponding to 6 March 2023). Eraf objectives include home healthcare services centers.

The Group's interest in its associates is accounted for using the equity method in the consolidated financial statements. The financial information of the associates are not material at the Group level therefore, summarized financial information of the associates have not been presented.

During the year, the movement of investments in associates is as follows:

	Opening balance SR	Addition / adjustment SR	Share of income SR	Dividends SR	Ending balance SR
2023					
Ajaji Dental	39,057,570	-	7,021,387	(4,800,000)	41,278,957
Wrass O&M	8,385,147	(371,611)	1,558	(8,015,094)	-
Tamkeen	139,556,393	-	15,373,686	-	154,930,079
Eraf	-	1,600,000	(219,532)	-	1,380,468
Total	186,999,110	1,228,389	22,177,099	(12,815,094)	197,589,504
2022					
Ajaji Dental	33,205,558	-	5,852,012	-	39,057,570
Wrass O&M	8,152,851	-	232,296	-	8,385,147
Tamkeen	-	126,035,354	13,521,039	-	139,556,393
Total	41,358,409	126,035,354	19,605,347	-	186,999,110

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

12. Property and Equipment

Amounts in Saudi Riyals	Land, Buildings and leasehold improvements	Medical and general equipment	Motor vehicles and ambulances	Furniture, fixtures and office equipment	Right of use Assets	Capital work-in-progress*	Total
Cost							
At 1 January 2022	5,309,653,992	1,339,879,097	13,144,692	606,711,928	426,985,179	970,106,311	8,666,481,199
Additions	290,142,014	79,634,333	1,574,800	35,588,860	100,761,318	1,109,692,070	1,617,393,395
Disposals/transfers	2,434,021	(5,024,531)	484,000	38,077,004	(43,346,683)	(47,528,627)	(54,904,816)
At 31 December 2022	5,602,230,027	1,414,488,899	15,203,492	680,377,792	484,399,814	2,032,269,754	10,228,969,778
Acquisition of subsidiary	563,633	63,389	-	36,790	1,730,954	-	2,394,766
Additions	385,515,593	120,189,494	358,344	43,561,179	46,645,200	2,997,070,657	3,593,340,467
Disposals/transfers	202,841,814	71,642,733	-	(21,469,932)	(47,661,985)	(278,440,027)	(73,087,397)
At 31 December 2023	6,191,151,067	1,606,384,515	15,561,836	702,505,829	485,113,983	4,750,900,384	13,751,617,614
Depreciation							
At 1 January 2022	597,351,524	849,053,940	8,859,305	427,099,329	131,538,208	-	2,013,902,306
Charge for the year	93,189,554	108,334,632	789,728	57,456,023	49,452,871	-	309,222,808
Disposals/transfers	(83,544)	(6,398,337)	(19,877)	(1,789,278)	(22,506,973)	-	(30,798,009)
At 31 December 2022	690,457,534	950,990,235	9,629,156	482,766,074	158,484,106	-	2,292,327,105
Acquisition of subsidiary	563,633	52,668	-	36,790	1,630,808	-	2,283,899
Charge for the year	95,951,114	105,579,605	862,106	60,173,235	50,112,440	-	312,678,500
Disposals/transfers	36,218,932	13,913,859	-	(31,528,881)	(42,664,019)	5,772,702	(18,287,407)
At 31 December 2023	823,191,213	1,070,536,367	10,491,262	511,447,218	167,563,335	5,772,702	2,589,002,097
Net book value							
At 31 December 2023	5,367,959,854	535,848,148	5,070,574	191,058,611	317,550,648	4,745,127,682	11,162,615,517
At 31 December 2022	4,911,772,493	463,498,664	5,574,336	197,611,718	325,915,708	2,032,269,754	7,936,642,673

*Capital work-in-progress represents cost incurred to date on different hospital projects of the Group.

** Property and equipment include land, building and medical equipment amounting to the extent of SR 627,254,500 (2022: SR 627,254,500) pledged against the loans obtained from the Ministry of Finance (note 28).

