

Mouwasat
Mouwasat Medical Services Co.



المواساة
شركة المواساة للخدمات الطبية

Health Care Innovation and a Sustainable Future

Annual Report



2025



MOUWASAT HOSPITALS

Dammam | Riyadh | Khobar | Madinah | Jubail Industrial City | Qatif
Yanbu Industrial City | Jeddah



The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al Saud

May God protect him



HRH Prince

Mohammed bin Salman bin Abdulaziz Al Saud

Crown Prince and Prime Minister

May God protect him



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Report Overview

The Annual Report 2025 of Mouwasat Medical Services Company (“Mouwasat” or “Company”) includes both financial and non-financial information, integrating financial and operational reports with insights from the Board of Directors. The Report outlines the Company’s Strategy, Business Model, Enterprise Risk Management (ERM) Framework, and Sustainability Initiatives. The Report also provides shareholders and all stakeholders with a thorough overview of the Company’s activities, accomplishments, and goals for the year ended 31 December 2025. The financial data in this Report is presented in millions of Saudi Riyals, unless otherwise stated. Discrepancies may occur in totals due to rounding, noting that some comparative figures for the year 2024 have been reclassified to conform with the presentation of the consolidated financial statements for the year 2025.



Vision, Mission, and Values

At Mouwasat Medical Services Company, we believe that innovation is essential for progress. Therefore, the Company's vision focuses on providing exceptional healthcare services, embodying our ambitious mission to lead in this sector. We are committed to continuously addressing the needs of our valued customers, as they are the center of our attention.

Vision



Driven by our belief in the right of all people to quality healthcare, we combine cutting-edge technology and medical techniques and practices that have proven themselves both in theory and clinical practice, with the best practices in the medical field, and close collaboration with local and international medical organizations to provide excellent healthcare centers both inside and outside the Kingdom.

Mission



Providing our customers with sustainable, world-class medical services of the highest quality, with a constant commitment to continuously improve our medical services and boost the skills and expertise of our employees, aiming to achieve our desired goals by relying on innovation and working with a team spirit.

Values



At Mouwasat Medical Services Company, we adopt a set of values and ethics that guide us in fulfilling our mission and shape our approach. This commitment ensures that we consistently provide the highest levels of healthcare and professionalism.

Excellence

Through quality, patient care, and resource development.

Ethics

Integrity, honesty, honor, privacy, and confidentiality.

Principles

Trust and respect for the individuals.

Teamwork

Working collaboratively to achieve goals.

Safety

A commitment to ensuring the safety of our patients and the environment.

Responsibility

Dedication, commitment, discipline, effective work, and fiscal responsibility.





Theme of the Year

Innovative Healthcare, Sustainable Future

Mouwasat has centered its strategic focus on the theme, “Innovative Healthcare, Sustainable Future”, for this year. The Company places great emphasis on pushing the medical sector forward in the Kingdom by adopting health innovation. This is clearly shown through its ongoing investments in state-of-the-art medical technologies and digital solutions, enhancing both the efficiency and quality of the healthcare the Company provides.

The theme “Innovative Healthcare, Sustainable Future” showcases the Company’s dedication to promoting sustainable healthcare values. This is achieved not only by providing long-term therapeutic services that

ensure patient safety but also through an integrated healthcare ecosystem that harmonizes global quality with social responsibility, paving the way for a healthier future for generations to come.

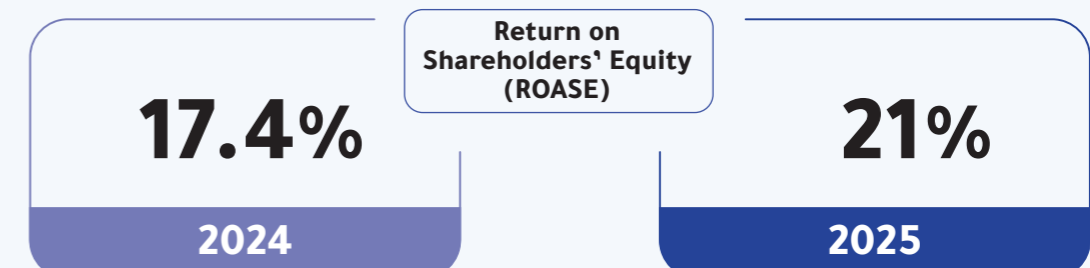
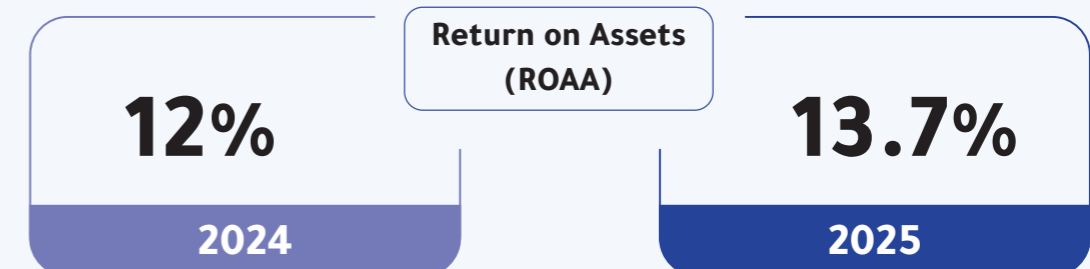
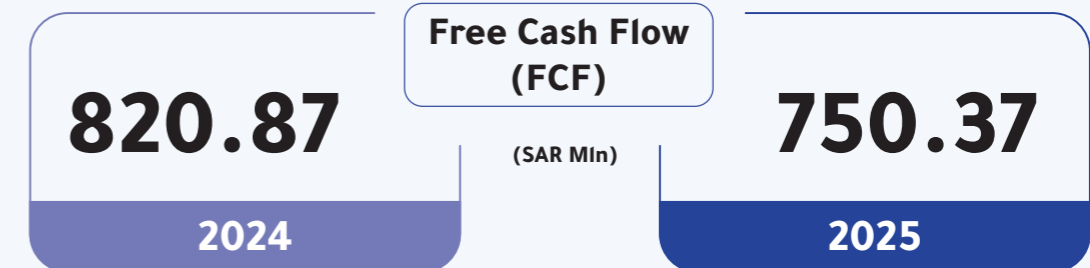
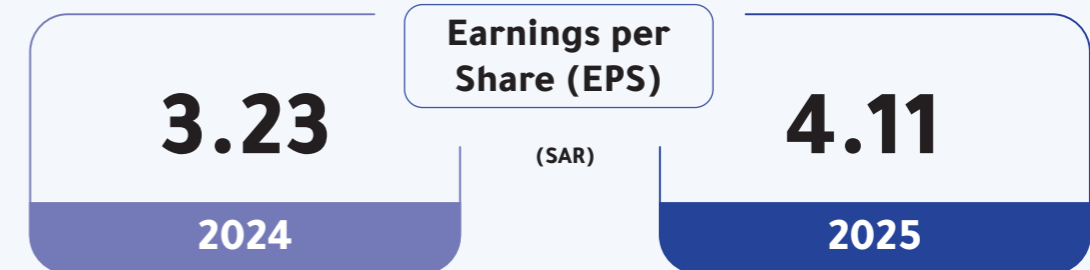
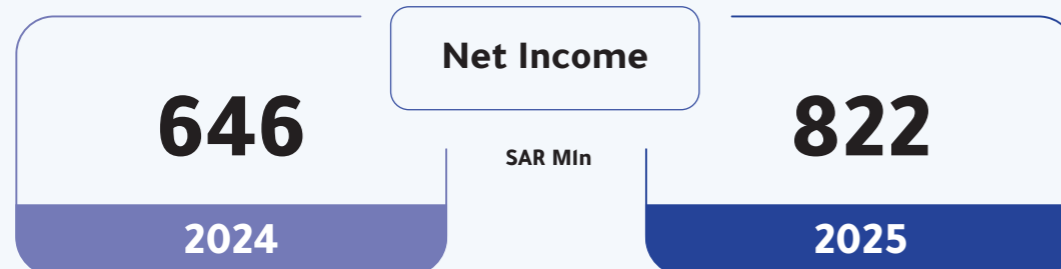
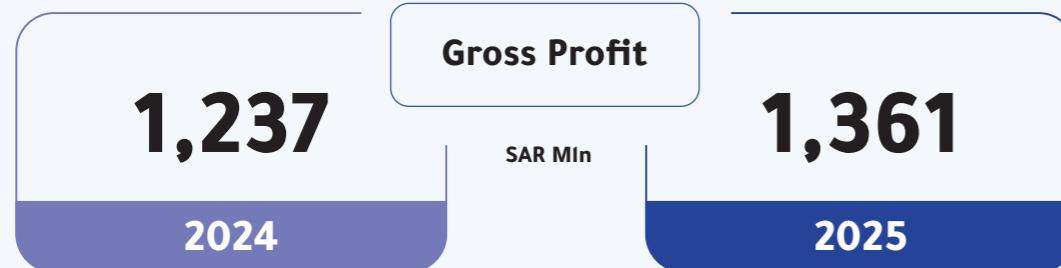
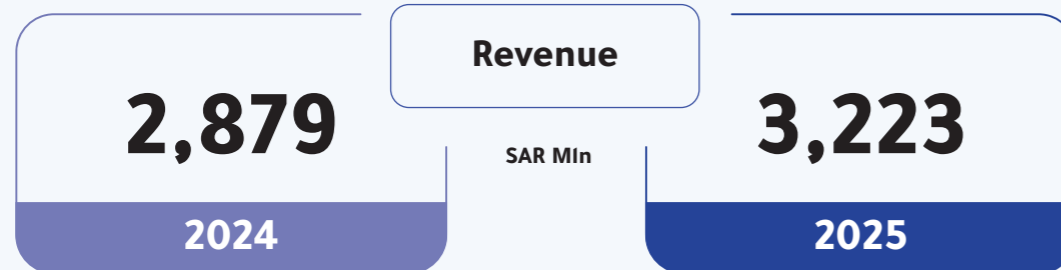
Throughout 2025, Mouwasat expanded its offerings with a range of high-end and innovative medical services that align with the latest global advancements in healthcare. The Company believes that a sustainable future is built on investing in cutting-edge medical technologies and smart digital solutions. This commitment allows the Company to introduce new services that address the changing needs of patients and reinforce the Company’s status as a comprehensive

health system focused on excellence and steady growth.

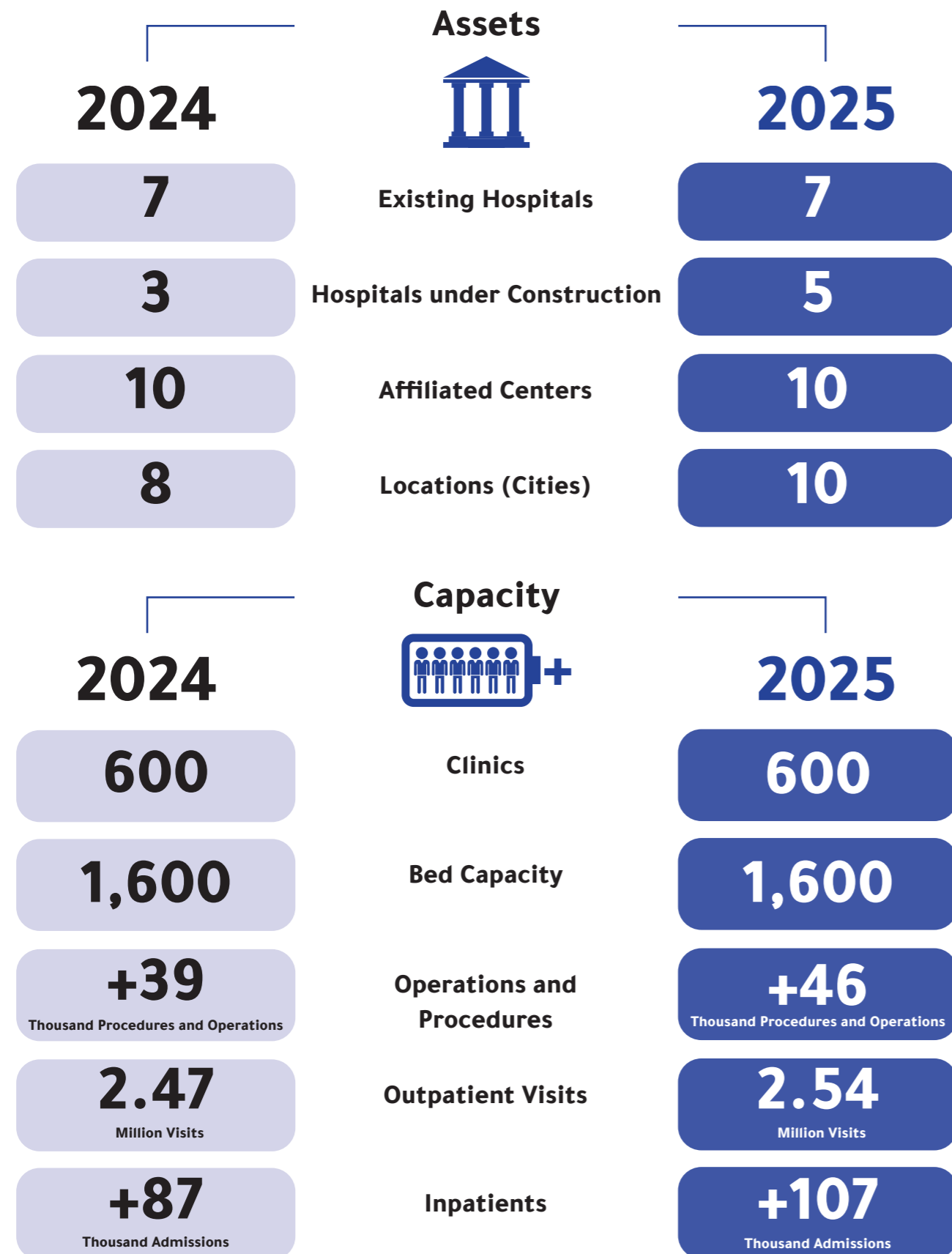
Mouwasat is dedicated to playing a key role as a strategic partner in realizing Saudi Vision 2030. The Company is actively contributing to the Health Sector Transformation Program (HSTP), which focuses on improving the quality and efficiency of medical services. The Company’s vision revolves around expanding the regional footprint of its facilities and embracing the latest digital solutions, all in an effort to foster a vibrant society that benefits from a comprehensive and sustainable healthcare system.

The theme “Innovative Healthcare, Sustainable Future” emphasizes that the Company goes beyond simply accepting current solutions but strives to integrate the newest scientific advancements into robotic surgery, artificial intelligence, and advanced digital services. This commitment is all about facilitating the patient journey and increasing diagnostic accuracy, while adopting a long-term business model that values service quality and sustainable growth.

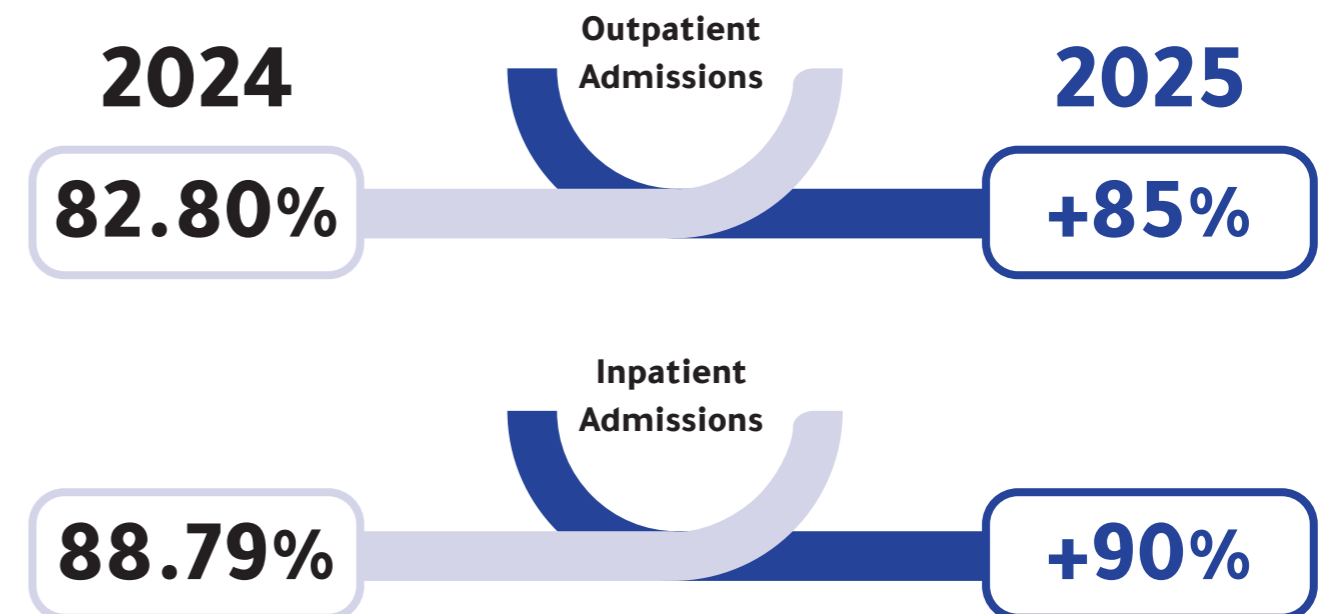
Key Financial Results



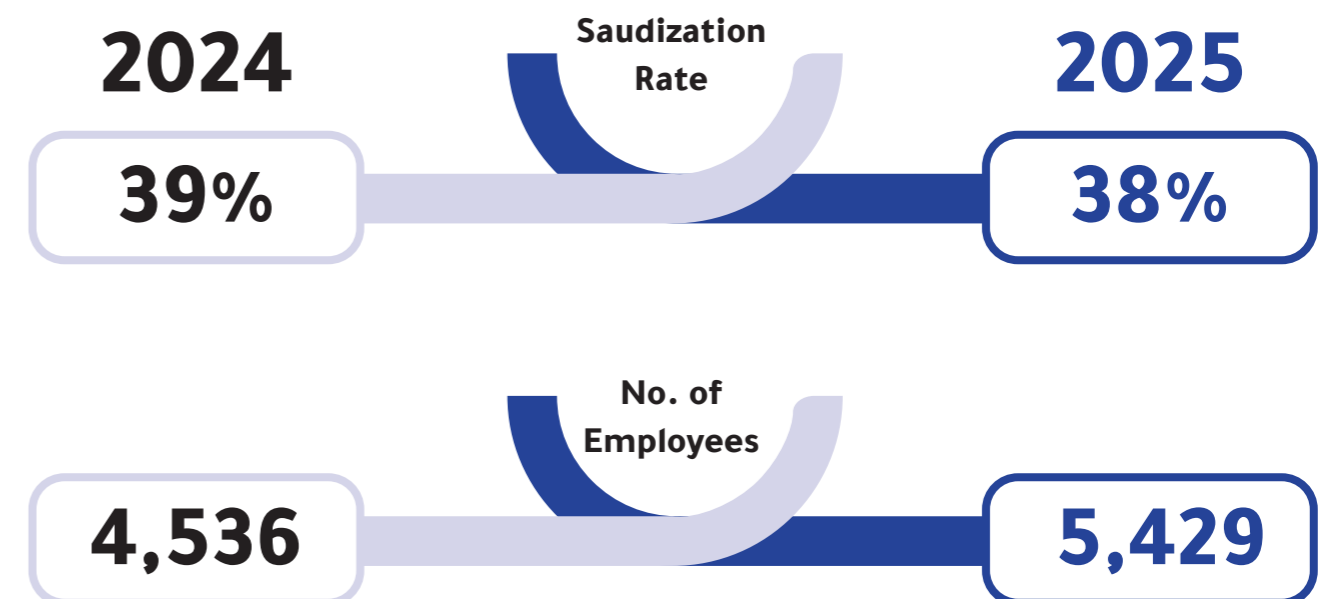
Key Operational Results



Customer Satisfaction Results



Saudization and Employees





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1- At a Glance

1-1 Establishment and Incorporation

Founded in 1974 in the Kingdom of Saudi Arabia, Mouwasat Medical Services Company made a significant move in 1975 by launching Mouwasat Dispensary, the very first private dispensary in Dammam. Then, in January 1997, the Company evolved into a corporate entity, officially becoming a Limited Liability Company (LLC).

Until 2004, the Company was focused on continuously bolstering its financial position, reaching a capital of SAR 147,000,000 that year. Then came 2006, a game-changing year for Mouwasat as it transitioned into a Joint-Stock Company (JSC) and increased its capital to SAR 250,000,000. This shift allowed the Company to expand into a leading medical network, which

today includes 7 hospitals and a range of centers throughout the Kingdom. This expansion has played a key role in delivering strong financial and operational results last year, reflecting the success of the Company's innovative strategies and its commitment to adopting new technologies.

In 2025, Mouwasat maintained its sustainable growth by executing expansion projects for its existing hospitals, aimed at boosting capacity and operational efficiency. This intentional growth strategy showcases the Company's strong financial position and its ability to meet increasing demand, all while delivering satisfying returns for its shareholders.

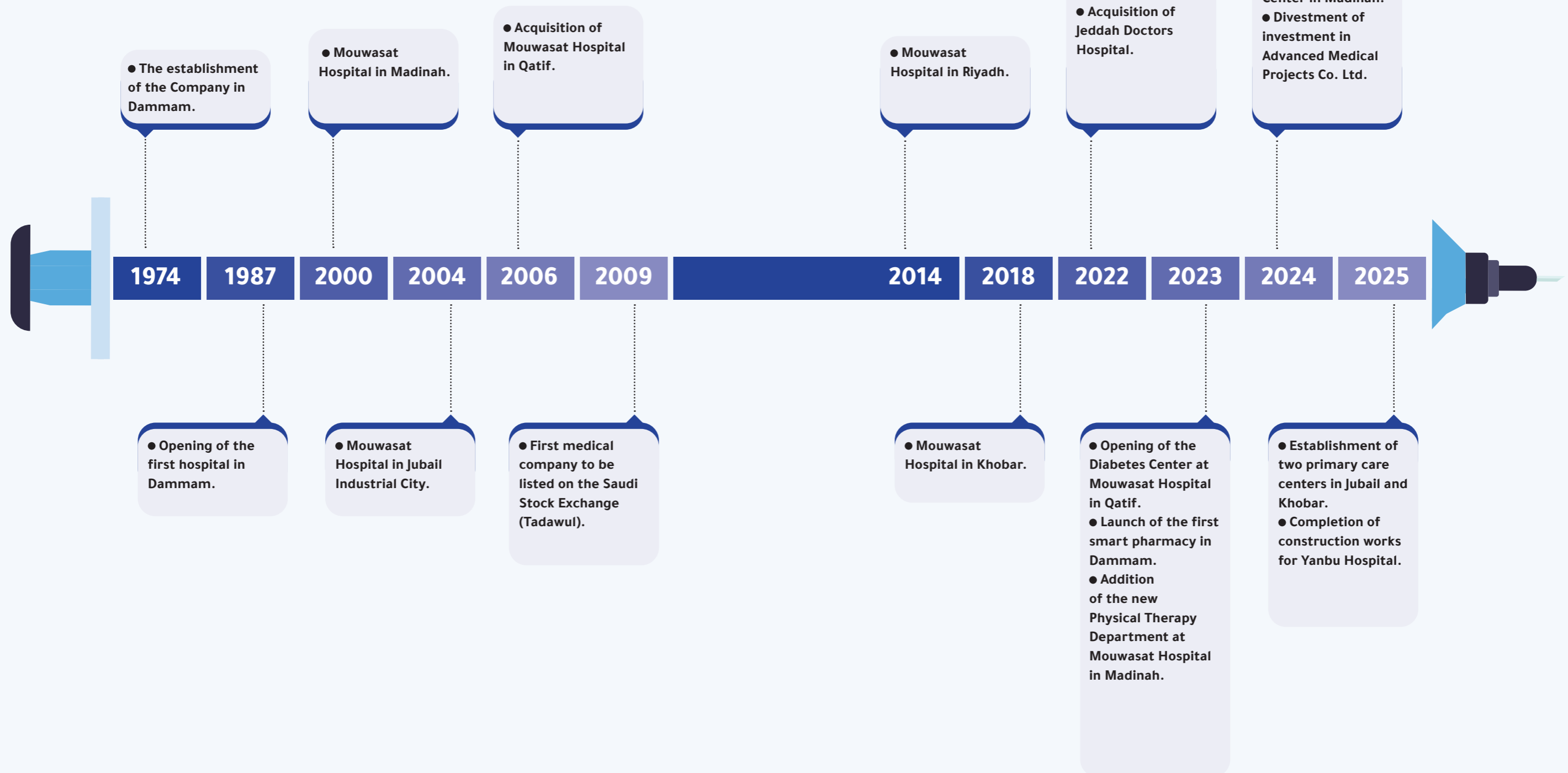


1-2 Growth Journey

For more than 50 years, Mouwasat's story has unfolded as a remarkable national journey toward excellence. These significant changes have firmly established its reputation as a leading force and a trusted name in the Saudi healthcare sector,

reinforcing the Company's commitment to both sustainable economic growth and the delivery of top-notch medical services.