The depreciation charge has been allocated in the consolidated statement of income as follows:

	For the year ended	
	31 December 2023 SR	31 December 2022 SR
Cost of revenue	259,335,979	260,102,107
General and administrative expenses (note 23)	50,481,265	45,886,140
Selling and marketing expenses (note 22)	2,861,256	3,234,561
	312,678,500	309,222,808

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

13. Accounts Payable

	As at 31 December 2023 SR	As at 31 December 2022 SR
Accounts payable*	1,015,644,542	872,968,199
Contractors' payables and retentions	264,800,742	88,351,237
	1,280,445,284	961,319,436

*Included in the accounts payable are balances payable to related parties amounting to SR 76,803,964 (2022: SR 57,318,348).

14. Related Party Disclosures

Related parties represent shareholders, Directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related Party Transactions

Significant transactions and balances with related parties in the ordinary course of business which are included in the consolidated financial statements are summarized as follows:

Nature of transaction	Related party	Relationship	2023 SR	2022 SR
Capital work-in-progress	Masah Contracting Company	Affiliate	503,168,994	414,682,581
Capital work-in-progress	Namara Specialist Establishment for Trading	Affiliate	1,320,458	-
Purchases and services	Rawafed Al Seha International Company	Affiliate	56,477,527	33,809,710
Revenue	Dr. Abdulaziz Ibrahim Ajaji Dental Clinics Company	Associate	62,575,773	55,041,582
Purchases and services	Members of the Board of Directors	Affiliates	88,995,091	33,886,323

Compensation of Key Management Personnel of The Group

Key management personnel of the Group comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

	For the year ended	
	31 December 2023 SR	31 December 2022 SR
Short-term employee benefits	13,680,000	11,480,000
Post-employment and medical benefits	1,140,000	956,667
Board of Directors and its committees remuneration	2,671,500	2,969,500
Total compensation paid to key management personnel	17,491,500	15,406,167

The board of directors has also approved during 2023 remuneration to senior executives for the year ended on 31 of December 2022 by SR 26.6 million.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

15. Accruals and Other Liabilities

	As at 31 December 2023 SR	As at 31 December 2022 SR
Accrued employees' salaries and benefits*	1,256,909,208	915,342,079
Accrued expenses	188,034,498	136,115,139
Deferred revenues and Advances	79,791,529	50,749,564
Nphies Fee	77,837,935	52,400,437
Due to government parties	71,700,501	63,865,225
Interest payable	18,698,618	12,580,651
Current portion of government grant (note 17)	5,736,326	5,554,128
Others	4,661,198	10,868,957
	1,703,369,813	1,247,476,180

The Employees' salaries, wages and other related benefits has been allocated in the consolidated statement of income as follows:

	For the year ended	
	31 December 2023 SR	31 December 2022 SR
Cost of revenue	3,336,778,489	2,905,583,279
General and administrative expenses (note 23)	389,919,517	380,699,506
Selling and marketing expenses (note 22)	96,709,409	74,704,178
	3,823,407,415	3,360,986,963

16. Zakat Payable

The Group's Zakat provision for the year ended 31 December 2023 amounted to SR 126,093,406 (2022: SR 107,707,925) which is charged to the consolidated statement of income in accordance with the ZATCA regulations.

a. Zakat Base

The principal elements of the Zakat base are as follows:

	As at 31 December 2023 SR	As at 31 December 2022 SR
Shareholders' equity	4,931,623,832	4,610,383,500
Non-current assets and others	(10,094,837,018)	(7,719,546,116)
Non-current liabilities and others	7,427,174,607	5,248,852,264
Adjusted net income	2,716,383,899	2,096,610,693
Zakat base	4,980,345,320	4,236,300,341

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

16. Zakat Payable (Continued)

b. Zakat Provision

The movement in Zakat provision is as follows:

	31 December 2023 SR	31 December 2022 SR
Balance at the beginning of the year	169,722,113	131,383,111
Charge for the year	126,093,406	107,707,925
Prior years final assessment	(57,577,073)	-
Paid during the year	(60,886,595)	(69,368,923)
Acquisition of subsidiary	110,159	-
Balance at the end of the year	177,462,010	169,722,113

c. Zakat Status

The following table summarizes the zakat status for the Group and its subsidiaries on reporting date:

Zakat Status	Company ownership %	Zakat return filed up to	Zakat Certificate received up to	Final Zakat assessment received up to
Consolidated zakat returns for the Company and its subsidiaries	100	2022	2022	2022
Sehat Al Sharq Medical Limited Company	50	2022	2022	2020
Gharb Jeddah Hospital Company	50	2022	2022	2022
Al Wosta Medical Limited Company	50	2022	2022	2022
Wrass for Operation and Maintenance Company*	100	2022	2022	2018

*On 17 May 2023, the Group acquired the remaining 60% of "Wrass for Operation and Maintenance Company", previously "Serco Saudi Services Company", to become 100% owned and it has been added to the consolidated zakat return during the year ended 31 December 2023.

17. Government Grant

The movement of the government grant during the year ended December 31 is shown as follows:

	31 December 2023 SR	31 December 2022 SR
As at 1 January	65,891,979	71,220,392
Amortised during the year	(5,554,129)	(5,328,413)
	60,337,850	65,891,979
Current	5,736,326	5,554,128
Non-current	54,601,524	60,337,851
	60,337,850	65,891,979

The grant represents the difference between the fair value and carrying value of the interest free loans obtained from Ministry of Finance to fund the construction of the new hospital and the purchase of medical and non-medical equipment. The conditions and contingencies included in the grant have been met.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

18. Employees' End-of-Service Benefits

a. Net Defined Benefit Expense Recognized in Profit or Loss

	For the year ended	
	31 December 2023 SR	31 December 2022 SR
Current service cost	120,586,737	110,163,574
Interest cost on defined benefit obligation	25,129,843	16,434,951
Net defined benefit expense	145,716,580	126,598,525

b. Changes in the Present Value of the Defined Benefit Obligation:

	SR
Employees' end-of-service benefits as at 1 January 2022	489,135,445
Interest cost on defined benefit obligation	16,434,951
Current service cost	110,163,574
Actuarial gain on the defined benefit obligation recognized in OCI	(27,139,586)
Benefits paid	(70,453,285)
Employees' end-of-service benefits as at 31 December 2022	518,141,099
Interest cost on defined benefit obligation	25,129,843
Current service cost	120,586,737
Actuarial loss on the defined benefit obligation recognized in OCI	5,893,526
Benefits paid	(42,435,827)
Acquisition of subsidiary	5,187,604
Employees' end-of-service benefits as at 31 December 2023	632,502,982

c. Significant Assumptions

	31 December 2023 %	31 December 2022 %
Discount rate	4.85	4.85
Future salary increases	4.00	3.00

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

18. Employees' End-of-Service Benefits (Continued)

Sensitive Analysis:

A quantitative sensitivity analysis for salary change assumption on the defined benefit obligation as at 31 December 2023:

31 December 2023	Change in assumption	Base value SR	Impact on employees' end-of-service benefits	
			Increase in assumption SR	Decrease in assumption SR
Discount rate	1%	632,502,982	604,841,406	661,928,287
Future salary increases	1%	632,502,982	656,175,679	609,621,542

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation because 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.

19. Issued and Paid-up Share Capital

The Company's authorised, issued and paid-up share capital comprise of 350,000,000 shares of SR 10 each amounting to SR 3,500,000,000.

20. Statutory Reserve

In accordance with Saudi Regulations for Companies and the Group's bylaws, the Company is establishing the statutory reserve by appropriation of 10% of the annual net profit until the reserve is equal to 30% of share capital. This statutory reserve is not available for distribution to shareholders currently.