A Strategic Expansion and a Leading Journey



A Year in Brief



1-3 Activities and Key Services

Since its establishment, the primary activities of Mouwasat have focused on providing integrated healthcare services, including:

Our Activities

1

Owning, establishing, operating, and managing hospitals, dispensaries, medical centers and clinics, pharmaceutical warehouses and pharmacies, and medical complexes.

2

Wholesale and retail trade, import and export of medical and pharmaceutical equipment, supplies, drugs, and medical preparations. It also includes radiology services, commercial agencies, and distribution agreements, alongside the purchase, sale, management, and leasing of real estate and land.

3

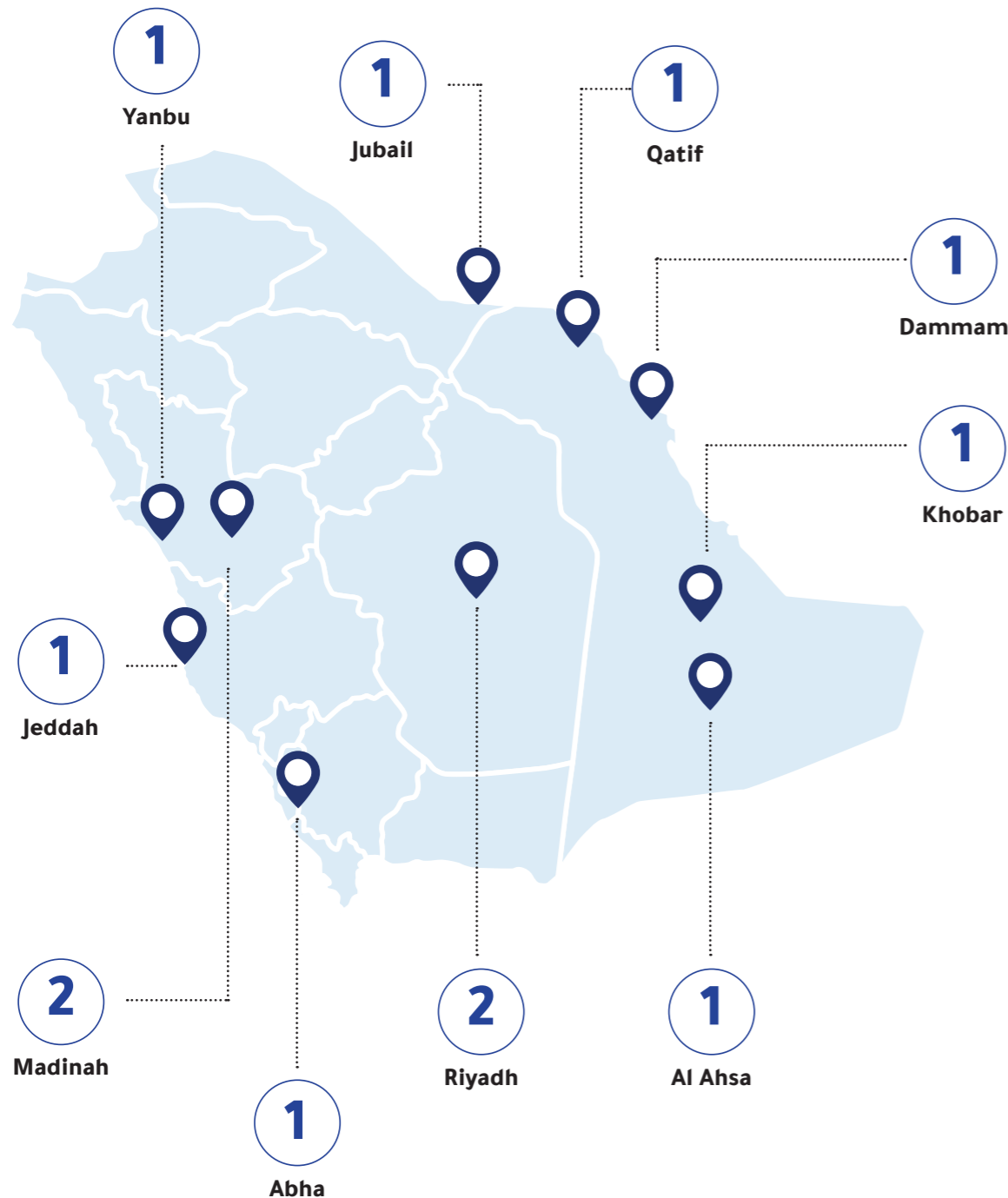
The Company shall have the right to hold an interest in, or participate in the acquisition of shares and stakes in entities or companies engaged in similar business activities or those that may assist in the realization of its objectives.



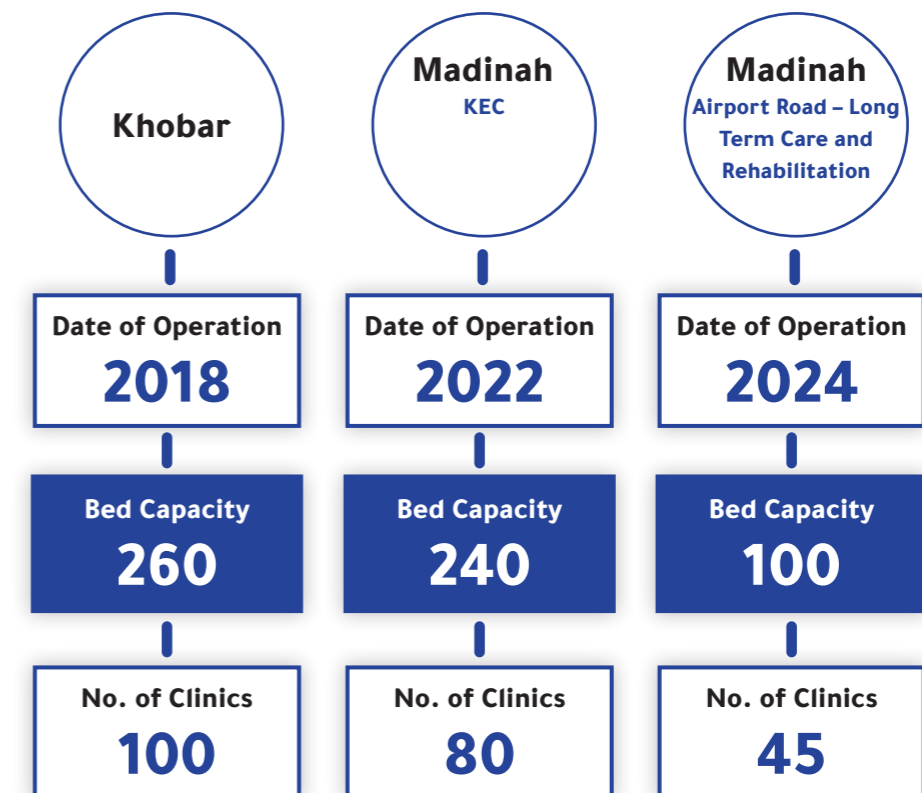
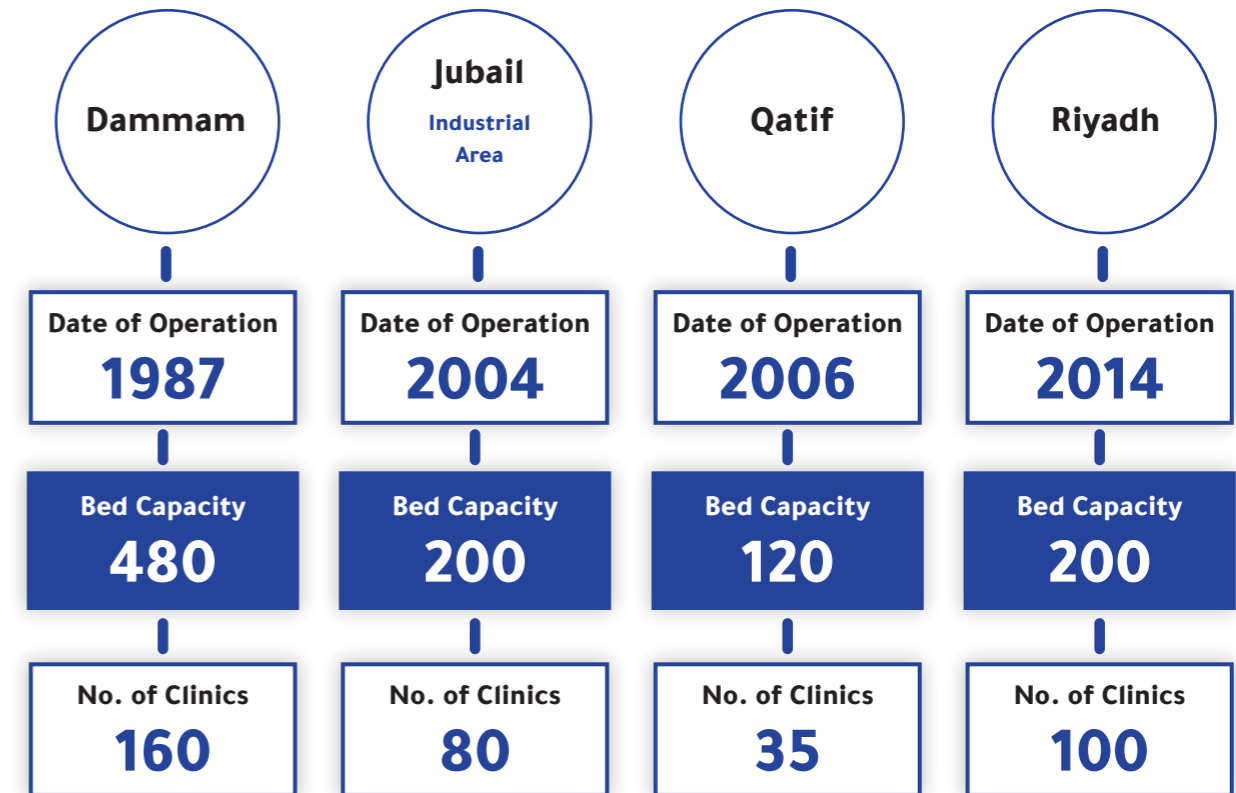
1-4 Geographic Footprint

Driven by our strategy to facilitate access to world-class healthcare services, Mouwasat is keen to expand its footprint to be closer to customers. The Company has successfully established an interconnected medical network covering vital cities and regions across the Kingdom.

Nation Wide Presence



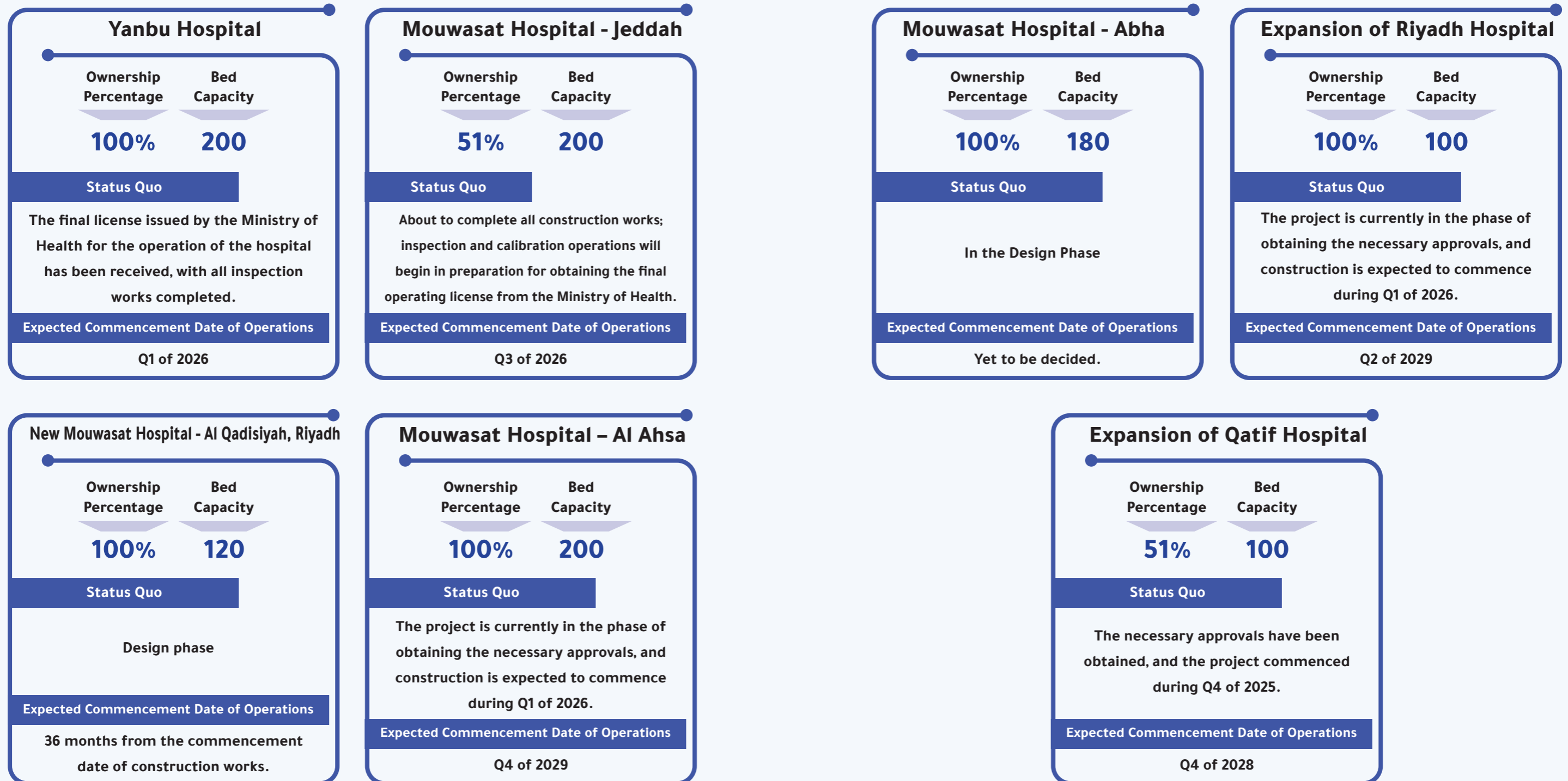
Our Existing Hospital Network



1-5 Future Projects

Mouwasat is aiming for future growth through well-planned expansion strategies aimed at addressing the growing demand for quality services. The Company's roadmap emphasizes enhancing its footprint in crucial regions and staying in sync with the Health Sector Transformation Program (HSTP) outlined in Saudi Vision 2030.

New Mouwasat Hospitals (Under Construction) and Expansion Projects



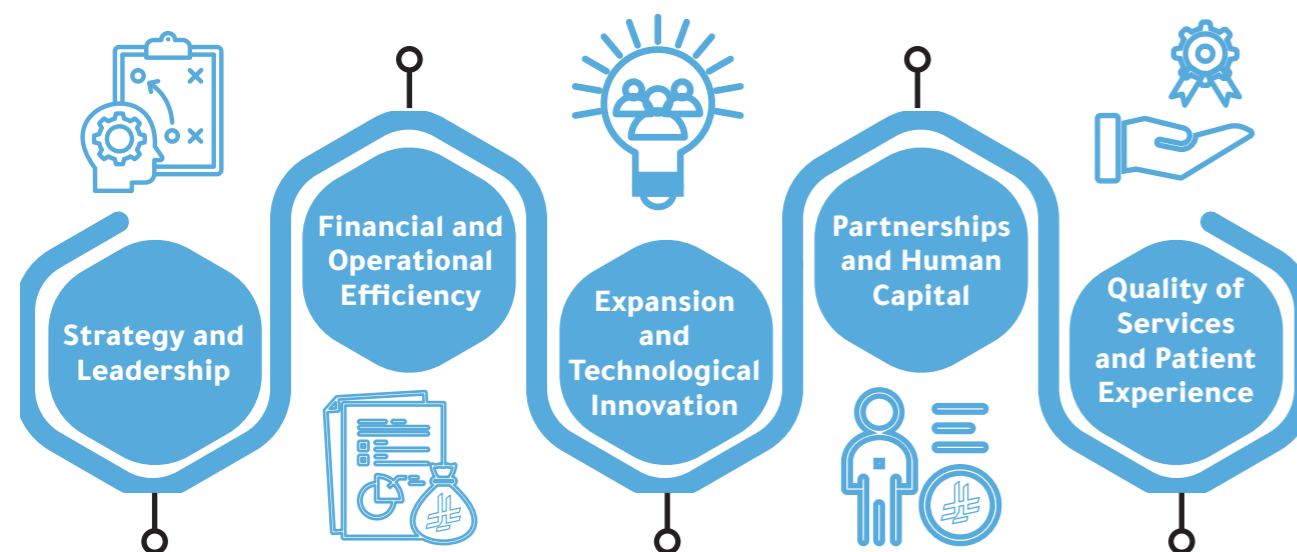
1-6 Investment Case and Strengths

Mouwasat solidifies its leadership position in the Kingdom's healthcare sector through a strategy that combines well-studied expansion, operational efficiency, and technical investment. This approach ensures the quality of services and the enhancement of patient experience, while achieving attractive returns for investors.

Growth Opportunities and Investment Horizons

Based on 5 Pillars

- Solid financial base supporting sustainable growth.
- Precise procedures enhancing operational efficiency.
- Flexible business model creating sustainable value.
- Strong network of local and international strategic partners.
- Robust regulatory environment supporting advancement of the sector.
- Talented, well-trained, and experienced workforce.



- Strategic flexibility, adapting to a rapidly evolving market.
- A clear vision and an ambitious growth strategy.
- Sector leadership keeping pace with Saudi Vision 2030 objectives.

- Well-studied geographic expansion to cover additional cities in the Kingdom.
- Advanced digital infrastructure and sophisticated medical technologies.
- Continuous modernization of the healthcare market in light of the growing population.

- Comprehensive, high-quality healthcare services covering all specialties.
- Outstanding patient experience.
- Best practices in the medical field, providing the latest innovative solutions.



2- Subsidiaries

Mouwasat relies on its subsidiaries as a primary strategic pillar to broaden its reach and ensure a comprehensive coverage across different regions. Since 2006, the Company has strengthened its presence in the Eastern Region by acquiring a 51% stake in Eastern Medical Services Co. In 2022, Mouwasat further cemented its presence in Jeddah with the acquisition of a 51% equity in Jeddah Doctors Company (JDC). To enhance the integrated care ecosystem, the Company also launched Modawaa and Rieaya Medical Company in 2024, holding a 51% ownership. This clearly demonstrates the Company's dedication to thoughtful growth and its active role in helping achieve Saudi Vision 2030 objectives for the Kingdom's healthcare sector.

Ownership Details of Subsidiaries

Eastern Medical Services Co.	Jeddah Doctors Company (JDC)	Modawaa and Rieaya Medical Company
Capital 60 SAR Min	Capital 173.7 SAR Min	Capital 1 SAR Min
Ownership Percentage 51%	Ownership Percentage 51%	Ownership Percentage 51%
Main Activity Construction and establishment of private hospitals, dispensaries, and medical clinics	Main Activity Human health and social work activities, education, real estate activities, and construction	Main Activity Human health and social work activities - medical clinics
Country of Main Operations KSA	Country of Main Operations KSA	Country of Main Operations KSA
Country of Incorporation KSA	Country of Incorporation KSA	Country of Incorporation KSA

Description of Company and Subsidiaries' Main Types of Activities and Contribution to Revenue

(Revenue Value in SAR Min)

Main Business Activities	2024		2025	
	Revenue Value	Contribution Percentage	Revenue Value	Contribution Percentage
Medical Services (Hospitals)	2,428	84%	2,736	85%
Pharmaceuticals/Pharmacies	451	16%	487	15%
Total	2,879	100%	3,223	100%

Geographical Analysis of Company and Subsidiaries' Total Revenue

(Revenue Value in SAR Min)











Description	2024		2025	
	Revenue Value	Contribution Percentage	Revenue Value	Contribution Percentage
Eastern Province	2,042	71%	2,328	72%
Central and Western Regions	837	29%	895	28%
Total	2,879	100%	3,223	100%



3- Brands

The Company currently owns seven existing hospitals. The core network includes Mouwasat hospitals in Dammam, Riyadh, Madinah, Jubail Industrial City, Qatif, and Khobar, along with the specialized Long Term Care Center in Madinah, in addition to hospitals under construction and 10 specialized medical centers located within the Company's hospitals.


Mouwasat Centers and Their Services

 <p>Ophthalmology</p> <p>The Center is located at Mouwasat Hospital in Dammam and provides integrated medical services, delivered by a team of elite consultants and the latest technologies.</p>	 <p>Long Term Care</p> <p>Medical Tower - 2 at Mouwasat Hospital in Dammam provides long-term care services to improve functional recovery and the quality of life for patients with long-term medical conditions.</p>	 <p>Rehabilitation</p> <p>Situated in Medical Tower - 2 at Mouwasat Hospital in Dammam, this Center specializes in the treatment and rehabilitation of individuals of all ages who have experienced a loss of motor function due to injury or illness.</p>	 <p>In-Vitro Fertilization (IVF)</p> <p>The In-Vitro Fertilization (IVF), Embryology, and Infertility Treatment Unit was launched at Mouwasat Hospital in Dammam in 2011 to provide solutions and treatments for infertility and delayed conception as part of the community service strategy.</p>	 <p>Diabetes and Diabetic Foot</p> <p>A specialized and integrated Unit for Diabetes and Diabetic Foot Care has been added across 6 Mouwasat hospitals.</p>	 <p>Dermatology and Cosmetic Surgery</p> <p>The first specialized plastic surgery center was established at Mouwasat Hospital in Dammam in 1999. In early 2006, the first branch of the Dermatology and Plastic Surgery Center was launched in Khobar, and upon the opening of the Company's hospital in Khobar, the Center became under the supervision of the hospital.</p>
 <p>Cardiology Centers</p> <p>Located at Mouwasat Hospital in Jubail Industrial City and Dammam, these Centers excel in the diagnosis and treatment of heart diseases and conditions, offering a wide range of high-quality services.</p>	 <p>Nuclear Medicine</p> <p>Located at Mouwasat Hospital in Khobar, the Center provides accurate functional information about diseases affecting the body that is not available through other types of imaging.</p>	 <p>Stroke Unit</p> <p>The Unit began operations at the start of 2021, operating 24/7 with an advanced system that connects all radiology devices with the latest treatment applications using Artificial Intelligence (AI) to support the speed of early diagnosis of strokes.</p>	 <p>Bariatric Surgery and Endoscopy</p> <p>The Badana Clinic Center is located at the Company's hospitals in Dammam and Khobar and is recognized as the first leading Middle Eastern Center to receive the Center of Excellence designation from the International Federation for the Surgery of Obesity and Metabolic Disorders (IFSO).</p>		

4- Our Initiatives


Mouwasat recognizes that excellence in the evolving healthcare sector requires proactivity and continuous innovation. Therefore, the Company launches well-studied strategic initiatives in response to the requirements of quality, efficiency, and safety.

Mouwasat Initiatives



Enhancing Patient Experience and Operational Efficiency

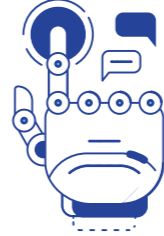
- Staff distribution was adjusted to match the volume of demand in each region.
- Increasing the number of staff in Outpatient Clinics and Emergency Departments.
- Adopting an hourly rounding methodology using specialized checklists for each department to resolve issues on the spot.
- Informing patients of any delays.



Empowering and Qualifying Personnel


- Launching comprehensive initiatives focused on creating a supportive work environment for growth.
- Establishing a culture of positive communication among employees.
- Participating in diverse events such as the Global Patient Experience Conference 2025.
- Raising the level of security awareness among employees through the implementation of regular training and awareness programs.






Digital Transformation

- Deploying cleaning robots within the hospital.
- Using Artificial Intelligence (AI) to predict breakdowns and suggest optimal operation.
- Monitoring food quality and calculating compliance rates with storage standards via the Building Management System (BMS).