21. Dividend Distribution

During the year 2023, the Board of Directors announced the recommendation to distribute interim dividends of SR 1,435,000,000 at SR 4.10 per share (representing 41.00% of the nominal value of the share), based on the authorization to distribute interim dividends to the shareholders, quarterly or semi-annually, for the fiscal year 2022, which was granted to the Board of Directors by the Ordinary General Assembly which was held on Monday 17 Ramadan 1443H (corresponding to 18 April 2022), and based on the authorization to distribute interim dividends to the shareholders, quarterly or semi-annually, for the fiscal year 2023 which was granted to the Board of Directors by the Ordinary General Assembly which was held on Monday 19 Ramadan 1444H (corresponding to 10 April 2023), as follows:

- On 18 February 2023, the Board of Directors announced the recommendation to distribute interim dividends of SR 325,500,000 at SR (0.93) only ninety-three halala per share (representing 9.3% of the nominal value of the share) for the 4th quarter of 2022. (This was approved by the Ordinary General Assembly meeting held on 19 Ramadan 1444H (corresponding to 10 April 2023).
- On 6 May 2023, the Board of Directors announced the recommendation to distribute interim dividends of SR 350,000,000 at SR (1) only one riyal per share (representing 10% of the nominal value of the share) for the 1st quarter of 2023.
- On 5 August 2023, the Board of Directors announced the recommendation to distribute interim dividends of SR 350,000,000 at SR (1) only one riyal per share (representing 10% of the nominal value of the share) for the 2nd quarter of 2023.
- On 28 October 2023, the Board of Directors announced the recommendation to distribute interim dividends of SR 409,500,000 at SR (1.17) only one riyal and seventeen halala per share (representing 11.7% of the nominal value of the share) for the 3rd quarter of 2023.

Total interim distributed dividends for the periods of first quarter, second quarter, and third quarter of the year 2023 is SAR 1,109,500,000, at SAR 3.17 per share (representing 31.70% of the nominal value of the share) and will be endorsed in the Company's upcoming general assembly meeting.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

The interim dividends that were distributed during the year ending on 31 December 2022 were approved at the Ordinary General Assembly meeting held on 19 Ramadan 1444AH (corresponding to 10 April 2023).

22. Selling and Marketing Expenses

	For the year ended	
	31 December 2023 SR	31 December 2022 SR
Allowance for expected credit losses (note 8)	241,023,851	197,847,275
Employees' salaries, wages and other related benefits	96,709,409	74,704,178
Promotion and advertisement	35,724,347	32,818,276
Depreciation (note 12)	2,861,256	3,234,561
Others	26,381,427	16,175,185
	402,700,290	324,779,475

23. General and Administrative Expenses

	For the year ended	
	31 December 2023 SR	31 December 2022 SR
Employees' salaries, wages and other related benefits	389,919,517	380,699,506
Remuneration and incentive	132,671,501	125,969,503
Depreciation (note 12)	50,481,265	45,886,140
Fees and subscriptions	26,329,466	23,634,779
Licenses and government fees	20,399,432	18,556,953
Repair and maintenance	16,230,091	15,463,611
Consultation and professional fees	16,010,954	11,534,952
Housekeeping	15,518,931	15,027,215
Utilities and communication	14,614,048	14,908,362
Bank charges and commissions	13,790,499	11,538,027
Rent	12,458,183	10,126,439
Travel expenses	7,854,218	5,399,536
Others	55,420,757	44,123,390
	771,698,862	722,868,413

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

24. Finance Costs

	For the year ended	
	31 December 2023 SR	31 December 2022 SR
Related to long-term loan	52,234,212	39,598,584
Related to lease liability	17,872,411	9,758,161
	70,106,623	49,356,745

25. Other Income

	For the year ended	
	31 December 2023 SR	31 December 2022 SR
Islamic Murabaha (Time deposit and Sukuk)	82,130,655	40,718,511
HRDF receipts	35,258,046	27,364,747
Rental income	16,779,824	21,528,074
Others	(11,901,006)	36,309,839
	122,267,519	125,921,171

26. Earnings per Share

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

The following table reflects the income for the year attributable to equity holders of the parent and share data used in the basic and diluted EPS computations:

	2023 SR	2022 SR
Income for the year attributable to equity holders of the parent	2,046,013,922	1,650,750,047
Weighted average number of ordinary shares	350,000,000	350,000,000
<i>Basic and diluted earnings per share from income for the year attributable to equity holders of the parent</i>	5.85	4.72

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

27. Commitments and Contingencies

Capital Commitments

The Group has capital commitment mainly for both expansions and projects under construction, as follows:

	As at 31 December 2023 SR	As at 31 December 2022 SR
Capital commitments	2,345,900,732	1,657,031,773

Letter of Credits and Guarantees

The Group has guarantees related to, as follows:

	As at 31 December 2023 SR	As at 31 December 2022 SR
Letters of credit	368,306,534	234,820,228
Letters of guarantee	61,306,129	78,496,871
	429,612,663	313,317,099

28. Financial Assets and Liabilities

28.1 Long-term Borrowings

	As at 31 December 2023 SR	As at 31 December 2022 SR
Current-portion of loans and borrowings:		
Loans from local banks (i)	61,835,713	123,671,425
Loans from Ministry of Finance (ii)	34,203,406	43,979,874
	96,039,119	167,651,299
Non-current portion of loans and borrowings:		
Loans from local banks (i)	4,495,028,553	2,688,699,978
Loans from Ministry of Finance (ii)	315,235,587	343,884,858
	4,810,264,140	3,032,584,836

i) Loans from Local Banks

The Group is financed through Islamic facilities in the form of long-term and short-term loans (Murabaha / Tawarruq) from local banks. These facilities are subject to commission rates based on Saudi Arabia Interbank Offered Rate "SAIBOR" plus an agreed margin. The facilities are secured by corporate promissory notes.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

28. Financial Assets and Liabilities (Continued)

28.1 Long-term Borrowings (Continued)

Aggregate maturities of loans from local banks are as follows:

	As at 31 December 2023 SR	As at 31 December 2022 SR
Within one year	61,835,713	123,671,425
After one year but not more than five years	1,985,793,198	1,249,569,385
More than five years	2,509,235,355	1,439,130,593
	4,556,864,266	2,812,371,403

ii) Loans from Ministry of Finance (MoF)

The Group's long-term financing includes MoF non-interest bearing loans to finance the capital expenditures related to the Company and its subsidiaries. The loan repayment instalments are settled on equal yearly instalments. Certain assets are pledged against the loans obtained from the MoF (note 12).

Aggregate maturities of loans from MoF are as follows:

	As at 31 December 2023 SR	As at 31 December 2022 SR
Within one year	34,203,406	43,979,874
After one year but not more than five years	114,308,835	122,679,857
More than five years	200,926,752	221,205,001
	349,438,993	387,864,732

28.2 Lease Liabilities

	As at 31 December 2023 SR	As at 31 December 2022 SR
Balance at the beginning of the year	321,220,145	291,830,793
Additions during the year	46,645,200	100,761,318
Disposal, net	(5,093,127)	(18,691,060)
Payments	(85,657,342)	(52,680,906)
Balance at the end of the year	277,114,876	321,220,145

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

Following is the aggregate maturities of lease liabilities:

	As at 31 December 2023 SR	As at 31 December 2022 SR
Within one year	51,325,964	53,848,894
After one year but not more than five years	121,207,803	159,106,491
More than five years	177,022,247	186,578,050
	349,556,014	399,533,435

	As at 31 December 2023 SR	As at 31 December 2022 SR
Future minimum lease payment	349,556,014	399,533,435
Less: un-amortised finance costs	(72,441,138)	(78,313,290)
Present value of minimum lease payment	277,114,876	321,220,145
Less: current-portion of lease payment	(41,844,787)	(44,142,088)
	235,270,089	277,078,057

Majority of the lease contracts relate to leased buildings for the Group's employee accommodation, in addition to administrative offices lease contracts.

28.3 Risk Management

The Group's principal financial liabilities mainly comprise long-term loans, accounts payable, amounts due to related parties, accruals and other liabilities and zakat payable. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include accounts receivable, cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management review the policies and procedures to ensure that all the financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group does not engage into hedging activities.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: commission rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include loan.

Commission Rate Risk

Commission rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market commission rates. The Group's exposure to the risk of changes in market commission rates relates primarily to the Group's long-term borrowings and short-term murabaha Islamic deposits with floating commission rates. The Group manages its exposure to commission rate risk by continuously monitoring movements in commission rates.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

28. Financial Assets and Liabilities (Continued)

28.3 Risk Management (Continued)

The Group analysis its commission rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of defined markup shift. For each simulation, the same markup rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major markup-bearing positions. The Group is not exposed to any significant commission rate risk.