Drug Therapy Education

- Communicating with patients referred to other specialties to explain the importance of follow-up and booking an appointment.
- Adding Drug Therapy Education to Mouwasat App in more than 20 languages.
- Exceeding a 90% customer satisfaction rate during the year in connection with efforts to educate them on the types of medications provided to outpatients and inpatients.



Environmental Sustainability

- Reducing paper consumption via digital transformation.
- Managing medical waste according to the highest possible environmental safety standards.
- Contracting with companies to recycle food waste.
- Using eco-friendly sterilization materials and maintaining a zero-injury rate throughout 2025.



Cost Reduction

- Using energy-saving devices in Heating, Ventilation, and Air Conditioning (HVAC) systems.
- Rationalizing energy consumption and implementing preventive maintenance to reduce costly breakdowns.
- Improving operational contracts and reducing input costs without compromising quality.

Community Awareness



- Launch public health campaigns covering major health issues, such as diabetes, breast cancer, and cardiovascular diseases.
- Implementing comprehensive screening programs for private and public institutions to enhance workforce health and ensure early detection of risk factors.
- Launching neonatal genetic and metabolic screening programs to support the early diagnosis and management of hereditary and congenital diseases.
- Launching multilingual digital health educational content via social media and digital platforms, ensuring accessibility to the widest audience.

Scientific Research Initiative



- Organizing a series of specialized workshops and professional development courses focusing on research methodologies, data analysis, medical research ethics, and scientific publishing standards.
- Reaching a total of approximately 763 published research papers to date by all current and former affiliated researchers.
- Launching courses to promote a culture of scientific inquiry and evidence-based practice among healthcare professionals across all Group facilities.



5- Key Achievements of the Year

The year 2025 marked a significant turning point for the Company, where it transformed its dedication to leadership into remarkable advancements and record-breaking achievements.

Thanks to the hard work of its team, Mouwasat's

success extended beyond just financial performance and operational growth; it was also reinforced by improvements in care quality and operational efficiency, solidifying the Company's standing in the Kingdom's healthcare sector.

Year of Achievements

Improving energy management and reducing consumption by 10%.	1	Implementing the Asset Plus system for maintenance management and Artificial Intelligence (AI) in the Call and Communication Center for appointment booking.
Activating Tele-ICU systems for vital signs analysis and 24/7 monitoring of critical cases.	2	
	3	Enhancing the use of the Robotic Pharmacy and the PYXIS system for medication dispensing.
Introducing ultraviolet (UV) sterilization technologies in operating rooms and AI-powered diagnostic imaging.	4	
	5	Introducing TAVI technology for minimally invasive aortic valve replacement.
Utilizing Robotic Surgery in urology and general surgery, and 3D guidance robots in neurosurgery.	6	
	7	Providing new highly specialized services, such as Pediatric Urology.
Using Nitrous Oxide sedation in dentistry.	8	
	9	Implementing a Cardiac Magnetic Resonance Imaging (Cardiac MRI) for precise diagnosis.
Introducing Stroke Units across hospitals.	10	
	11	Completing the construction works for Yanbu Hospital and operating new specialized services such as the Cardiology Unit and the Neurology and Psychiatry Center.
Expanding the scope of Interventional Radiology and Vascular Surgery services.	12	
	13	Expanding endoscopy services for the gastrointestinal tract and adopting Peroral Endoscopic Myotomy (POEM) procedures within specialized centers.
Commencing the expansion project for Riyadh and Qatif hospitals and announcing the establishment of Al Hsa and Abha hospitals.	14	
	15	Renewing international accreditations (Joint Commission International "JCI", Central Board for Accreditation of Healthcare Institutions "CBAHI", and Healthcare Information and Management Systems Society "HIMSS") for all Company facilities.
Linking patients' electronic medical records with the Ministry of Health's (Raqeeb) service for prescribing and dispensing narcotic and controlled medications, becoming the first hospital in the Kingdom to accomplish this.	16	
	17	



Section (2)

Strategic Report

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1- Chairman's Message

Mohammad Sultan Alsubaie



Our Valued Shareholders and Customers,
 "It brings us immense joy to reflect on a remarkable year for Mouwasat Medical Services Company. This year has been a true testament to our strategic vision, as we transformed our ambitions into real accomplishments through impactful expansions that have marked key milestones in our journey. We are proud to affirm our leadership in providing healthcare that meets international standards, keeping in step with the aspirations of our homeland and our wise leadership".

Integrated Strategic Transformation

In 2025, Mouwasat Medical Services Company experienced a significant shift in its journey, setting new standards for leadership in the healthcare industry through a series of strategic accomplishments. We proudly wrapped up the construction of Mouwasat Hospital Yanbu and kicked off trial operations as we gear up for its grand opening. Additionally, we shared exciting news about the upcoming launch of two new hospitals in Al Ahsa and Abha, along with expansion and development projects at our Riyadh and Qatif hospitals to boost our clinical capacity.

The achievements of this year went beyond just physical growth; we also witnessed a significant advancement in technology and medicine. We have successfully integrated the latest AI-powered technologies into our operational and diagnostic systems, allowing us to provide accurate services that address the most intricate health needs, all in line with the highest international standards. This success is a testament

to Mouwasat's strong commitment to contributing to Saudi Vision 2030 goals through a healthcare model that merges extensive geographical reach with technological excellence.

Innovative Specialized Leadership

In 2025, Mouwasat kept building its stronghold by diving deeper into sub-specialization and acquiring the newest medical innovations. We set new standards in paediatrics with our urological surgeries and the introduction of nitrous oxide sedation technology. We also made a significant leap in diagnostics with Cardiac MRI techniques and created integrated Stroke Units that follow the latest rapid intervention protocols.

In our mission to create a better healing environment, the Company has set itself apart by rolling out cutting-edge sterilization technologies that utilize Ultraviolet (UV-C) light. This ensures top-notch protection and helps prevent infections. Our strategic focus on specialized services and proactive technologies reflects our commitment to being the most trusted

and advanced medical destination, turning complex medical challenges into successes that are backed by science and innovation.

In 2025, the Company embraced the Saudization strategy and aimed to boost Saudization rates, confident in the skills of our national workforce and their potential to excel in various fields. We proudly supported numerous Saudi talents, reinforcing our belief that diversity and inclusion are key to achieving institutional excellence.

Promising Future Outlook

Our achievements this year are only the beginning of an expansive, ongoing journey toward leadership. As we approach 2026, we are excited to set new goals for our Company with an ambitious growth strategy that aims to expand our services and connect with our customers more closely and efficiently. We are planning to open several new clinics and enhance critical departments in our current facilities to increase our operational capacity. Our focus will be on developing highly

specialized services and precision therapeutic units that utilize the latest medical innovations. Our ultimate goal is to create a healthier future where primary care is integrated with advanced specialized services, ensuring we remain the first choice and a proactive contributor to building a national health system that meets international standards.

A Message of Gratitude and Recognition

In closing, we would like to extend our warmest thanks to all those who helped make this success possible: our incredible employees, partners, and customers. We also wish to express our profound gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and HRH the Crown Prince, Prince Mohammed bin Salman, may God bless and protect them. We renew our promise that Mouwasat will always be the leading and trusted choice for healthcare in the Kingdom.

2- CEO's Message Nassir Sultan Alsubaie

To our Esteemed Shareholders and Valued Partners in Success,
 "In 2025, Mouwasat Medical Services Company kept pushing forward on its path to excellence, fueled by hard work and an unwavering ambition. Our success was not only about expanding our reach; it also involved enhancing the quality and efficiency of our operations to meet the highest international standards. This reflects our deep commitment to delivering innovative healthcare that aligns with the Kingdom's esteemed status and future goals".



Sustainable Healthcare Leadership

In 2025, our Company's accomplishments were a clear reflection of our corporate culture, where the patient is always our top priority. These accomplishments also represent our vision of providing healthcare that meets global standards. As we take a moment to celebrate our successes today, we reaffirm our commitment to continuous growth and innovation. By harnessing our remarkable national talents and cutting-edge technologies, we aim to continue leading the transformation in the healthcare sector and solidify our role as a strategic partner in creating a vibrant and healthy society aligned with Saudi Vision 2030 objectives.

During the past year, we successfully obtained a license to increase the capacity of Mouwasat Hospital in

Dammam up to 400 beds to meet the growing demand for our healthcare services. We also concentrated on qualitative growth by enhancing our Interventional Radiology and Vascular Surgery services, making significant improvements in Gastrointestinal Endoscopy, and expanding our outpatient clinic network. These efforts have paid off, as reflected in our patient satisfaction rates climbing to 90%, with outpatient clinics even surpassing 85%. This confirms that our patient-centered strategy is truly effective.

As part of our mission to foster a culture of sustainable quality, Mouwasat has successfully renewed all of its medical facility accreditations. We have also earned a variety of prestigious awards, both locally and internationally, and set up specialized centers of excellence in our hospitals. These milestones

highlight our strong commitment to maintaining top-notch safety and quality standards, enhancing our competitive position in the region.

Promising Strategic Outlook

As we look to 2026, we are thrilled about the innovative paths ahead. We plan to introduce medical sub-specialties that align with the evolving needs of our patients and expand robotic surgeries to ensure the highest standards of precision and safety. We are also committed to enhancing the role of AI-powered technologies in the early diagnosis and detection of diseases. In addition, our investment in telemedicine solutions will help us provide medical care wherever needed. Furthermore, we are focused on building strategic partnerships with both public and private sectors, driven by our belief that integration is key

to creating a comprehensive and sustainable health system that keeps pace with the Kingdom's Vision 2030 goals.

A Word of Gratitude

Finally, I wish to take a moment to sincerely thank our valued shareholders for their trust, which fuels our drive to innovate and excel. I also would like to thank our customers; your trust is a badge of honor that inspires us to always deliver our best. Lastly, I extend my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and HRH Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister, may God protect them, for their steadfast support of the healthcare sector, which has been a key factor in our growth and stability.

3- Managing Director's Message Khalid Suliman Alsaleem

“Throughout 2025, Mouwasat Medical Services Company maintained an upward growth trajectory and intentional geographical expansion, highlighting our strong commitment to offering sustainable value to our shareholders and high-quality healthcare to the community. By merging financial efficiency with medical excellence, we have established ourselves as the first and trusted option in the Kingdom's healthcare sector.”



In line with our commitment to corporate responsibility, Mouwasat has been actively working this year to strengthen its role in the community. We launched various health and awareness initiatives designed to enhance medical knowledge and support prevention programs. Additionally, we are investing in the development of local talent, empowering them to excel in their respective fields. These initiatives not only showcase our dedication to community service but also highlight our growth strategy, which intertwines sustainable financial performance with leadership in the medical and social sectors. This approach reinforces our position as a key player in helping to achieve Saudi Vision 2030 objectives. Our financial performance clearly illustrates the

effectiveness of our approach. By the end of the year, the Company recorded a robust revenue growth of 12%, reaching SAR 3,223 million. Moreover, our net profit increased by 27.2%, amounting to SAR 822 million. This achievement reflects the success of our strategy in building trust with customers and partners, and it underscores the strong governance and innovative foundations we rely on. Furthermore, we have maintained a careful approach to managing costs and boosting the value we deliver to our shareholders. Our cash dividend policy, representing 21.25% of the Company's capital, reaffirms that the loyalty of our shareholders is the cornerstone of our leadership and our journey toward establishing a premier healthcare entity.

As we set our sights on 2026, we are excited to embark on an ambitious journey that involves expanding our reach geographically. This means opening new hospitals and adding more clinics and centers, all while rolling out innovative medical specialties. These initiatives will

not only improve the quality of healthcare we provide but also establish a robust and sustainable cash flow stream, propelling the Company toward record revenue growth and strengthening our net profits.

Revenue Growth

12
%

Net Profit Growth

27.2
%

Dividend Payout Ratio during 2025

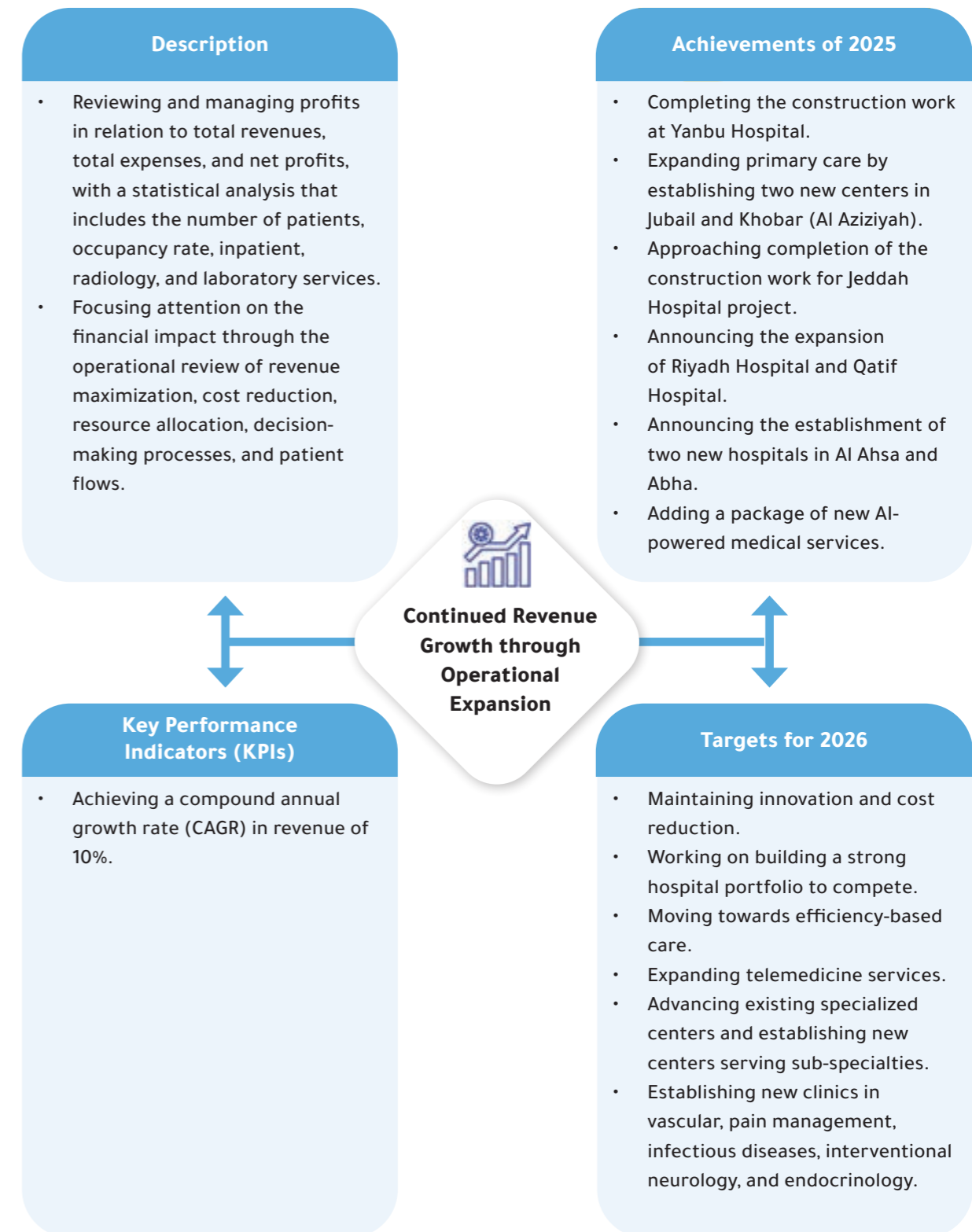
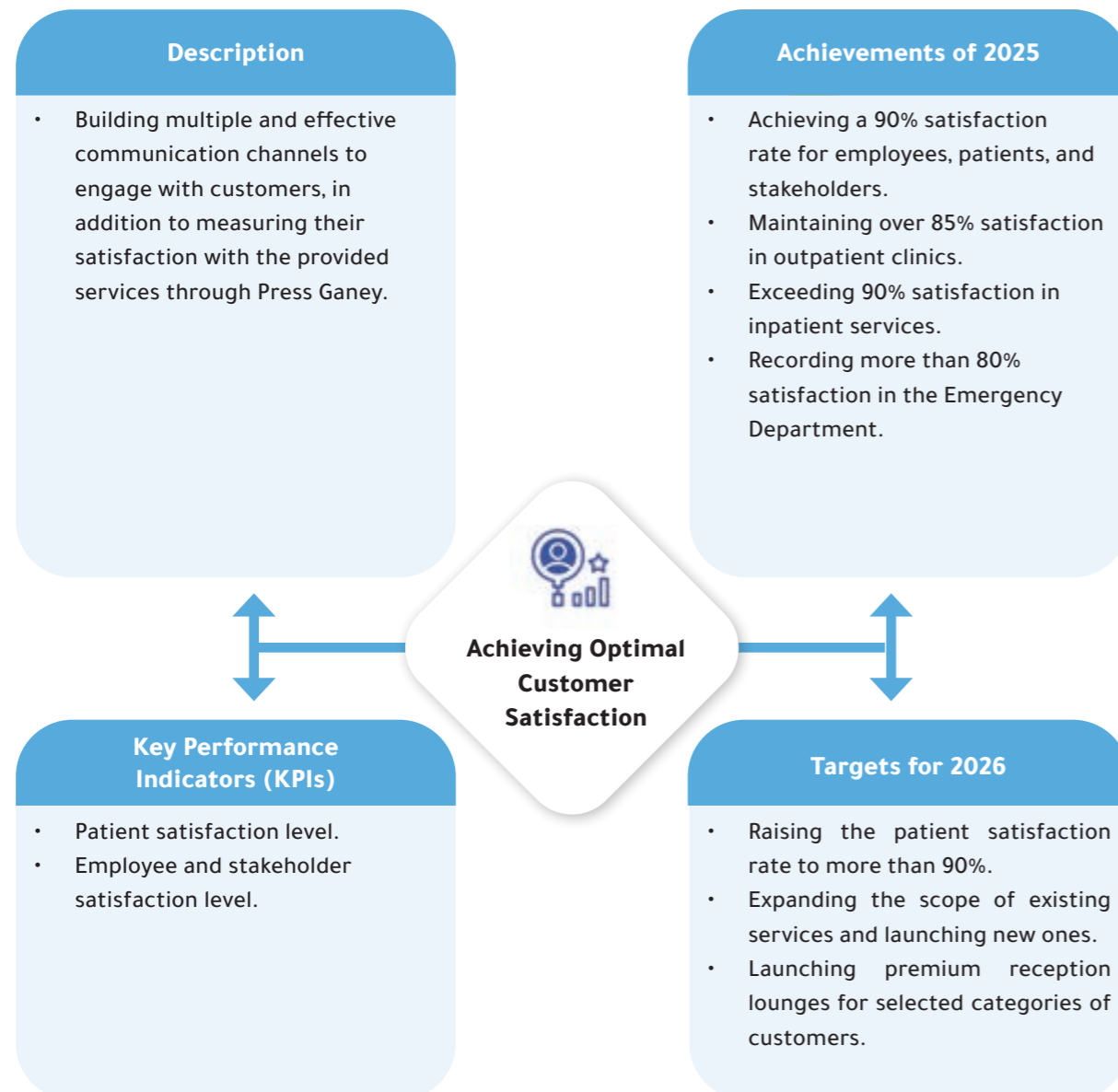
21.25
%

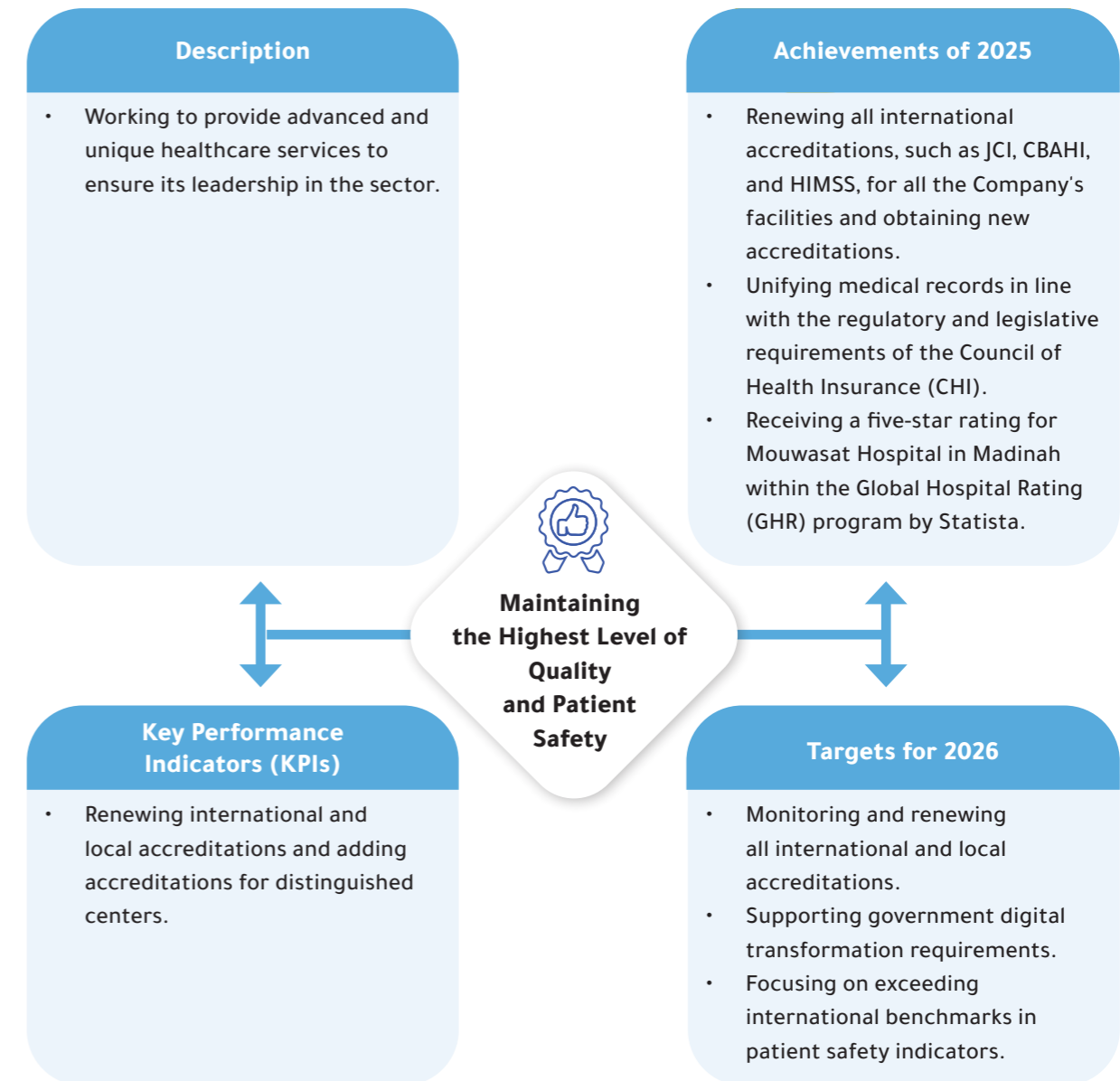
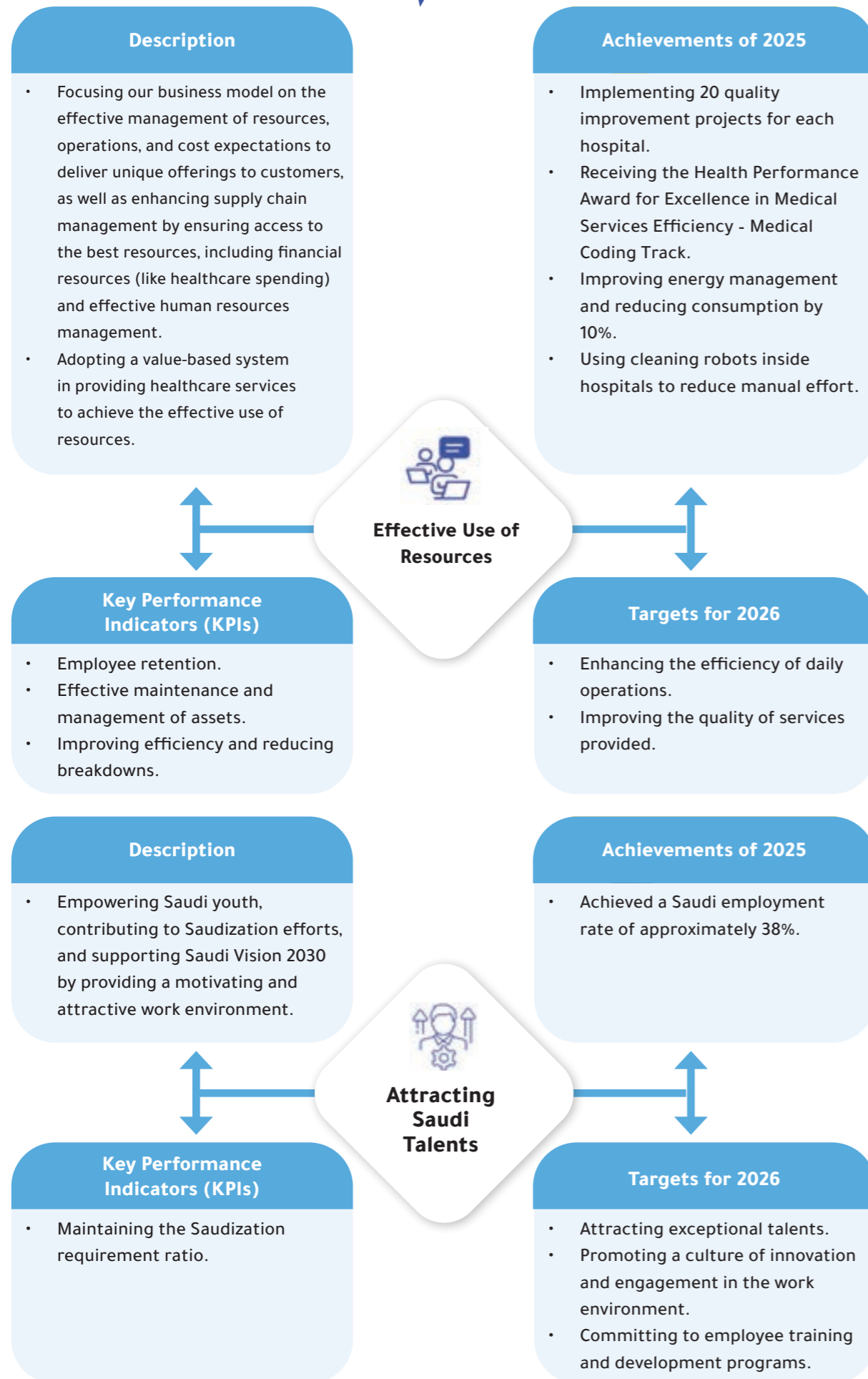
4 - Our Strategy

The strategy behind Mouwasat revolves around a solid commitment to offering therapeutic services that meet international quality standards. The Company aims to enhance the efficiency of its affiliated hospitals and centers through a sophisticated operational system. Technological innovation is central to the Company's business, ensuring that patients enjoy a

cohesive and dependable therapeutic experience. The strategic focus of Mouwasat revolves around the planned geographic expansion, growth of medical and administrative staff, and achieving sustainable financial success, which positions the Company as a preferred and reliable choice for comprehensive healthcare in the Kingdom.

Sustainable Growth Strategy





5- Business Model

The business model of Mouwasat revolves around creating sustainable value by catering to a diverse clientele through an expanding network of hospitals and centers located throughout various regions of the Kingdom. This approach focuses on making the best use of resources and boosting operational efficiency, while also fostering strategic partnerships with top-notch medical and technical professionals. This ensures steady financial flows and supports ongoing growth. Mouwasat sees its role as going beyond just offering

therapeutic services. The Company aims to build trust and deliver integrated, sustainable health solutions. This approach empowers Mouwasat to tackle evolving challenges in the healthcare sector and achieve exponential growth, showcasing the strength of its strategy and its ability to adapt to changing circumstances. Ultimately, the Company strives to solidify its status as the top and most trusted choice for the healthcare in the Kingdom.



Sustainable Value Model

Inputs

Financial Capital

- **Total Equity Entitled to Parent Company's Shareholders:** SAR 3,778 MIn
- **Net Debt:** SAR 948 MIn
- **Capital Expenditures (CAPEX):** SAR 676 MIn

Human Capital

- 5,429 employees.
- 31 nationalities.
- 38% Saudization rate.

Physical Capital

- The Company has an integrated network of healthcare facilities, comprising:
- 7 hospitals.
- 600 clinics.
- 1,600 beds.

Intellectual Capital

- Expanding the scope of both robotic surgeries and robotic pharmacy systems.
- Adopting AI-powered diagnostic imaging technologies.

Social Capital and Partnership Relations

- 75 social contributions.
- SAR 2.3 million total spending on the Company's Social Responsibility Programs.

Value Creation and Enhancement Model

Our Strengths

- Experienced management team and human resources with diverse expertise, belonging to multiple nationalities.
- Adopting the latest automation and AI technologies.
- Strong financial resources and high efficiency in their utilization.
- Specialized medical centers, and local and international accreditations.

Comprehensive Medical Services

- Providing comprehensive medical services through strategic investments in various fields that meet patients' expectations.

Diverse Medical Expertise

- Adopting a strategy to attract diverse medical cadres, which contributes to enhancing the quality of healthcare provided.

Investment in Automation and AI Solutions

- Innovation as a strategic plan to increase efficiency, contributing to enhancing competitiveness and achieving a more advanced future.

Distinguished Level of Quality and Patient Experience

- Providing the highest standards of quality in all services.
- Renewing all accreditations for all affiliated facilities.

Outputs

Financial Capital

- **Revenue Earned:** SAR 3,223 Mln
- **Net Profit:** SAR 822 million
- **Operating Profit:** SAR 880 million, an increase of 21.6% compared to the previous year.

Intellectual Capital

- **Website:**
No. of Active Users: 170,000
No. of Page Views per User: 4.8 Views
- **Apple Store:**
Rating Score: 4.8
No. of Impressions: 1.32 Mln
No. of Downloads: 168,000
- **Google Play Store:**
Rating Score: 4.8
No. of Impressions: 50,000
No. of Downloads: 39,000

Physical Capital

- 2.5 million outpatient visits.
- 107,000 inpatients.

Human Capital

- 65% of the workforce is female.
- 6 employees are people of determination.

Social Capital and Partnership Relations

- 3 associations benefited from the Company's community activities.
- Eastern Province, Riyadh Region, and Madinah Region are geographical areas covered by Mouwasat services.
- A single partnership agreement was signed with a national company.

6- Certifications, Accreditations, and Awards

Mouwasat places a strong emphasis on quality and professionalism, which is evident in the impressive track record of accreditations, certificates, and awards the Company has garnered from both local and international bodies in 2025. These accolades are more than just formal recognitions; they are solid

proof of the Company's commitment to maintaining the highest international standards in the healthcare industry. This dedication helps establish Mouwasat as a reliable and innovative leader in offering integrated medical services that meet exceptional standards.



6-1 Certifications

The Company has proudly secured a range of esteemed certifications across various sub-departments, showcasing its unwavering dedication to upholding the highest international standards in patient safety and operational excellence. Among these accolades, the most notable include:

1

Certificate of Appreciation from the Ministry of Health (Riyadh Health) in Riyadh Region, recognizing the Company's contributions to the success of World Quality Day 2025 events.

2

Certificate of Appreciation awarded to Mouwasat Hospital in Dammam and Khobar by the Ministry of Health in recognition of the efforts made to improve the patient experience.

6-2 Accreditations

Mouwasat made significant strides in 2025, successfully renewing a series of accreditations that attest to its dedication to upholding international best practices. These included the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI) accreditation for both Khobar and Madinah hospitals, as well as the prestigious Joint Commission International (JCI) accreditation for Mouwasat Hospital in Riyadh. Notably, it became the first hospital outside the United States to achieve excellence under the 8th edition of the new standards.

Throughout the year, the Company proudly renewed its Dialysis Center of Excellence accreditation from the Australian Council on Healthcare Standards International (ACHSI) for all Mouwasat hospitals. Additionally, it secured the renewal of its accreditation for rehabilitation and physical therapy services from the Commission on Accreditation of Rehabilitation Facilities (CARF) at Khobar Hospital. Meanwhile, Mouwasat Hospital in Madinah achieved accreditation from the College of American Pathologists (CAP), with

renewals also taking place in Dammam and Riyadh, showcasing its dedication to upholding the highest international quality standards.

During the year, the American Association of Blood Banks (AABB) renewed its accreditation for the hospitals located in Dammam, Riyadh, and Madinah. Mouwasat Hospital in Dammam also achieved institutional accreditation from the Saudi Commission for Health Specialties (SCFHS), enabling the Company to offer 14 training programs, an increase from 12 in 2024. The Company also received accreditation for their Otorhinolaryngology, Head and Neck Surgery program. Furthermore, the SCFHS renewed the accreditation for Mouwasat Medical Group's residency program in Diagnostic Radiology.

The achievements did not end there. The American Nursing Credentialing Center (ANCC) accreditation, the Hazard Analysis and Critical Control Point (HACCP) for food quality and safety, and the ISO Food Safety Management System (FSMS) have all been successfully renewed for every Mouwasat hospital.



6-3 Awards

In 2025, the Company's efforts culminated in a series of prestigious awards granted by four of the leading institutions specializing in evaluating the healthcare sector and service providers within the Kingdom, in addition to two international awards. This reflects the Company's leading position and its continued commitment to the highest standards of quality and excellence.

First: Local Awards:



Excellence in Digital Innovation for Private Hospitals Award for 2024 from the Council of Health Insurance (CHI).



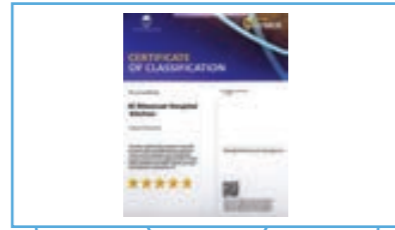
The prestigious Saudi Patient Safety Center (SPSC) Award.



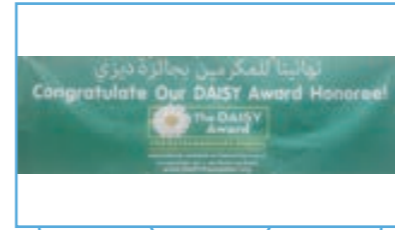
Health Performance Award for Excellence in Medical Services Efficiency - Medical Coding Track.



Excellence Award in Regulatory Compliance and Governance in the field of Cybersecurity.



Five-Star Rating Award for Mouwasat Hospital kitchen in Madinah from the Economic Cities and Special Zones Authority (ECZA).



The DAISY Award for Mouwasat Hospital in Khobar for nursing excellence.

Second: Global Awards



Pioneer in Excellence Award by the Surgical Review Corporation (SRC).



Mouwasat Hospital - Madinah Achieves Five-Star Ratings in Newsweek's Global Hospital Rating.



The ACHSI's International Quality Improvement Award for the year 2025 for Mouwasat Hospital in Jubail.

6-4 Centers of Excellence

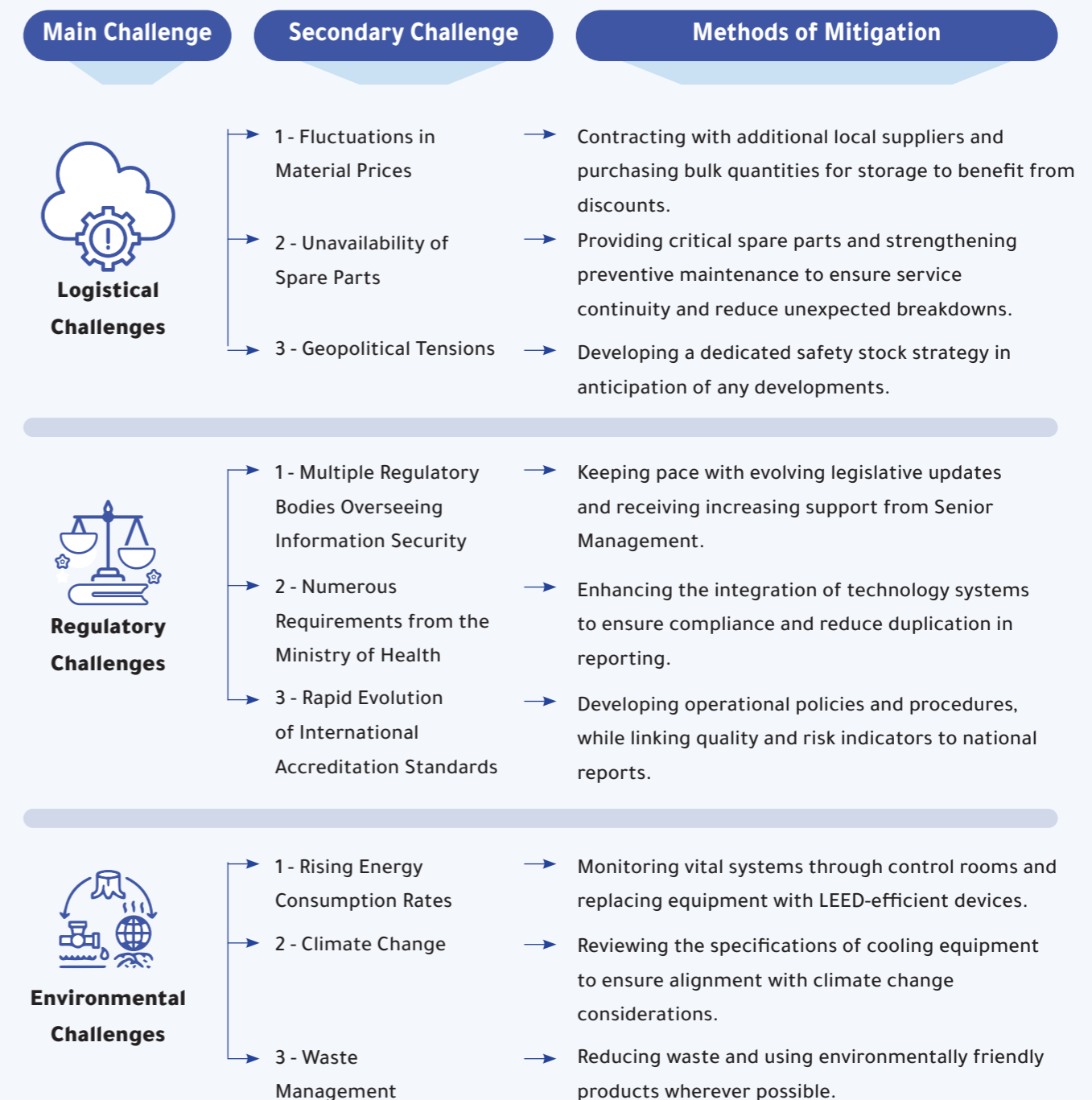
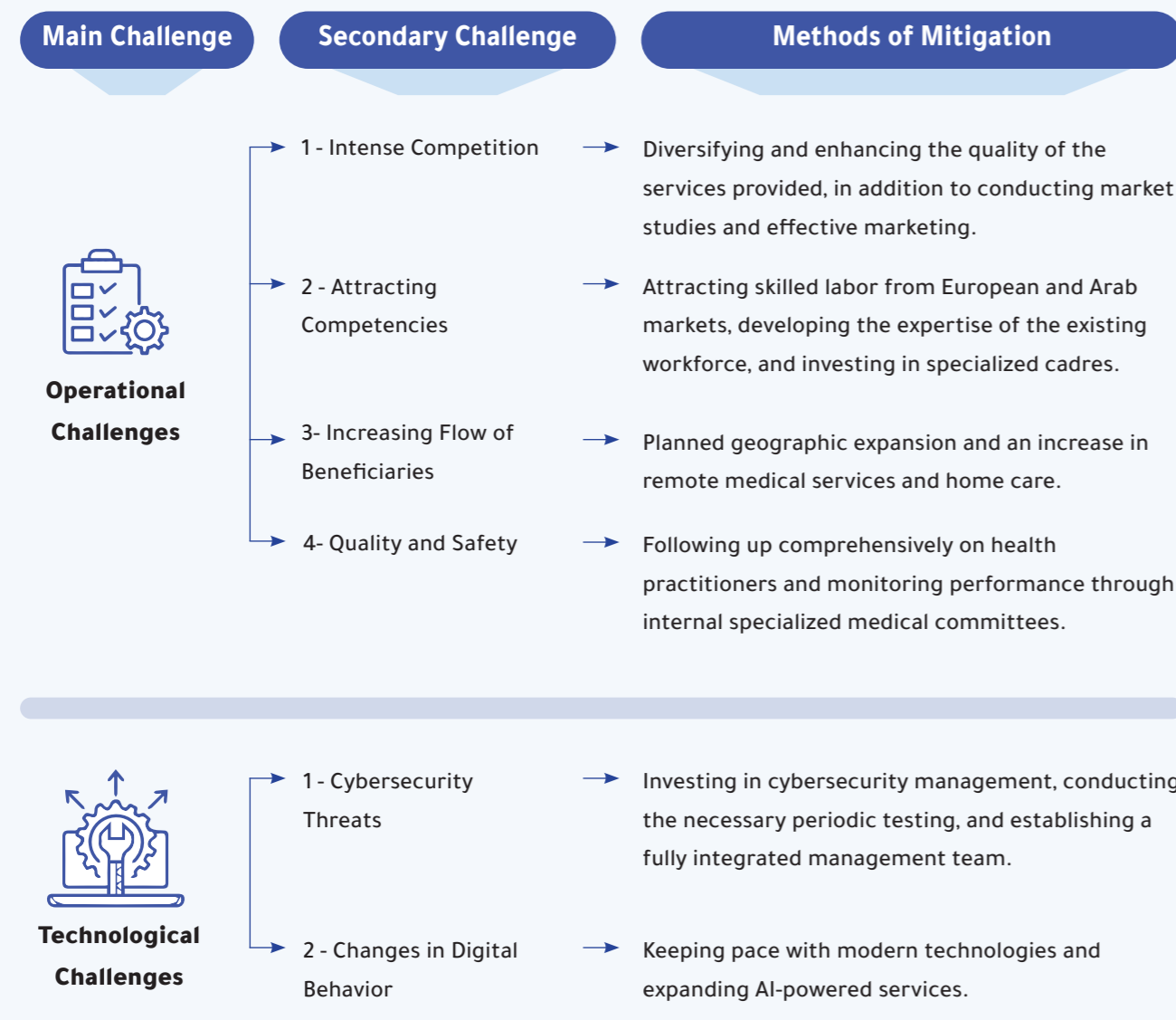
Mouwasat's achievements realized during the year group of prestigious Centers of Excellence from the 2025 included the Company's success in garnering a Surgical Review Corporation (SRC), as follows:

Accreditation	Hospitals with Renewed Accreditation	Image
Center of Excellence in Endoscopy	Khobar, Riyadh	
Center of Excellence in Orthopedic Surgery	Khobar, Jubail	
Center of Excellence in Minimally Invasive Gynecology	Khobar, Riyadh, Dammam	
Center of Excellence in Minimally Invasive Surgery	Khobar, Dammam	
Center of Excellence in Urology	Dammam, Jubail	



7- Challenges and Opportunities

Mouwasat is navigating a challenging healthcare landscape filled with significant hurdles. These include managing an expanding network of hospitals and centers, adhering to global quality standards and Saudization requirements in a fiercely competitive job market, and dealing with pricing pressures while keeping pace with rapid technological changes. To maintain its competitive advantage, the Company needs to come up with innovative strategic solutions. By identifying these challenges and transforming them into opportunities, Mouwasat is not only solidifying its leadership but also enhancing its business sustainability, all while reinforcing its long-term value as a trusted name in the healthcare industry.



Available Opportunities

Expanding within and outside the Kingdom in accordance with the strategic plan.

Enhancing patient satisfaction through personalized care and continuous home follow-ups.

Developing virtual consultation platforms as alternatives to in-person visits.

Expanding research collaboration with universities, centers, and regulatory bodies.

Promoting multi-disciplinary studies to support innovation and improve public health.

Saudization of health competencies through fellowships, training, and continuous education.

Raising operational efficiency and expanding environmental sustainability programs for branches.

Improving cleaning and sterilization services using modern robots.

Expanding in robotics and automation, while digitally enhancing the supply chain.

Accrediting the Clinical Pharmacy Diploma by the American body.

Aligning with the Health Insurance Program to implement the Diagnosis-Related Group (DRG) plan.

Investing in community pharmacies and increasing cash sales.

Implementing Smart Pharmacy projects at Jeddah and Yanbu hospitals.

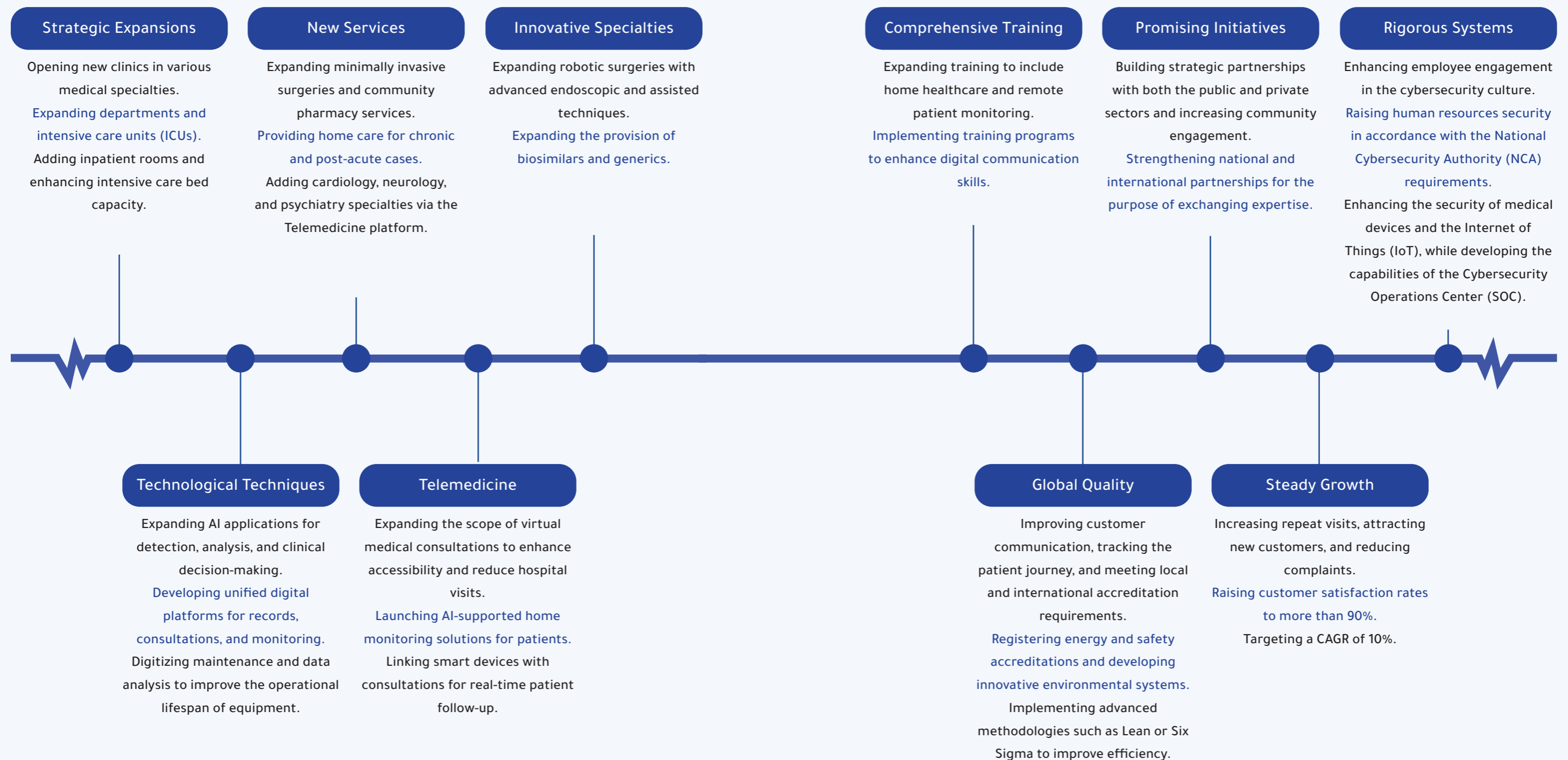
Reducing costs through energy efficiency, smart technologies, and international accreditations.



8- Future Goals and Aspirations

Mouwasat is on an exciting strategic journey, driven by a clear vision that aims to elevate the quality of care and make innovative services more accessible. The Company is investing heavily in smart technologies, nurturing workforce, and broadening specialized services to ensure lasting value and strengthen its role as a vital contributor to health and quality of life in the region.

Post-Growth Aspirations



9- Risk Management

The healthcare industry is often seen as one of the most crucial sectors, marked by its fast-paced nature and various sources of risk. For Mouwasat, staying at the forefront and achieving sustainable growth hinges on having a thorough and precise grasp of the key risks involved.

Risk Management Framework

Structure:

The Company follows an integrated model that aligns with the best international practices and standards.