Currency Risk

It 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 Group's transactions are principally in Saudi Riyals and US Dollars. As the Saudi Riyal is pegged to US Dollar, the Group does not have significant exposure to currency risk.

Credit Risk

Credit risk is the risk a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk on its cash and cash equivalents, short-term murabaha Islamic deposits and accounts receivables as follows:

	As at 31 December 2023 SR	As at 31 December 2022 SR
Accounts receivable	703,123,099	741,713,503
Short-term murabaha Islamic deposits with banks	2,082,731,721	2,226,866,752
Cash at banks	522,317,236	513,556,296
	3,308,172,056	3,482,136,551

Accounts Receivable

Receivables credit risk is managed subject to the Group's established policy, procedures and control defined to mitigate the credit risk. Receivables of the Group comprise primarily of Insurance Companies, Government and its related ministries and others. The Group seeks to manage its credit risk by setting credit limits, credit period by monitoring outstanding receivables and ensuring close follow-ups. The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The credit terms are extended to customers where the Group does not expect any inability to pay.

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 Group evaluates the concentration of risk with respect to receivables as low, as its customers are located mainly in Saudi Arabia, and minor portion of customers in GCC.

Short-term Murabaha Islamic Deposits with Banks and Cash at Banks

Credit risk from balances with banks and financial institution is managed by the Group's treasury department in accordance with the Group's policy. The Group 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 were identified by the management.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realize financial assets quickly at an amount close to its fair value. The Group manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

The management has developed policies and practices to manage liquidity risk in accordance with the risk tolerance and to ensure that the Group maintains sufficient liquidity. Senior management continuously reviews information on the Group's liquidity developments.

The Group has established a robust mechanism for its cash management ensuring the best use of available cash resources. This requires organising the collection and disbursement systems in such a way as to maximise the investment of idle funds through short-term murabaha Islamic deposits while limiting the borrowings of funds and ensuring availability of the facilities to run its operations.

The Group's terms of sales and services require amounts to be paid within 30 to 60 days of the date of submitting the invoice. Trade payables are normally settled within 60 to 120 days of the date of purchase.

The table below summarizes the maturities of the Company's financial liabilities at 31 December, based on contractual payment dates and current market interest rates:

As at 31 December 2023	On demand SR	Within one year SR	One to five years SR	More than five years SR	Total SR
Long-term loans	-	96,039,119	2,100,102,033	2,710,162,107	4,906,303,259
Accounts payable	1,280,445,284	-	-	-	1,280,445,284
Accruals and other liabilities	1,703,369,813	-	-	-	1,703,369,813
Lease liability	-	51,325,964	121,207,803	177,022,247	349,556,014
	2,983,815,097	147,365,083	2,221,309,836	2,887,184,354	8,239,674,370

As at 31 December 2022	On demand SR	Within one year SR	One to five years SR	More than five years SR	Total SR
Long-term loans	-	167,651,299	1,372,249,242	1,660,335,594	3,200,236,135
Accounts payable	961,319,436	-	-	-	961,319,436
Accruals and other liabilities	1,247,476,180	-	-	-	1,247,476,180
Lease liability	-	53,848,894	159,106,491	186,578,050	399,533,435
	2,208,795,616	221,500,193	1,531,355,733	1,846,913,644	5,808,565,186

29. Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

Notes to the Consolidated Financial Statements (Continued)

31 December 2023

30. Fair Values

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents and accounts receivable. Financial liabilities consist of long-term loans, accounts payable, accruals and other liabilities and zakat payable.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially different from their carrying values at reporting date largely.

31. Subsequent Events

In the opinion of management, no significant subsequent events have occurred subsequent since 31 December 2023 that would have a material impact on the financial position or financial performance of the Group.

32. Approval of Consolidated Financial Statements

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved for issuance by the Board of Directors on 7 Shaban 1445 H (corresponding to 17 February 2024).