Objective:

Identifying and assessing potential risks and developing effective strategies to mitigate them, ensuring the achievement of the highest levels of efficiency.

Risk Governance

Mouwasat adopts a proactive approach to risk governance based on five pillars, to ensure they are addressed effectively through the implementation of the following procedures:



Effective Participation

Ensuring the involvement of all departments and the Audit Committee in risk management.



Dynamic Implementation

Addressing challenges and potential risks in a proactive manner.



Qualifying and Developing Cadres

Developing the workforce and creating an attractive work environment that helps reduce employee turnover rates.



Continuous Support

Supporting human resources and ensuring that future expansion plans are not affected.

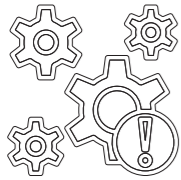
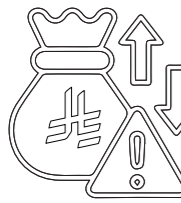
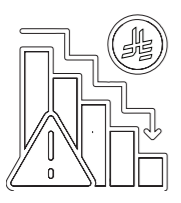





Building Strategic Relationships

Maintaining continuous communication with all relevant parties, such as insurance companies and health insurance councils, among others.



Key Risks

Category	Description	Risk Management Policy
 <p>Operational Risks</p>	<ul style="list-style-type: none"> Deficiency in clinical operation efficiency, staffing levels, and equipment failures. Delays in care delivery due to electronic system issues or procedural challenges. 	<ul style="list-style-type: none"> Conducting periodic reviews of medical operations and providing continuous training for medical and administrative staff. Carrying out regular testing of medical equipment and developing plans to deal with emergencies and resource shortages.
 <p>Financial and Economic Risks</p>	<ul style="list-style-type: none"> Fluctuations in the costs of medicines and medical supplies, and rising operating costs. Delays in settling invoices from direct contracts and insurance companies. 	<ul style="list-style-type: none"> Preparing flexible budgets and adopting cost-management techniques, such as bulk purchasing of medicines and medical supplies. Enhancing collections by closely following up on patient and insurance receivables. Collaborating with insurance companies to ensure timely receipt of payments.
 <p>Market Risks</p>	<ul style="list-style-type: none"> Entrance of competing hospitals and changes in patient needs. Decline in patient volume due to price or service competition. 	<ul style="list-style-type: none"> Conducting market studies to understand patient needs and market trends. Improving the quality of medical services and expanding the range of medical and marketing offerings.

Category	Description	Risk Management Policy
 <p>Regulatory Risks</p>	<ul style="list-style-type: none"> Non-compliance with health regulations, and concerns over the imposition of sanctions or fines. Failure to renew accreditations, and sudden changes in health policies or labor regulations. 	<ul style="list-style-type: none"> Conducting periodic reviews of local and international healthcare systems and obtaining accreditations. Training employees on the latest compliance laws and legal requirements in the healthcare field. Establishing partnerships with legal advisors to ensure alignment with all regulations.
 <p>Cybersecurity Risks</p>	<ul style="list-style-type: none"> Patient data breaches. Cyberattacks. Loss or leakage of medical information. 	<ul style="list-style-type: none"> Enhancing cybersecurity by using advanced encryption systems to protect medical data and conducting periodic cybersecurity tests. Training employees on handling sensitive data and applying security precautions.
 <p>Geopolitical Risks</p>	<ul style="list-style-type: none"> Political changes and unrest that affect stability in certain regions. 	<ul style="list-style-type: none"> Diversifying geographic locations to reduce dependence on a single region or market. Monitoring the political situation and developing contingency plans to address any regional unrest.



Section (3)

Operational Performance

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1- Overview of the Saudi Medical Sector

Today, Saudi Arabia is poised at a pivotal moment in its healthcare journey. With an ambitious vision, the Kingdom is transforming the health sector from a basic operational framework into a sophisticated digital system. The outlook for this sector, driven by Saudi Vision 2030 objectives and the National

Transformation Program (NTP), underscores the importance of technical innovation, resource sustainability, and enhanced patient experience. This evolution is creating exciting investment opportunities in advanced AI-powered technologies.



Qualitative Transformation of the Sector in 2025

The healthcare landscape in the Kingdom is experiencing an unprecedented qualitative leap, thanks to government investments that amount to a staggering SAR 260 billion in the 2025 budget, along with an additional SAR 259 billion set aside for 2026. This move clearly highlights the priority of this pivotal sector within the Kingdom's national development goals. Over the past year, the sector saw some significant milestones, including Jeddah being recognized as the largest "Healthy City" in the Middle East, boasting a population of over one million, followed closely by Madinah, as classified by the World Health Organization (WHO). This reflects the institutional progress achieved in enhancing community healthcare. On the digital services front, there has been a significant expansion in "Seha Virtual Hospital" (SVH),

which now covers 44 primary medical specialties and 71 sub-specialties. This impressive network connects 232 hospitals throughout the Kingdom and has added 1,700 new beds across five hospitals in various regions. Furthermore, the percentage of the population served by primary care has climbed to 97.4%, while the death rate from chronic diseases has dropped to 366 cases per 100,000 people. On top of that, 90.4% of emergency patients are now receiving the care they require. These reforms have had a direct impact on quality of life and public health indicators, with the average life expectancy in the Kingdom rising from 74 years in 2016 to around 79.7 years in 2025, approaching the target of 80 years, in line with Saudi Vision 2030, in a clear indication of improved public health and enhanced citizen well-being.



Average Life Expectancy in the Kingdom



Sector Future Growth Prospects

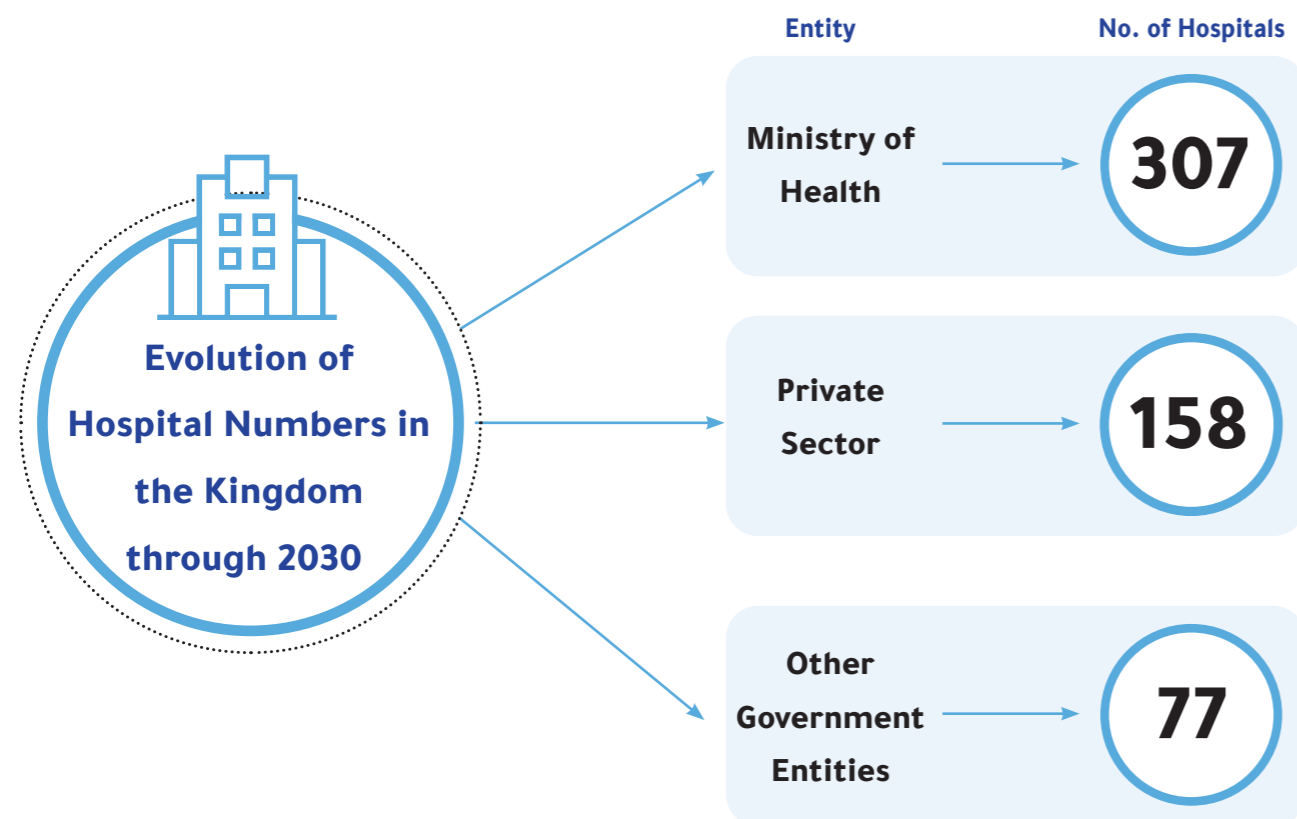
There are promising growth prospects for the healthcare sector in the Kingdom, driven by strategic government investments and the expansion of private companies. Estimates show that from 2026 to 2030, the number of hospitals rose significantly, reaching a total of 542. This includes 307 hospitals managed by the Ministry of Health, 158 in the private sector, and 77 from other government entities. Additionally, the number of medical centers is projected to hit around 2,004 by 2030, with an expected compound annual growth rate (CAGR) of 1%, according to "Mashroo3k" platform.

The expected population growth of 1.1% from 2024 to 2030 is set to be a major factor driving the demand for health services. This is coupled with the rapid aging of the population, as the number of individuals over 65 is increasing at a remarkable CAGR of 13.5%. Furthermore, the rise in lifestyle-related diseases, as

highlighted by research from Aljazira Capital, is also contributing to this trend.

In addition, the demand is clearly shown by the booming tourism sector, with the Kingdom welcoming 116 million visitors in 2024. There are even projections indicating that the Saudi Vision 2030 objective of 150 million visitors will be reached sooner than expected. This surge not only helps optimize capacity utilization but also boosts the average life expectancy from 75 to 80 years.

Under the umbrella of Saudi Vision 2030, the Health Sector Transformation Program (HSTP) is taking the lead in enhancing the private sector's role in healthcare. The aim is to increase private spending from 25% to 35% by 2030, which aligns with the broader strategy of diversifying funding sources and achieving a sustainable health sector.



Competitiveness and Investment in the Sector

Aljazira Capital's research shows that the private healthcare sector in the Kingdom is quite competitive and well-coordinated. In fact, the four largest listed companies make up about 70% of the total bed capacity in this sector. As a result, the studies predict that profits in this area will see a notable boost over the next two to three years, thanks to increased usage and a rise in insurance-related business. Interestingly, around one-third of the new production capacity is

already up and running.

Recent forecasts indicate that the sector is moving in the right direction, with an expected CAGR of 7.21% in profits over the next five years. This positive outlook is driven by recent expansions, a growing number of patients, and overall improvements in operational metrics. These factors not only enhance the sustainability of growth but also highlight the strength of the sector's operational fundamentals.

Mouwasat... Strong Financial Performance and Promising Outlook

Mouwasat continues to receive increasingly positive sentiment from investment banks and research firms. In their reports released throughout 2025, such banks and research firms all agreed that the Company shows strong solvency and has what it takes to deliver sustainable returns for its shareholders. The Company's target share price has been set at SAR 90, thanks to impressive financial performance, ambitious plans for geographical expansion, and the launch of new medical

facilities in strategic locations.

Research firms are highlighting Mouwasat's share as a major investment opportunity, anticipating a CAGR of up to 10% in revenues from 2024 to 2028. This potential makes the Company's share a popular choice among financial institutions looking for investment prospects in the Saudi health sector, which is experiencing significant changes in line with Saudi Vision 2030 objectives.



2- Operational Performance

The operational performance of Mouwasat relies on a precise methodology that balances the expansion of human and technical capabilities with strict commitment to the highest standards of medical and

administrative governance. This focus on increasing the efficiency of daily operations has enabled the Company to exceed established operational targets and set new, more ambitious goals.

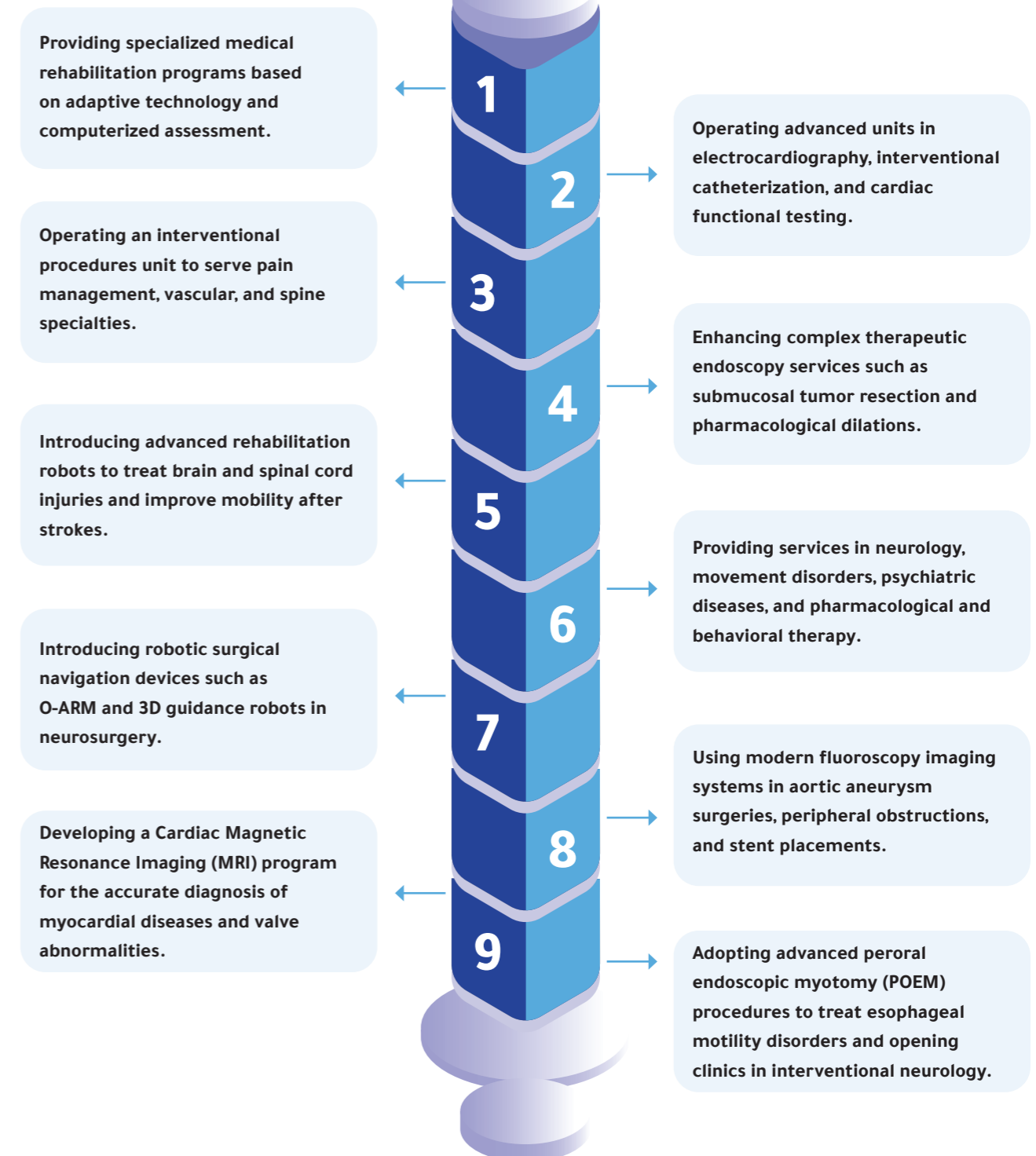
2-1 Hospitals

Throughout 2025, Mouwasat had firmly established itself as the largest integrated medical network in the Kingdom, thanks to an ambitious strategy focused on geographic expansion and increasing the capacity of current facilities to cater to the growing need for specialized services. Alongside this, the Company shared plans to build new world-class medical landmarks in six targeted cities, with investments projected to be about SAR 5 billion, marking a significant upgrade to

the Company's operational asset portfolio. Additionally, the Company's efforts extended to developing its medical services portfolio by introducing precision therapeutic specialties and localizing the latest international protocols, ensuring the provision of integrated health solutions and placing the Company's hospitals at the forefront of medical facilities that provide patients with the best of modern medicine.

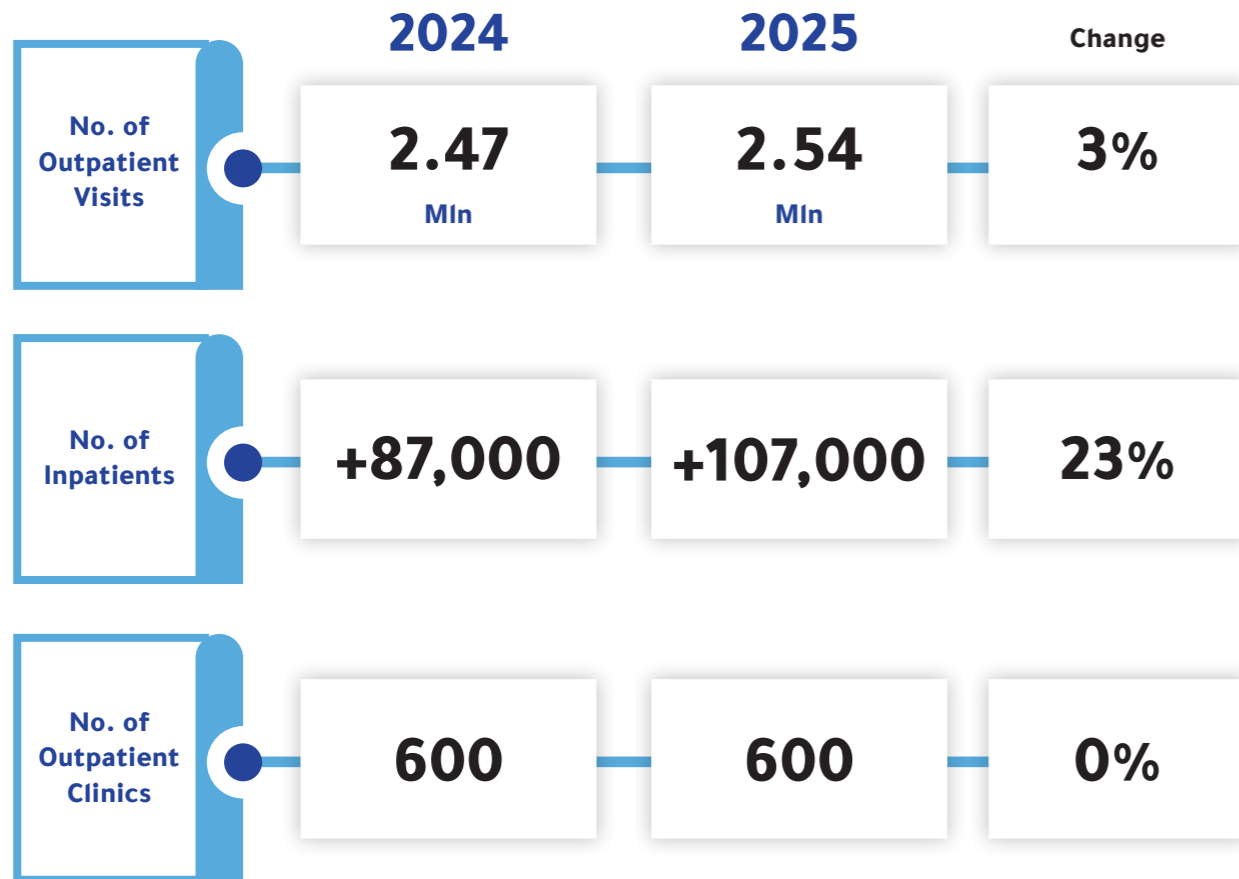


High-Quality Services



Sustainable Operational Growth

In 2025, Mouwasat hospitals saw a qualitative leap in their operational performance. The Group effectively boosted hospital capacity by maximizing the use of new expansions. Investments of SAR 750 million were injected into these developments, with plans to raise that amount to SAR 1.3 billion in 2026.



Improving Patient Experience

Mouwasat places a high value on enhancing the patient experience, considering it a key element of its sustainable operational model. The Company follows a "patient-centered care" approach that ensures patients enjoy the utmost comfort and privacy throughout their treatment journey. At the same time, Mouwasat is making strides in digital transformation by implementing advanced technological systems that improve service access, minimize waiting times, and elevate communication quality. In addition, the Company is committed to regularly gauging satisfaction levels and adhering to international safety standards, all while continuously expanding medical services and introducing new specialties.



- Increasing the number of employees in departments that receive patients directly.
- Adopting AI-powered diagnostic imaging technologies.
- Establishing specialized blood collection units to reduce patient waiting times.
- Relocating and modernizing clinical laboratories, equipped with the latest diagnostic technologies.
- Opening a number of affiliated centers in various specialties and outpatient clinics.
- Enhancing clinical quality by developing updated protocols and unifying procedures.
- Launching neonatal genetic and metabolic screening programs to support the early diagnosis of hereditary and congenital diseases.
- Implementing specialized training programs in Basic Life Support (BLS), Advanced Cardiac Life Support (ACLS), and Advanced Trauma Life Support (ATLS).

Looking Ahead

The Company is looking ahead to a future filled with promise, fueled by innovation and sustainable growth. A major priority is to broaden the applications of artificial intelligence to aid early disease detection, predictive analytics, and clinical decision-making, offering doctors precise and timely diagnostic insights. Furthermore, Mouwasat is investing in cutting-edge robotic rehabilitation systems, enhancing its technological infrastructure, and increasing the number of certified physicians for digital consultations to ensure secure, user-friendly patient interactions.

As part of its plans to expand geographically, Mouwasat is actively working on building new hospitals and upgrading existing ones. The Company is also rolling out specialized services to tackle complex diseases, which opens up more avenues for earning prestigious international accreditations. To support this ecosystem, Mouwasat is investing in its workforce by ramping up training programs and attracting top talent from around the globe, all to provide cutting-edge healthcare that meets the highest standards of quality and excellence.

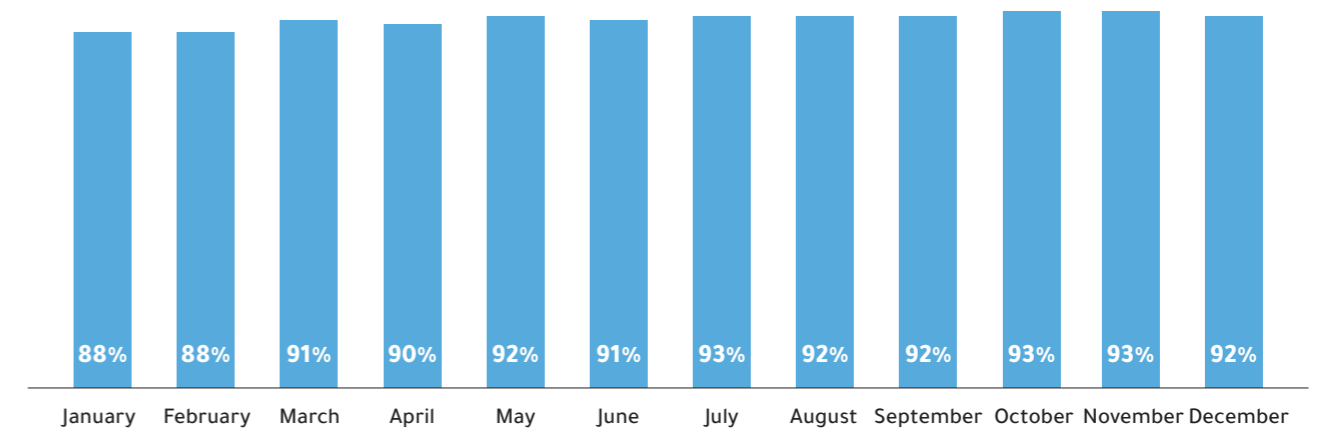


2-2 Pharmacies

The pharmacy ecosystem in Mouwasat Hospitals Group is one of the main drivers of business growth, as it continues to enhance its operational and financial performance by adopting a strategy based on innovation and expansion. The pharmacy divisions achieved sustainable revenue growth during 2025 by 8%, reaching SAR 487 million, compared to SAR 451.17 million in the previous year. Furthermore, the customer base grew supported by continuous investment in advanced robotic systems such as "Pyxis" for medication dispensing.

Mouwasat places great importance on the development of its pharmaceutical staff by organizing ongoing scientific lectures and seminars to enable pharmacists to keep pace with the latest protocols. This was reflected in the rise of the customer satisfaction rate to 87%, exceeding 90% regarding medication education efforts. Additionally, the average prescription value rose by 10% above the target in 2025, reflecting the system's success in achieving operational excellence and elevating the quality of services.

Evolution of Patient Medication Awareness Rate in 2025



Achievements and Targets

During 2025, Mouwasat pharmacies continued to solidify their leadership by achieving qualitative leaps in automation and digital transformation, which enhanced operational performance accuracy and

ensured the highest safety standards. These efforts were reflected in tangible achievements that confirm the Company's commitment to innovation and sustainable excellence.

Reducing medication shortage rates by adopting technologies such as artificial intelligence.

Increasing the sales of medications and pharmaceutical products by 8%.

Passing the Saudi Commission for Health Specialties' (SCFHS) re-evaluation of the residency program for the Clinical Pharmacy Diploma.

Actively participating in the National Antimicrobial Stewardship (AMS) Program in collaboration with "Weqaya".



Achieving Saudization targets of over 65% in the pharmacy sector.

Reducing medication rejection rates to a minimum and automating the electronic linking of medical prescriptions.

Electronically linking patient medical records with "Raqeeb" system for prescribing and dispensing narcotic medications.

Graduating the first cohort of students from the Clinical Pharmacy Diploma accredited by the Saudi Commission for Health Specialties (SCFHS).

Our Targets for 2026



Increasing the customer satisfaction rate to over 90%.

Participating in alignment with the Council of Health Insurance (CHI) program to implement the Diagnosis Related Group (DRG) plan.

Investing in community pharmacies, expanding the sale of cosmetic products, and increasing the cash sales percentage.

Providing more options for medical and cosmetic supplies.

Investing further in medication delivery and refill services for chronic disease patients.

Obtaining accreditation for the Clinical Pharmacy Diploma Program from the American Society of Health-System Pharmacists (ASHP).



Digital Services Integration

In 2025, Mouwasat hospitals made significant strides in enhancing robotic pharmacy systems, which played a key role in streamlining the medication dispensing process, even as patient numbers continued to rise. The automated dispensing application provided access to medication information in over 20 languages and offered digital services for requesting and refilling medications for chronic diseases.

Building on the smart pharmacy projects already in

place at hospitals in Khobar, Dammam, Jubail, and Madinah, preparations are now in full swing to roll out these systems in Mouwasat Hospital in Jeddah and Mouwasat Hospital in Yanbu Industrial City. This entire ecosystem will be further strengthened through technical integration with the Drug Track and Trace System (RSD) from the Saudi Food and Drug Authority (SFDA), ensuring top-notch oversight and reliability throughout all pharmaceutical operations.

Scientific Research and Innovation

Mouwasat continues to establish itself as a premier center for research and innovation. In 2025, the Company witnessed some key strategic developments, beginning with the renewal of the Local Committee for Medical Research Ethics registration last September, which was approved by the National Committee of Bioethics (NCBE) at King Abdulaziz City for Science and Technology (KACST). To further enhance its impact, the Committee has been restructured to include a group of experienced consultants, along with specialized representatives in each branch. This move is aimed at strengthening the institution's support for scientific research.

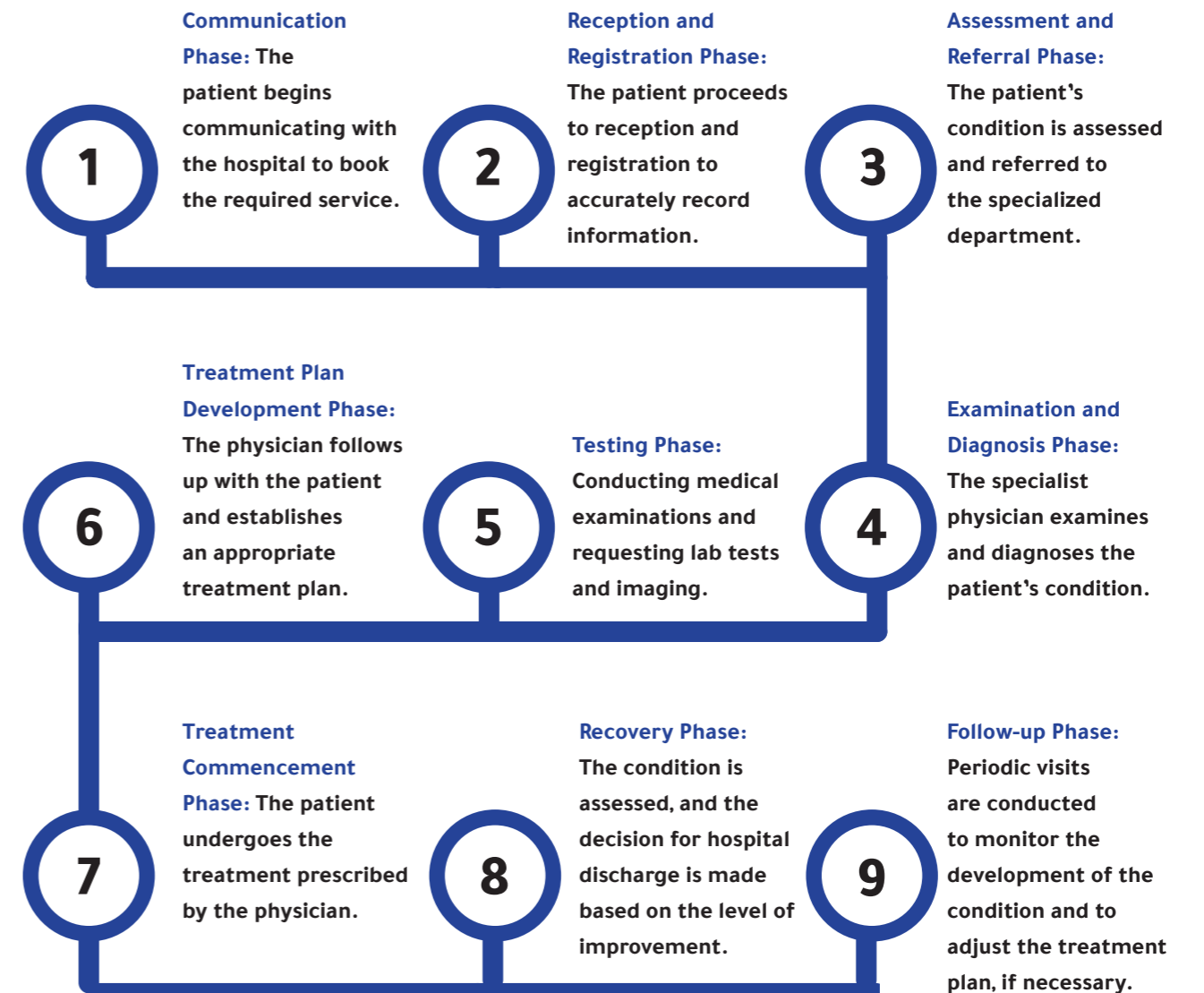
This stimulating regulatory environment has led to extensive research activity, as the number of research projects reviewed and evaluated by the NCBE reached 141 proposals and scientific studies from its establishment to date; 86 of these received final approval for publication in prestigious scientific journals and periodicals. This brings the total number of research papers published by researchers affiliated with the Company, both current and former, to approximately 763, confirming the Group's vital role in enriching scientific medical content and contributing to the development of global treatment protocols.



2-3 Work Phases

Mouwasat hospitals adopt an integrated work methodology to ensure the highest standards of quality for patients. The Company's work stages stem from a clear vision to guarantee a safe and effective treatment journey for every patient, and are as follows:

Clinical Excellence Journey



3- Quality Assurance and Control

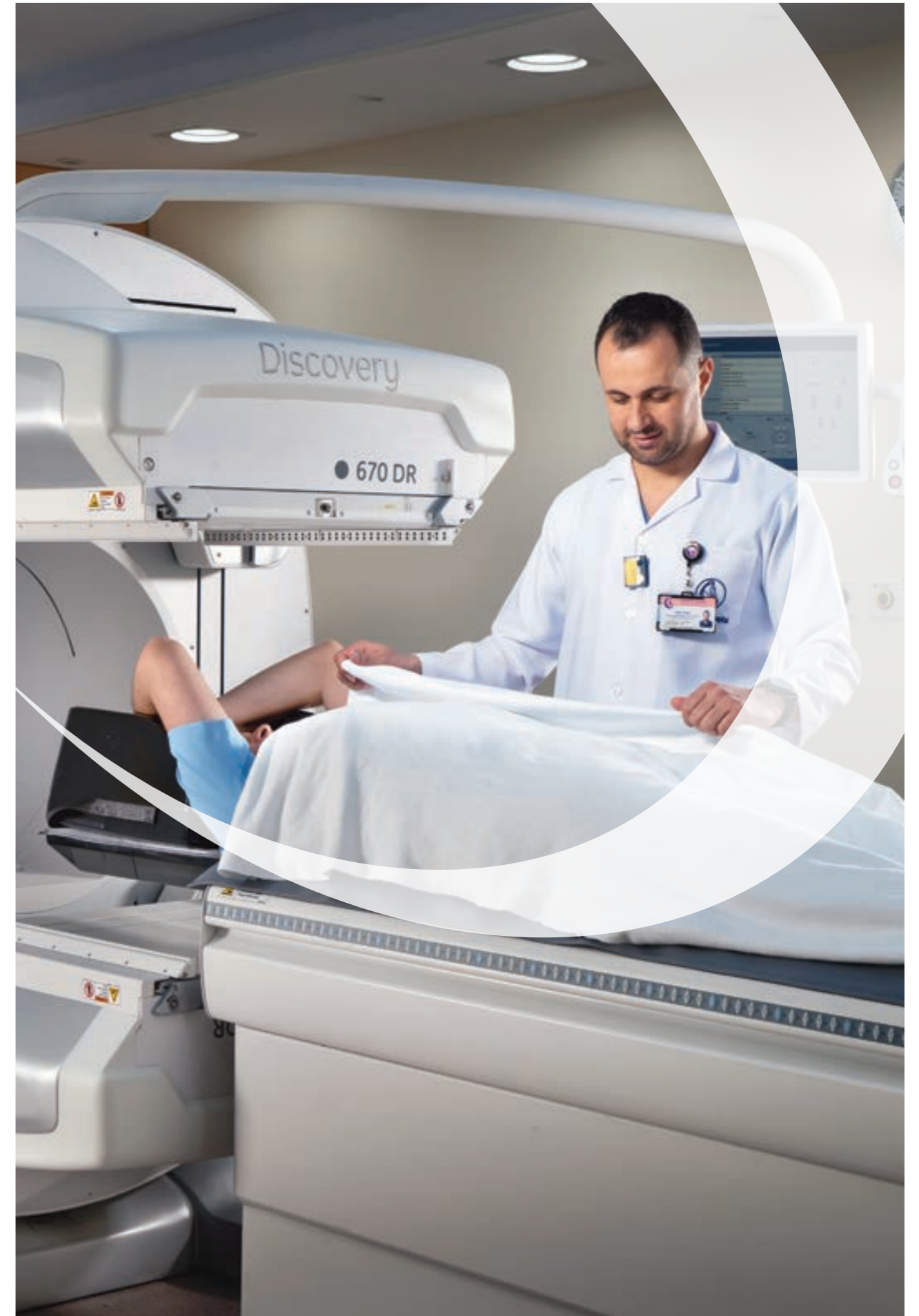
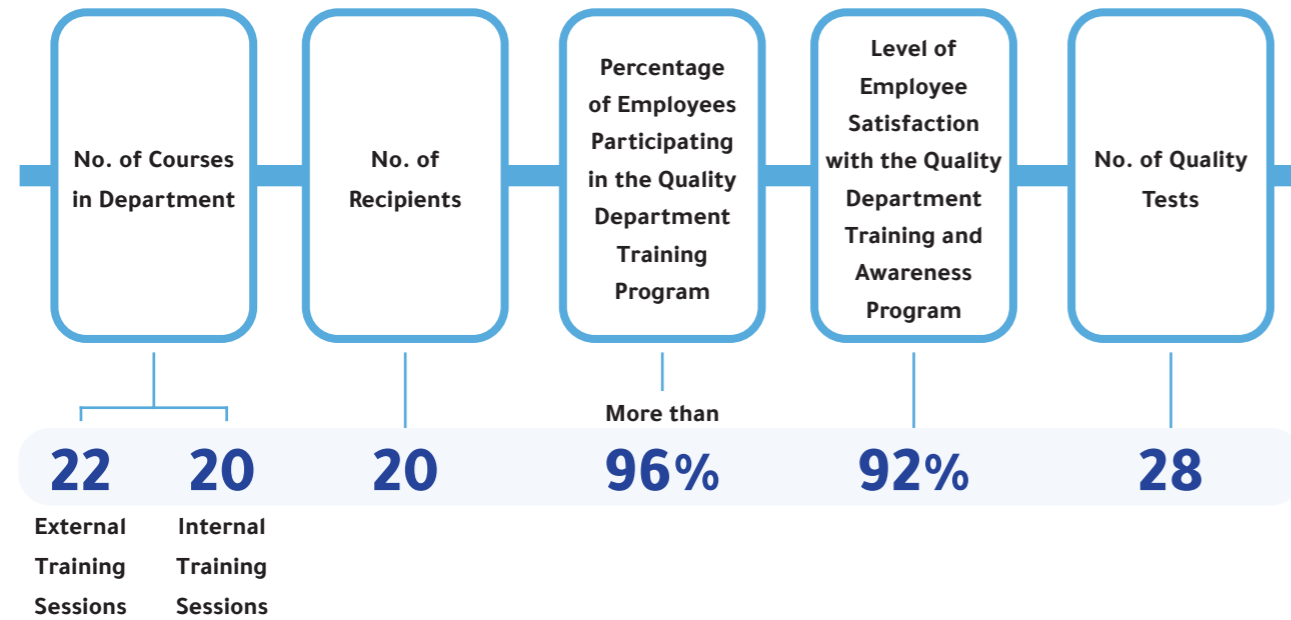
Mouwasat prioritizes quality assurance and oversight as key elements of its strategic goals, recognizing them as essential for delivering safe and dependable healthcare. To achieve this, the Company implements updated and standardized clinical protocols across all its facilities, while also utilizing digital oversight tools and performing regular audits to ensure compliance with the highest professional standards. The quality strategy for 2025 focused on spearheading digital transformation through the development of the "Datix" systems and leveraging artificial intelligence

(AI) for data analysis. This approach was fully aligned with national requirements like the Minimum Data Set (MDS) and Diagnosis-Related Groups (DRG). Additionally, the Company bolstered its strategic partnerships with regulatory bodies, such as the Ministry of Health, the Center for National Health Insurance (CNHI), and the Saudi Patient Safety Center (SPSC), to strengthen clinical governance and improve patient safety, all while adhering to international best practices.

3-1 Key Figures in Quality Assurance

Mouwasat is dedicated to ensuring that all its employees are qualified through the latest quality programs and systems, which helps deliver accurate and professional healthcare. This commitment involves training staff on updated protocols that align with international

standards, as well as conducting regular quality tests and implementing continuous oversight and auditing tools to maintain the highest levels of efficiency and compliance.



3-2 Information on ISO Certifications Obtained by

Mouwasat

During 2025, the Company successfully renewed the ISO 22000 Food Safety Management System (FSMS) certification for all its affiliated hospitals, reflecting the efficiency of the internal control systems adopted by the Group and its commitment to the highest standards of safety and quality. Mouwasat also implemented a series of improvements to quality measurement mechanisms during the year, which enhanced the accuracy of operational indicators and raised the level of compliance and reliability across all its facilities.

Quality Improvements during 2025



Ongoing Quality Assurance Projects

Mouwasat is implementing a range of crucial quality assurance initiatives aimed at building a strong culture of professional safety and reinforcing its dedication to high standards. The goal is to unify performance benchmarks across all its facilities, guaranteeing top-notch efficiency and reliability.

1 - Mouwasat Hospital in Riyadh

Enhancing the Emergency Department Efficiency

The project was implemented according to FOCUS-PDCA methodologies, Lean Management, and Process Flow analysis, resulting in qualitative outcomes. Most notably, an increase in the admission rate, equivalent to a monthly increase of 200 additional inpatients. Furthermore, the consultation rate rose to 30%, patient flow improved, and satisfaction levels reached 85%. Meanwhile, clinical protocols were unified and diagnostic times were reduced to under 30 minutes for radiology and under 45 minutes for the laboratory services.

Accelerating the Revenue Cycle and Controlling Insurance Claim Losses

The project was implemented according to the Six Sigma (DMAIC) methodology to raise the completion rate of medical service reports required for insurance claims from 58% to 97%, leading to a reduction in claims threatened by rejection on a monthly basis.

Excellence in Inpatient Consultations

The project was implemented according to FOCUS-PDCA methodologies and root cause analysis over four months from May to August 2025. It achieved outstanding results, including raising the consultation response rate to 90% and reducing the average response time by more than 73% to less than 8 hours, in addition to decreasing patient safety risks by over 50%.

2 - Mouwasat Hospital in Madinah

Improving Discharge Against Medical Advice (DAMA) Rate in the Emergency Department

The project succeeded in reducing the Discharge Against Medical Advice (DAMA) rate in the Emergency Department from 3.48% in Q1 2024 to 0.44% in Q3 2025, representing a decrease of 87.4%.

3 - Mouwasat Hospital in Jubail

Improving the Efficiency and Effectiveness of Pre-Booking in Outpatient Clinics

The project succeeded in addressing the 37% decrease in booked appointments by implementing a set of effective measures.

Improving Hospital Laboratory Services and Patient Satisfaction

The project aimed to develop the work environment within the laboratory, increase capacity, and expand the number of sample collection rooms to 12. The measures included expanding the space and upgrading equipment, in addition to establishing an independent sample collection area and installing an automated archiving device in accordance with the College of American Pathologists (CAP) standards. These efforts were reflected in a higher service level and an increase in patient satisfaction to 86.3%.

4 - Mouwasat Hospital in Khobar

Improving the Inventory Management System

The project aimed to enhance operational efficiency, reduce costs, limit waste, and improve revenues by integrating the Enterprise Resource Planning (ERP) system with the application of quality and continuous improvement methodologies, such as the Plan-Do-Check-Act (PDCA) cycle, and analytical tools like ABC-VED Analysis.

Improving the Efficiency of Operating Room Utilization and the Profitability of Robotic Surgery

The project achieved profitability and recorded growth of more than 30% in total case volume and approximately 27.5% in major and delicate surgical procedures. In addition, the post-operative complication rate decreased to 0.3%, while patient satisfaction witnessed a notable leap, reaching 89%. The project aims to maintain this performance by expanding specialties, attracting top talent, and enhancing continuous quality monitoring to ensure the sustainability of medical excellence.

5 - Mouwasat Hospital in Qatif

Improving the Length of Stay

The project focuses on improving the bed turnover rate and reducing the length of stay with the aim of increasing hospital efficiency and lowering costs, relying on the case management methodology. The results led to a 15% decrease in the average length of stay and a 20% increase in monthly case admissions.

Improving the Efficiency of Operating Room Utilization

The implementation strategy included analyzing the reasons for surgical cancellations and rescheduling them to align with the workflow of the outpatient clinics, alongside providing a set of pre-prepared surgical instrument sets. These measures resulted in raising the operating room utilization rate and increasing the number of surgeries completed monthly by 20%.

6 - Mouwasat Hospital in Dammam

Improving the Bed Turnover Rate

The continuous quality improvement methodology was implemented with the participation of the medical, nursing, and administrative departments, and the project resulted in tangible outcomes, most notably an increase in the bed turnover rate in the inpatient departments from 8.07 to 9.53, an 18.1% improvement.

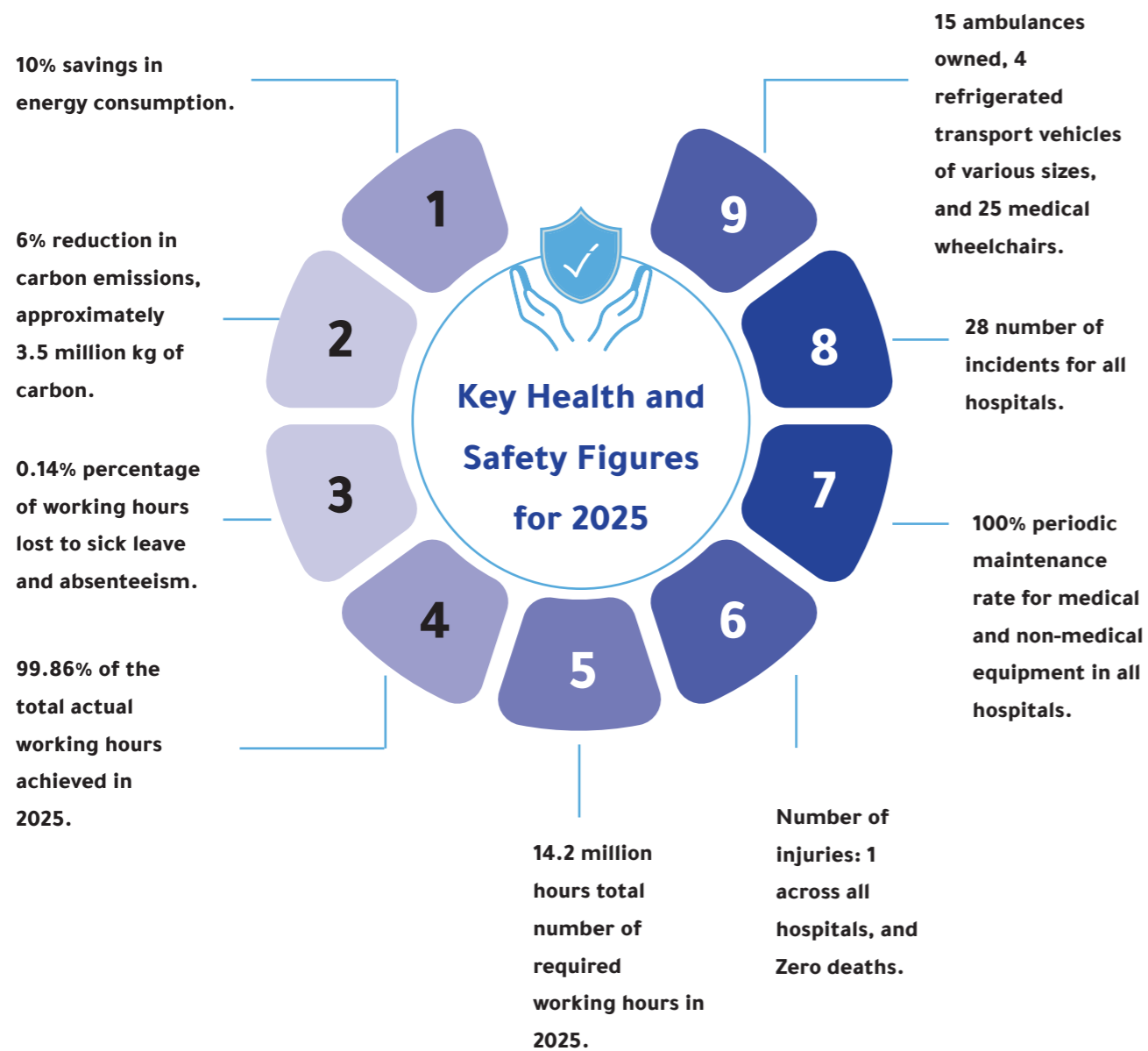
Reducing Hospital-Acquired Incident Rates

A project was implemented in cooperation with Johns Hopkins Aramco Healthcare (JHAH) with the goal of achieving zero harm from hospital-acquired incidents, relying on the Failure Modes and Effects Analysis (FMEA) and Plan-Do-Study-Act (PDSA) methodologies. It yielded outstanding results, including a reduction in the fall rate to 0.09 per 1,000 patient days and a decrease in the pressure sores rate to 0.03.

3-3 Environmental Health and Safety (EHS)

Mouwasat is genuinely proud of its strong commitment to upholding the highest standards in Environmental Health and Safety (EHS). At the heart of its operations lies a focus on resource sustainability and protecting the well-being of people. To support this mission, the Company implements strict policies aimed at optimizing energy use across its facilities, which

helps minimize environmental impact while boosting overall efficiency. Additionally, Mouwasat places a high value on training and developing its staff through specialized programs that cover advanced health and safety practices, ensuring a safe workplace that meets international standards.



4- Human Resources and Recruitment

Mouwasat holds the view that its human resources are the essential foundation for achieving excellence and enhancing the quality of healthcare. As such, the Company aims to attract the finest medical and administrative talent while creating a motivating work environment that fosters innovation and professional development. In 2025, the Human Resources Department accomplished significant goals, such as improving strategic workforce planning, raising job stability rates, decreasing turnover, and advancing Saudization by boosting the efficiency of the national workforce.

Looking ahead to 2026, the Company is looking forward to furthering its support for expansion initiatives by prioritizing proactive workforce readiness, boosting the efficiency of digital systems, and refining performance indicators that relate to productivity and stability. The achievements of Mouwasat are rooted in the competencies of its employees, who uphold high professional standards and leverage modern technology to benefit humanity. This approach reinforces the Company's position as a well-rounded healthcare system and an attractive hub for talent in the Kingdom.

4-1 Human Resources (HR) Strategy

The Company adopts an advanced strategic vision for its human resources (HR) management, based on building a model work environment that combines professional excellence and digital innovation, while focusing on empowering employees and developing their skills to enhance the sustainability of institutional excellence.

The HR strategy is built on four core pillars that reflect the Company's commitment to raising efficiency and enhancing performance: investing in human capital, digital empowerment, promoting engagement and transparency, and compliance and alignment with the national vision.

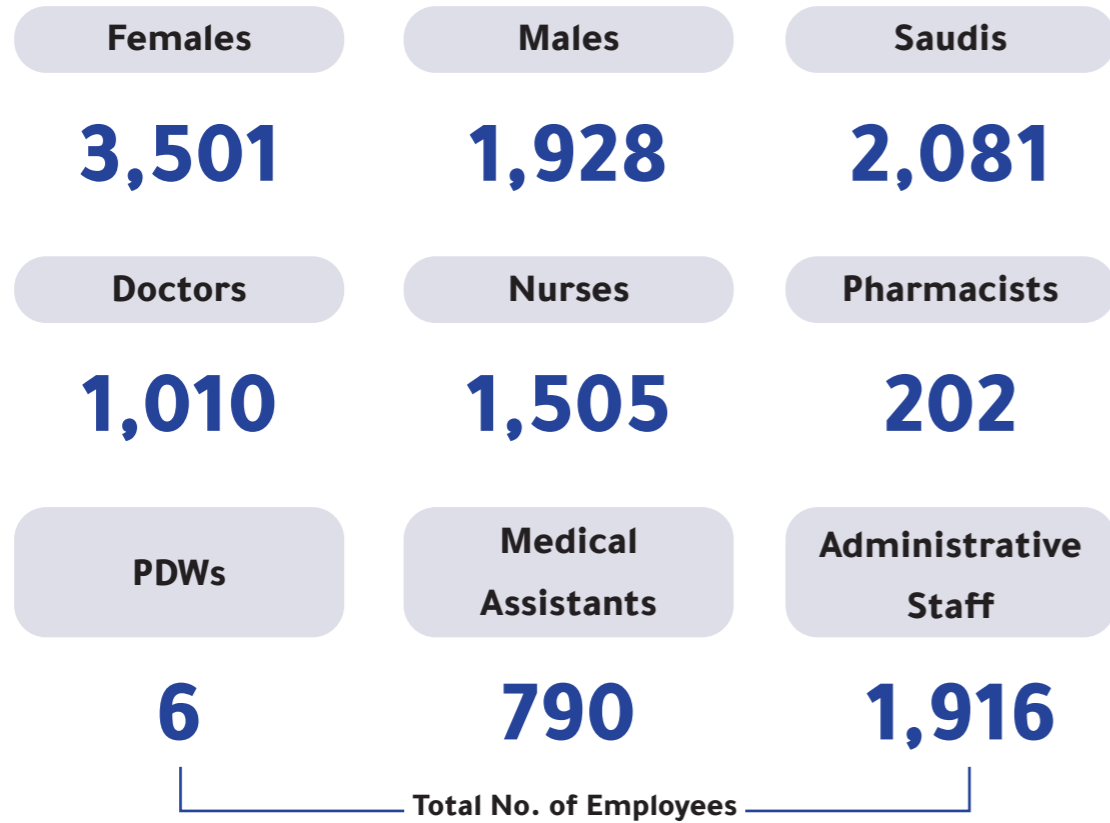
4-2 Number of Employees

During 2025, the human resources at Mouwasat witnessed a significant growth, as the number of employees rose to 5,429 compared to 4,536 in the previous year, in line with the scale of operational development the Group is experiencing. In addition, the Company plans to continue this growth in 2026 by increasing employee numbers to match its major expansion projects and the opening of its new medical facilities.

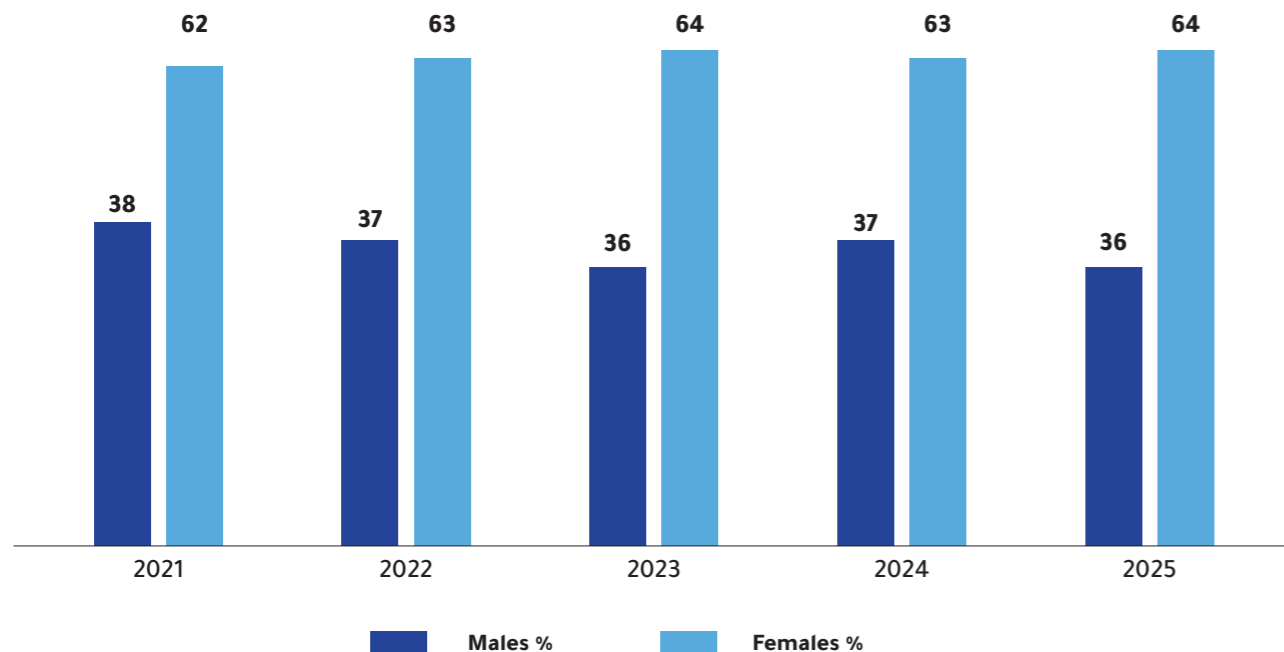
The Company places a strong emphasis on fostering diversity and inclusion within the workplace. This includes boosting the recruitment of women and empowering female talent. Mouwasat is also dedicated to creating suitable job opportunities for persons with disabilities (PWDs), ensuring they are integrated as active members of the team. This approach reflects the Company's commitment to sustainable development and enhancing corporate social responsibility (CSR).



Workforce



Evolution of the Company's Male and Female Employee Percentages over 5 Years

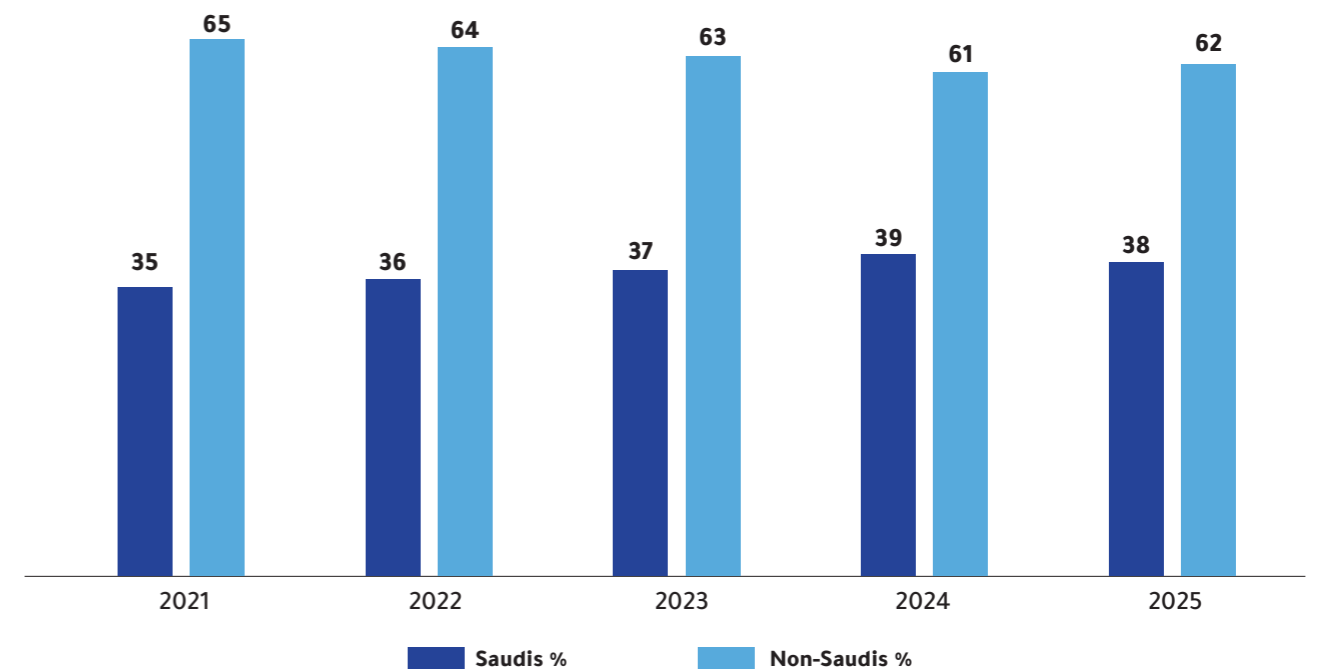


4-3 Saudization

As part of its national strategy, the Company is dedicated to internalizing talent, consistently striving to boost Saudi employment rates in a progressive and sustainable way year after year, aiming for around 38% by the end of 2025. This reflects the Company's strong commitment to supporting Saudi Vision 2030 objectives and empowering the national workforce to effectively and competently shape the future of the healthcare sector. At the same time, Mouwasat believes that achieving medical excellence hinges on fostering a diverse

knowledge environment. For this reason, the Company is eager to bring in medical and administrative talent from over 31 different nationalities. This vibrant mix not only promotes the sharing of global expertise but also facilitates the transfer of specialized knowledge between local professionals and renowned international experts. Through this approach, the Company cultivates a rich and varied workplace that empowers it to deliver healthcare aligned with international standards, reaffirming its leading position in the sector.

Evolution of the Company's Saudi and non-Saudi Employee Percentages over 5 Years



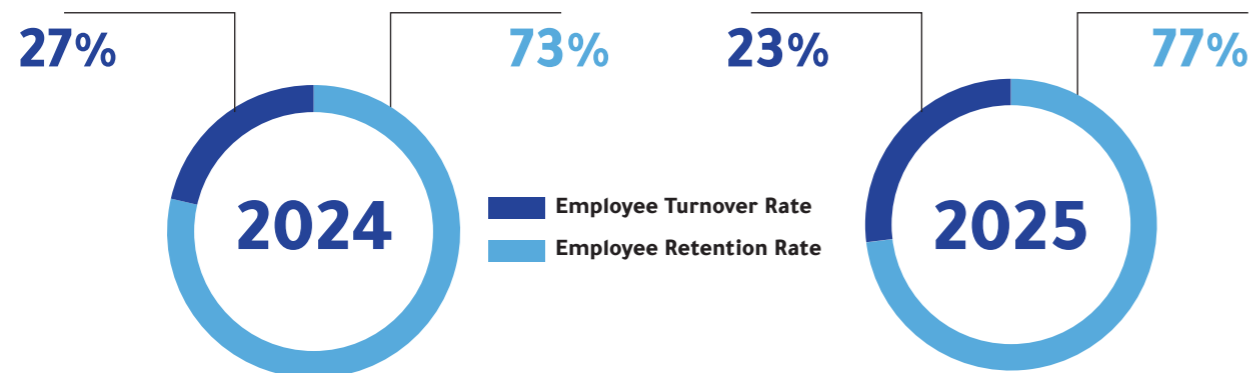
4-4 Training and Development

Mouwasat Management is keen to provide advanced and comprehensive training programs covering various aspects of work, ranging from training medical staff on the latest global technologies and supporting scientific research to keep pace with healthcare innovations, to raising the efficiency of nursing teams in handling delicate cases. During 2025, 5 training courses were organized and attended by 1,822 trainees, reflecting the Company's commitment to developing its human capabilities.

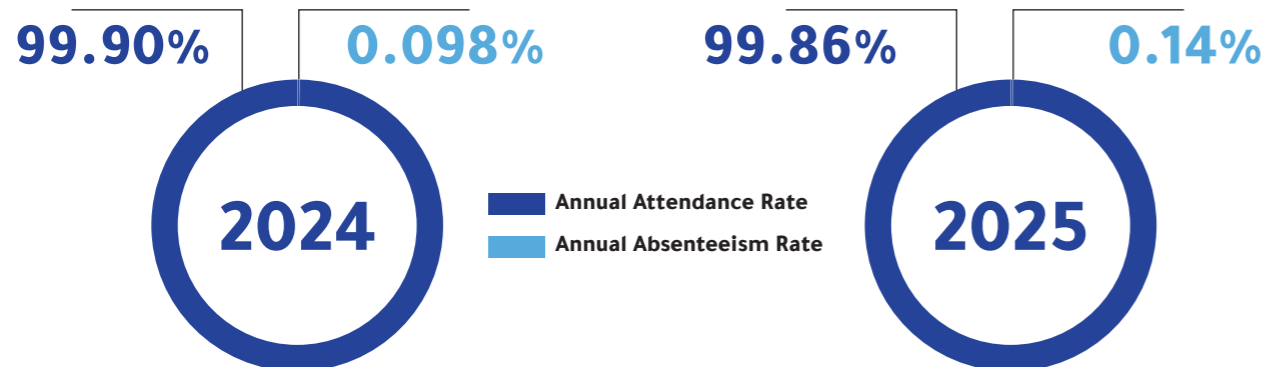
This focus extends to all employees through intensive

training in the fields of safety, cybersecurity, quality, and general hygiene standards, and promoting the effective use of resources to ensure operational sustainability. These efforts led to raising the employee retention rate to 77% by the end of 2025, compared to 73% the year before. Meanwhile, the turnover rate reached approximately 23% reflecting the Company's success in creating an integrated work environment based on knowledge and professionalism, in accordance with the highest national and international standards.

Employee Turnover and Retention Rates



Annual Attendance and Absenteeism Rate



4-5 Rewards and Incentives

Mouwasat employs an innovative incentives and rewards system as a fundamental part of its strategy to enhance the work environment and improve job performance. These incentives extend beyond just financial rewards; they also encompass moral recognition and engaging initiatives. This includes annual salary increases tied to yearly evaluations and honoring employees with titles like "Employee of the Month" and "Employee of the Quarter," all designed to nurture a competitive and positive workplace culture.

Looking ahead to 2026, the Company is focused on making the workplace more inviting and attractive by enhancing human resources governance. This will be achieved through clear and updated policies and procedures that ensure fairness and transparency in recruitment, promotions, and performance evaluations. To support these efforts, the Company tracks progress with HR Governance KPIs, aiming for the highest levels of institutional efficiency.

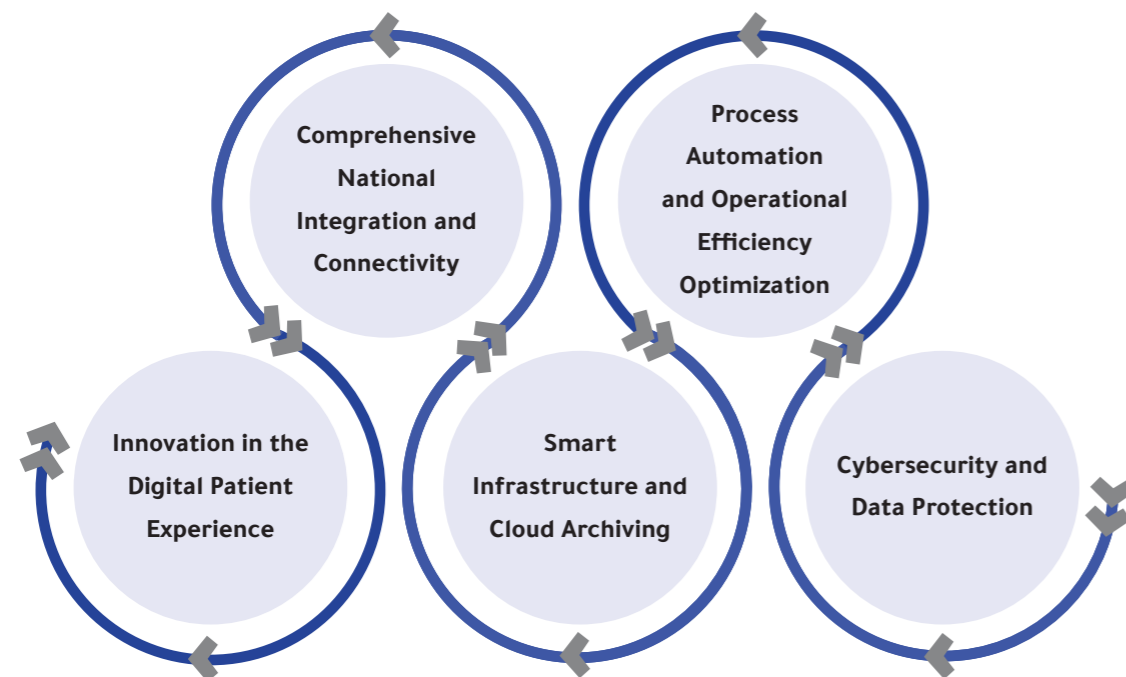


5- Business Digitalization

Mouwasat is leading the charge in digital transformation, making it a key part of its strategic goals by incorporating the latest technology to enhance services and improve efficiency. The Company has launched significant initiatives like smart pharmacies and automated medication dispensing systems across most of its branches, which have significantly reduced errors and sped up response times. On top of that, the

Company has embraced digital channels and smart apps to make the patient experience as seamless as possible, from booking appointments to receiving care, solidifying its position as a healthcare provider that keeps up with global trends. In 2025, the Company poured over SAR 40 million into electronic systems and information security, and is looking to boost that investment even further next year.

Pillars of Digitalization Strategy

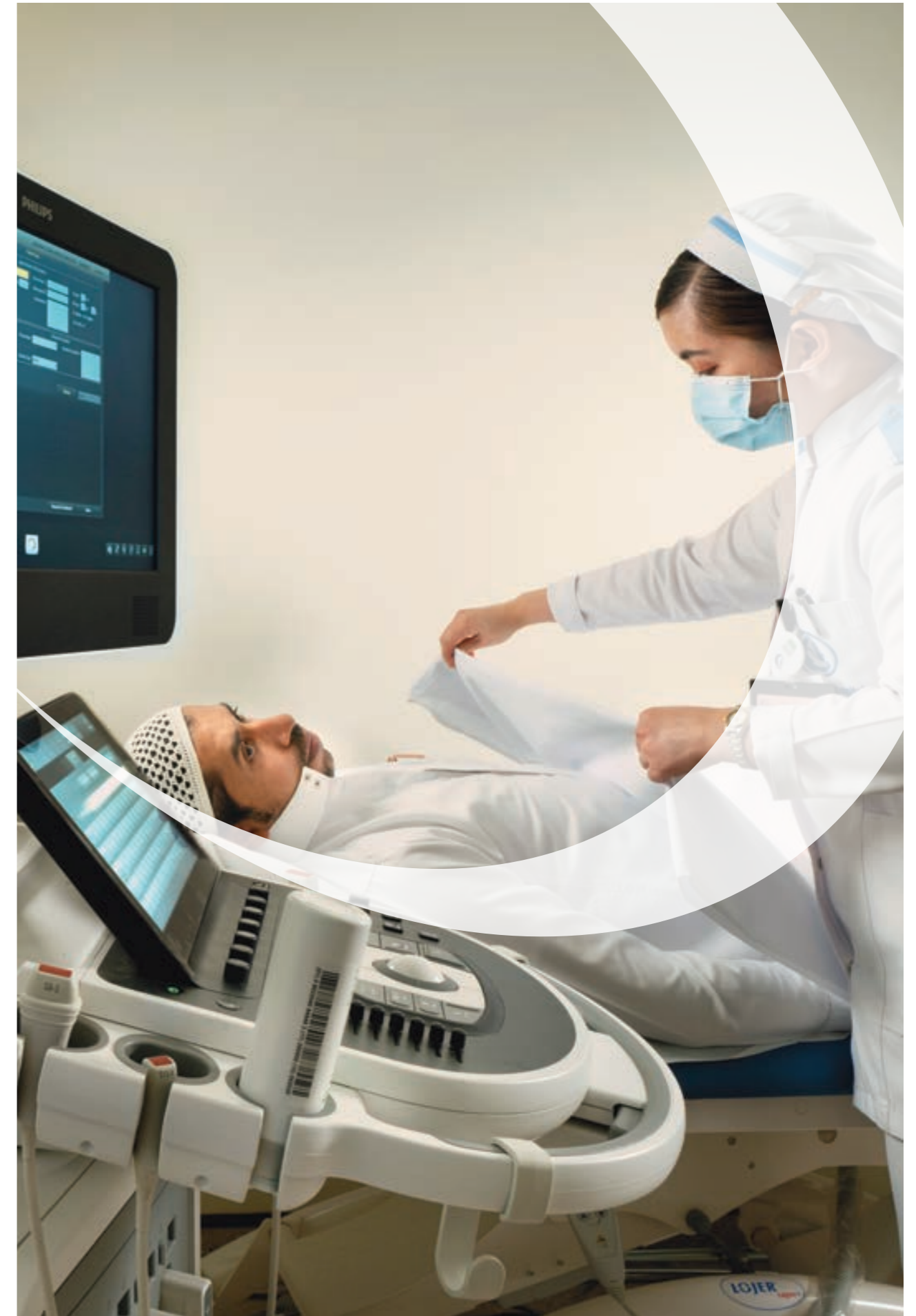


Our Digital Contributions in 2025

Mouwasat continues to strengthen its leadership in adopting cutting-edge technological solutions that contribute to enhancing the healthcare system and improving the overall experience for beneficiaries.

The year 2025 marked a significant turning point with the launch of integrated tech projects that took a big step toward institutional excellence and raised service quality to meet international benchmarks.

- 1 Development of Electronic Connectivity and National Platforms:** Updating "Nphies" platform (Levels 1 and 2) for the accurate and rapid exchange of medical, financial, and insurance information, and "Raqeeb" platform, in cooperation with the Ministry of Health, to monitor pharmaceutical prescriptions.
- 2 Infrastructure and Central Systems:** The Unified Medical Record (UMR) project was completed in 5 affiliated hospitals. Additionally, technical preparation and digital infrastructure work for hospitals in Jeddah and Yanbu were finalized, including data center systems, internal networks, and fiber optics, along with the activation of advanced archiving systems like PACS (Picture Archiving and Communication Systems) and CPACS (Cardiology PACS).
- 3 Patient Experience Enhancement and Digital Innovation:** Launching an advanced version of mobile applications, developing the medical application interface to improve ease of use, adding new robotic services, and developing the electronic patient portal to increase remote engagement.
- 4 Operational Efficiency and Support Systems:** Work was carried out to develop the electronic Revenue Cycle Management (RCM) system, and a comprehensive update was performed on emergency and outpatient systems, in addition to strengthening protection and information security systems.
- 5 Deployment of AI Mechanisms and Internal Process Automation:** Implementing an advanced system aimed at facilitating appointment booking, utilizing Robotic Process Automation (RPA) in insurance, and using smart systems to monitor food quality and calculate compliance rates with storage standards via the Building Management System (BMS).
- 6 Digital Transformation in Pharmaceutical Services and Supply Chains:** Enhancing automated medication dispensing, utilizing the ERP system to manage storage, receiving, and dispensing movements, and using barcodes to code all pharmaceutical materials, in addition to automatically linking warehouses with smart environmental monitoring systems.
- 7 Strengthening Digital Patient Engagement Platforms:** Launching the "Patient Engagement Platform" for personalized communication based on patient needs, contributing to an increase in Patient Lifetime Value (LTV) as well as activating the official WhatsApp application, the "Feedback Now" system for instant feedback, and another system for organizing patient flow into clinics.
- 8 Supporting Digital Systems:** Creating an interactive digital map enabling patients to gain quick access, deploying smart cleaning robots, and implementing modifications to isolate network-connected medical devices into separate VLANs.



6- Marketing and Customer Communication

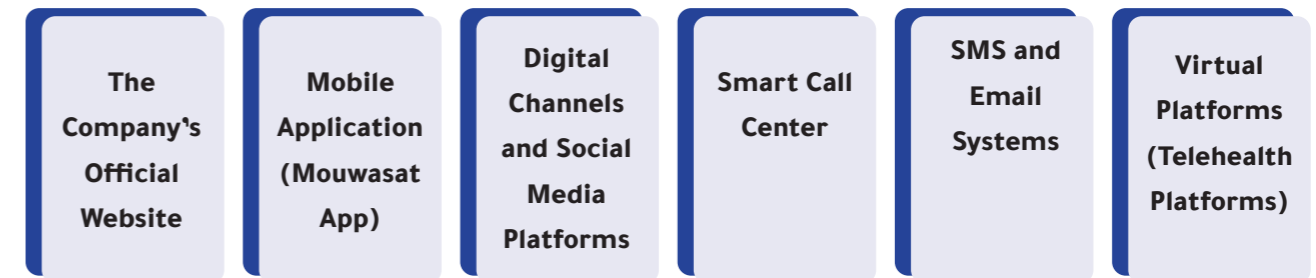
Mouwasat adopts a modern marketing and communication strategy based on direct interaction with customers and facilitating their access to services through innovative digital solutions, thereby fostering sustainable relationships built on trust and transparency. The Company relies on activating electronic channels and smart applications that provide patients with a seamless experience, starting from booking appointments and extending to medical and pharmaceutical follow-ups, reinforcing its position as a leading healthcare facility that meets the expectations of its beneficiaries.

Marketing Strategy Pillars



6-1 Customer Communication Channels

The Company places the utmost importance on ease of access and interaction with its patients through an integrated system of modern communication channels as follows:



6-2 Participation in Conferences and Events

Mouwasat is proud of its active participation in health conferences and meetings, stemming from its vision to solidify its brand leadership within the health sector. This presence was demonstrated through the Company's prominent participation in international forums, such as the Hospital Conference held in Cairo, alongside its continuous sponsorship of Red Crescent events and various awareness campaigns, reflecting its commitment to its societal and professional roles.

Among the most notable of these participations were:

- Participating in the Global Health Exhibition 2025, which was held in Riyadh.
- Organizing a medical conference titled "Latest

Developments in Spinal Disorder Management," aimed at exchanging knowledge and expertise.

- Holding several events, including Scientific Research Day, World Pharmacists Day, Nurses Day, and World Patient Safety Day, among others.
- Participating in the International Patient Experience Conference over its multiple days, during which the Company ranked first in the research presentation competition.
- Sponsoring the 24th Arab Conference on Hospital Management in Muscat, titled "Modern Methods in Hospital Management: The Role of Private and Third Sectors in Strengthening Health Systems".





Section (4)

Financial Performance

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1- Financial Performance

1-1 Five-Year Development in Financial Statements

Mouwasat's financial performance over recent years reflects the effectiveness of its operational expansion strategy, as revenue has recorded an upward trajectory since 2021, reaching SAR 3,223 million by the end of 2025. This growth was supported by increased capacity at the Company's hospitals and the development of specialized services, resulting in a strong operating profit of SAR 880 million at the end of 2025.

Summary of the Company's Financial Statements in the Last 5 Years

(All Amounts in SAR Mln)

Statement/Year	2021	2022	2023	2024	2025
Income Statement					
Revenue	2,144	2,334	2,706	2,879	3,223
Cost of Revenue	-1,148	-1,233	-1,392	-1,643	-1,861
Gross Profit	996	1,102	1,313	1,237	1,361
Operating Profit	622	673	757	724	880
Yearly Profit Attributable to Shareholders	578	599	658	646	822
Earnings per Share (SAR)	5.78	3.00	3.29	3.23	4.11
Statement of Financial Position					
Current Assets	1,315	1,574	1,618	1,756	1,738
Current Liabilities	640	767	831	881	999
Non-current Assets	2,744	3,088	3,347	3,646	4,248
Non-current Liabilities	717	818	707	808	1,066
Total Assets	4,059	4,662	4,965	5,403	5,986
Total Liabilities	1,357	1,585	1,538	1,689	2,065
Equity	2,702	3,076	3,427	3,714	3,921
Liabilities and Equity	4,059	4,662	4,965	5,403	5,986
Cash and Cash Equivalent	157	144	49	427	497
Total Loans	796	862	766	738	948
Statement of Cash Flows					
Net Cash from Operating Activities	683	707	814	1,256	1,178
Net Cash Used in Investing Activities	-446	-473	-475	-468	-676
Net Cash Outflows from Financing Activities	-240	-247	-434	-411	-431

* Certain financial performance figures for 2024 have been reclassified to align with the presentation of the consolidated financial statements for 2025.

1-2 Key Financial Ratios and Indicators

The following table presents the key changes in the financial ratios related to the Company's performance and financial position over the last five years, reflecting the main trends in its business growth and the efficiency of its financial and operational performance.

Statement/Year	2021	2022	2023	2024	2025
Liquidity Ratios					
Working Capital (SAR Mln)	675	807	787	875	738
Current Ratio (%)	205.5	205.2	194.8	199.4	173.9
Cash Ratio (%)	24.5	18.8	5.9	48.4	49.8
Equity Ratio (%)	66.6	66	69	68.7	65.49
Debt Ratio					
Total Debt Ratio (%)	33.4	34	31	31.3	34.5
Total Asset to Equity Ratio (Times)	1.5	1.5	1.5	1.5	1.5
Total Liabilities to Equity Ratio (%)	50.2	51.5	44.9	45.5	52.7
Total Debt to Total Assets Ratio (%)	19.6	18.5	15.4	13.7	15.84
Profitability Ratios					
Gross Profit Margin (%)	46.4	47.2	48.5	42.95	42.25
Net Margin (%)	27	25.7	24.3	22.4	25.5
Return on Assets (ROA) (%)	14.2	12.9	13.2	12	13.7
Return on Equity (ROE) (%)	21.4	19.5	19.2	17.4	21



1-3 Brief Analysis of Annual Results

Income Statement

Mouwasat's revenue increased by 12% by the end of 2025 to reach SAR 3,223 million, compared to SAR 2,879 million in 2024. This growth was supported by higher numbers of outpatient clinic visits, increased inpatient occupancy rates, and growth in medical and pharmaceutical services revenue, in addition to improved performance in specialized departments across all affiliated

hospitals. The net profit attributable to the Company's shareholders increased by 27.2% by the end of the year to reach SAR 822 million, compared to SAR 646 million in 2024. This increase is attributable to higher revenues and the improvement of certain contractual terms previously concluded with the Company's clients and the decline in financing costs.

Annual Change in Key Items of the Income Statement

(All amounts in SAR MIn)

Key Items	2024	2025	Change (%)
Revenue	2,879	3,223	12%
Cost of Revenue	-1,643	-1,861	13.2%
Gross Profit	1,237	1,361	10.1%
Operating Profit	724	880	21.6%
Annual Profit Attributable to Shareholders	646	822	27.2%
Earnings per Share (SAR)	3.23	4.11	27.2%

Statement of Financial Position

The year 2025 witnessed continued growth across all key items of Mouwasat's statement of financial position. Total Assets reached SAR 5,986 million, driven by an increase in property and equipment, which amounted to SAR 3,971 million, compared with SAR 3,510 million at the end of 2024, in addition to an increase in advances to contractors and inventories from SAR 312 million to SAR 429 million by the end of the current year.

Total Liabilities increased by 22.3% to reach SAR 2,065 million at the end of the current year, compared with SAR 1,689 million in 2024. Equity also increased from SAR 3,714 million last year to SAR 3,921 million by the end of 2025, achieving year-on-year growth of 5.6%. This growth is attributable to an increase in retained earnings by 11.2%, in addition to an increase of approximately 19.1% in the statutory reserve.

Annual Change in Key Items of Statement of Financial Position

(All Amounts in SAR MIn)

Key Items	2024	2025	Change (%)
Current Assets	1,756	1,738	-1.05%
Non-Current Asset	3,646	4,248	16.5%
Total Assets	5,403	5,986	10.8%
Current Liabilities	881	999	13.4%
Non-Current Liabilities	808	1,066	31.9%
Total Liabilities	1,689	2,065	22.3%
Equity	3,714	3,921	5.6%
Liabilities and Equity	5,403	5,986	10.8%



2- Shareholders

Mouwasat's shareholders represent the fundamental pillar driving sustainable growth. Accordingly, the Company is fully committed to maximizing shareholders' equity in line with the objectives of the Kingdom's Vision 2030.

Shareholder Information

Date of Incorporation	1974
City	Dammam
Type of Ownership	Saudi Joint Stock Company
Listing Date	02/09/2009
Listing Authority	Saudi Stock Exchange
Company's Short Name on Tadawul	Mouwasat
Company's Code on Tadawul	4002
Sector	Healthcare
Currency	SAR
No. of Issued Shares	200 Min
Paid-up Capital	SAR 2 Bln
Share Nominal Value	SAR 10
ISIN Code	SA12C051UH11
Foreign Ownership as of 31 December 2025	11.82%
Share Closing Price as of 31 December 2025	SAR 66.7

Ownership Structure

Shareholder	No. of Shares (Min)	Percentage (%)
Nassir Sultan Alsubaei	38,48	19.24
Mohammed Bin Sultan Alsubaie Trading Company	35,68	17.84
Suleiman Mohammed Al-Saleem	35,00	17.50

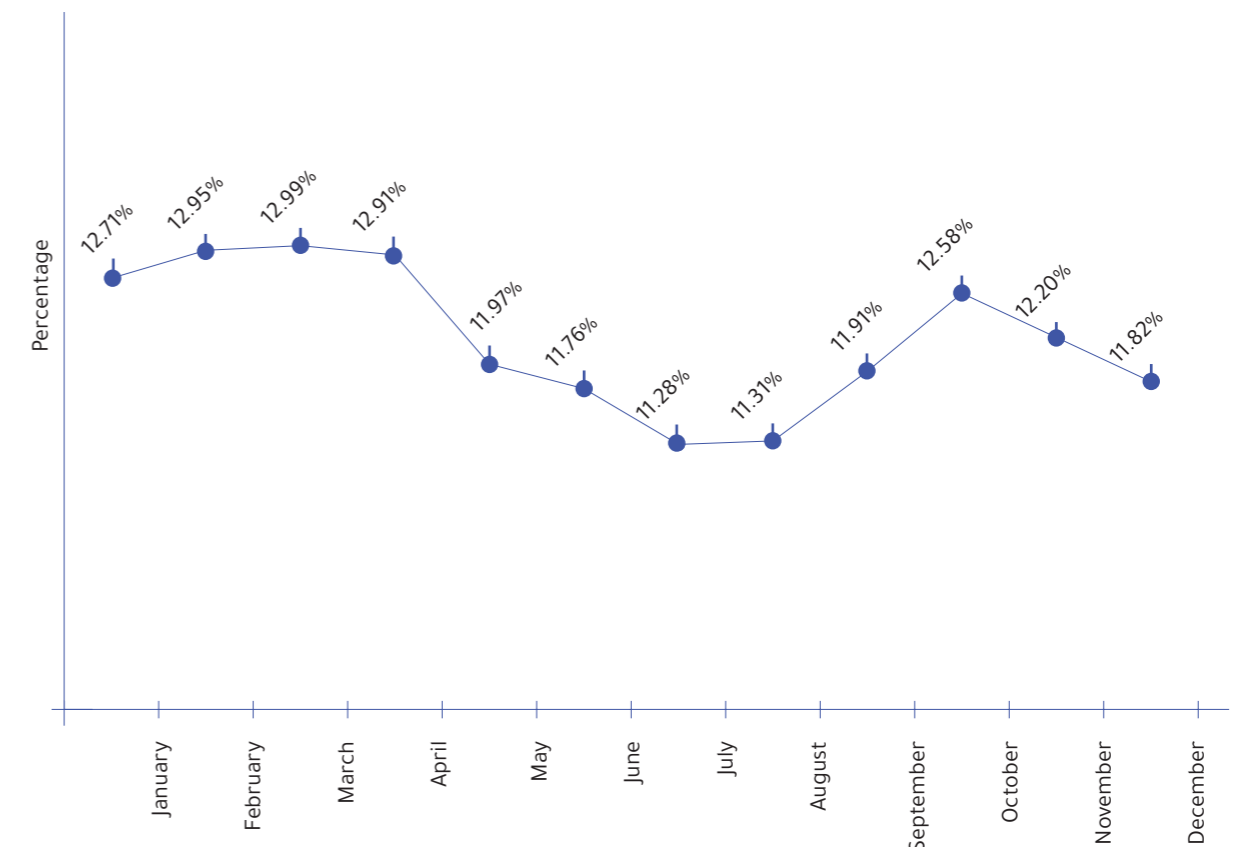
*Suleiman Mohammed Al-Saleem passed away on 14 February 2025.

Foreign Ownership

Mouwasat's ownership structure combines local and foreign capital. The table below presents foreign ownership as of 31 December 2025, compared to the previous year.

Company	Maximum Ownership Limit	Foreign Ownership	
		31 December 2024	31 December 2025
Mouwasat Medical Services Co	49%	12.55%	11.82%

Foreign Ownership in Mouwasat Medical Services Co. During 2025



Stock Performance and Trading Activity in 2025

Stock Performance Summary 2025

Month	Current Closing Price (SAR)	Previous Closing Price (SAR)	Change (SAR)	Change (%)
January	92.10	85.10	7	8.2%
February	84.60	92.10	-7.5	-8.1%
March	75	84.60	-9.6	-11.3%
April	72.50	75	-2.5	-3.3%
May	72.60	72.50	0.1	0.1%
June	75.45	72.60	2.85	3.9%
July	76	75.45	0.55	0.7%
August	71.10	76	-4.9	-6.5%
September	73.65	71.10	2.55	3.6%
October	76.85	73.65	3.2	4.3%
November	68	76.85	-8.85	-11.5%
December	66.65	68	-1.35	-2%

Monthly Trading Volume for the Company's Stock in 2025

Month	Trading Volume (Share)	Trading Value (SAR)	No. of Transactions
January	11,909,249	1,058,675,909	73,172
February	10,443,345	907,094,268	66,212
March	21,272,440	1,600,843,911	147,796
April	10,027,620	720,236,963	70,273
May	12,387,088	939,845,750	62,161
June	5,699,049	409,129,392	34,120
July	5,787,067	446,790,748	46,265
August	4,200,780	314,356,018	32,478
September	11,767,652	855,461,363	69,783
October	18,502,050	1,412,897,243	84,448
November	9,265,097	670,212,605	58,569
December	6,623,480	455,753,159	41,961
Total	127,884,917	9,791,297,329	787,238





Disclosure Policy and Procedures

The Company adopts a methodology approved by the Board of Directors for disclosure and transparency, in line with the provisions of the updated Corporate Governance Regulations and related laws and regulations. This policy aims to provide accurate and comprehensive financial and non-financial information that serves the interests of the Company and Stakeholders, and is built around several key pillars, as follows:

1. Complying with the statutory disclosure deadlines approved by the regulatory authorities.
2. Clearly defining the responsibilities and powers related to approval and publication processes.
3. Ensuring accuracy, clarity, and reliability of published information, without misrepresentation or concealment.
4. Adhering to fair and equal disclosure to all shareholders and stakeholders without discrimination.
5. Coordinating communication channels with shareholders, regulatory bodies, and media platforms in line with defined standards

6. Continuously reviewing and enhancing the transparency policy to ensure alignment with regulatory requirements and best practices.
7. Announcing material information, including financial results, strategic decisions, and any developments that may affect the Company's performance or financial position.

During 2025, the Company was keen on reinforcing the highest levels of transparency and implemented a number of measures that support the sustainability of this approach in the years to come, most notably:

1. Enabling internal and external audits to perform their duties independently and effectively.
2. Strengthening the role of the Board of Directors and its Committees in overseeing disclosure and governance.
3. Updating internal policies and regulations related to transparency and conflict of interest.
4. Complying with statutory disclosure requirements and publishing regular financial reports on schedule.

The Company's Disclosures on "Tadawul" During 2025

	Disclosure Date	Disclosure Title
1	02/02/2025	Mouwasat Announces Latest Updates Related to Fulfilling a Contract for the Construction Works of Mouwasat Hospital Project in Yanbu Industrial City.
2	16/02/2025	Mouwasat Announces the Passing of One of its Founders and Major Shareholders, Suleiman Mohammed Al-Saleem.
3	05/03/2025	Mouwasat Announces the Annual Financial Results for the Year Ending on 31-12-2024.
4	10/04/2025	Mouwasat's Board Invites the Shareholders to Attend the Ordinary Assembly Meeting (First Meeting) via Modern Technology Means.
5	04/05/2025	Mouwasat Announces the Interim Financial Results for the Period Ending 31-03-2025 (Three Months).
6	06/05/2025	Mouwasat Announces the Results of the Ordinary Assembly Meeting (First Meeting).
7	29/07/2025	Mouwasat Announces the Interim Financial Results for the Period Ending 30-06-2025 (Six Months).
8	06/08/2025	Mouwasat Announces the Opening of Nomination for Membership of the Board.
9	01/09/2025	Mouwasat Announces the Recommendation of the Board to Distribute Cash Dividends to Shareholders for the First Half of 2025.
10	01/09/2025	Mouwasat announces the launch of Mouwasat Hospital in Al Ahsa.
11	01/09/2025	Mouwasat Announces the Expansion of Mouwasat Hospital in Qatif.
12	01/09/2025	Mouwasat Announces the Expansion of Mouwasat Hospital in Riyadh.
13	29/09/2025	Mouwasat Announces the Latest Updates Related to Fulfilling a Contract for the Construction Works of Mouwasat Hospital Project in Yanbu Industrial City.
14	21/10/2025	Mouwasat announces the launch of Mouwasat Hospital in Abha.
15	30/10/2025	Mouwasat Announces the Interim Financial Results for the Period Ending 30-09-2025 (Nine Months).
16	12/11/2025	Mouwasat's Board Invites the Shareholders to Attend the Ordinary Assembly Meeting (First Meeting) via Modern Technology Means.
17	07/12/2025	Mouwasat Announces the Results of the Ordinary Assembly Meeting (First Meeting).
18	29/12/2025	Mouwasat Announces Latest Updates Related to Fulfilling a Contract for the Construction Works of Mouwasat Hospital Project in Yanbu Industrial City.

Company's Applications for the Shareholder Register

During 2025, Mouwasat requested the shareholders' register 10 times. The following table shows the number, dates, and reasons for these requests.

Number	Date	Reason
1	08/01/2025	Company Procedure
2	10/04/2025	General Assembly
3	12/04/2025	General Assembly
4	14/04/2025	Other
5	07/05/2025	Dividend Distribution
6	28/08/2025	Other
7	27/09/2025	Other
8	23/11/2025	Other
9	03/12/2025	General Assembly
10	08/12/2025	Dividend Distribution

Dividend Distribution Policy

In accordance with Article (40) of the Company's Bylaws, the policy for distribution of the annual net profits is summarized as follows:

- 10% of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may suspend such allocation once the said reserve reaches 30% of the paid-up capital
- The Ordinary General Assembly may resolve to form other reserves to the extent that serves the Company's interests or ensures, as far as possible, the distribution of stable dividends to shareholders. The said Assembly may also deduct from the net profits amounts for establishing social institutions for the Company's employees or supporting any existing institutions of this kind.
- From the remaining amount, 5% of the paid-up capital shall be distributed to shareholders.
- Subject to the provisions set out in Article (20) of the Company's Bylaws and Article (76) of the Companies Law, if the remuneration of the Board is determined as a percentage of the Company's profits, it may not exceed 10% of the net profits after deducting the reserves approved by the General Assembly and after distributing to shareholders a dividend of not less than 5% of the paid-up capital, provided that entitlement to such remuneration is proportionate to the number of meetings attended by each member.
- The remaining balance shall then be distributed to shareholders as an additional share of profits.

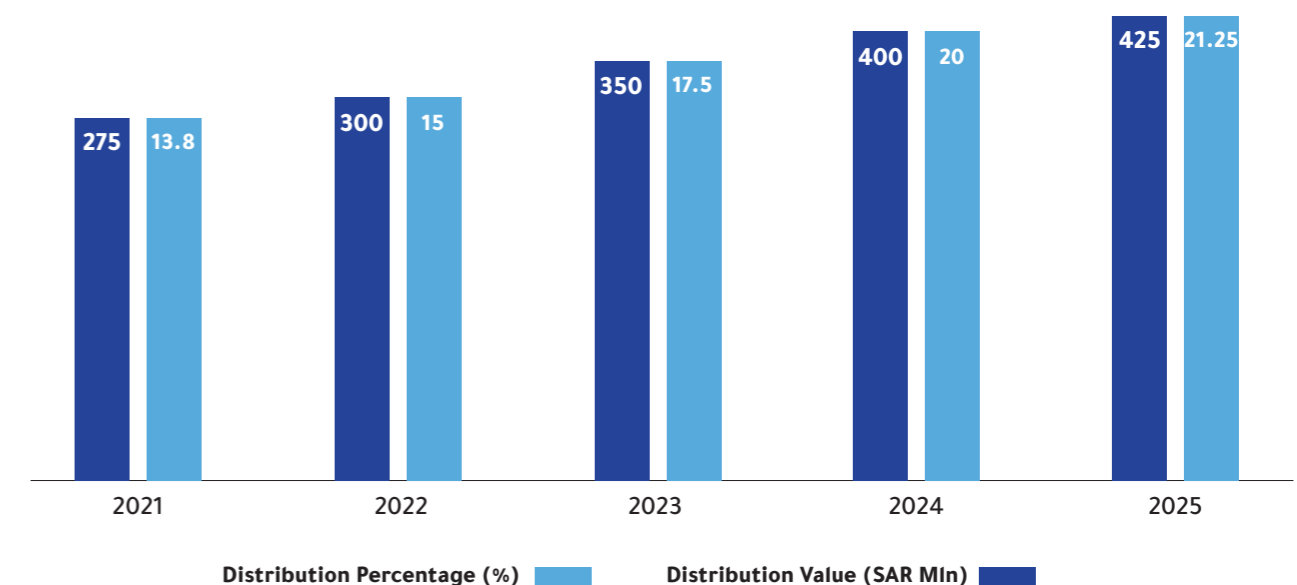
Annual Dividend

During 2025, the Company distributed cash dividends amounting to SAR 400 million, at SAR 2 per share, equivalent to 20% of the capital, in respect of 2024.

As for distributions for 2025, the Ordinary General Assembly, held on 4 December 2025, approved the recommendation of the Board to distribute cash dividends of SAR 200 million to shareholders

for the first half of 2025, at SAR 1 per share, equivalent to 10% of the capital. The Board also recommended distributing cash dividends to shareholders at 11.25% of the capital (equivalent to SAR 1.125 per share) as dividends for the second half of 2025, bringing total distributions for the year to SAR 425 million, representing 21.25% of the capital.

Cash Dividends Record over the Last 5 Years



General Assemblies of Shareholders

Article (32) of the Bylaws of Mouwasat Medical Services Company stipulates that the General Assembly shall be convened at least once a year during the six months following the end of the Company's fiscal year, and that additional Ordinary General Assemblies may be convened when needed.

Ordinary General Assembly Meeting (First Meeting)

The Ordinary General Assembly (first meeting) of the Company was held on 05 May 2025, with an attendance rate of 49.95%. The meeting was attended by the following Board Members:

Member	Position	Attendance Record
Mohammad Sultan Alsubaie	Chairman	✓
Nassir Sultan Alsubaie	Vice Chairman	✓
Khalid Suliman Alsaleem	Managing Director	✓
Sami Abdulkarim AlAbdulkarim	Board Member	✓
Fahad Ayed Alaslami	Board Member	✓
Mohammed Hamad Alkathiri	Board Member	✓
Abdullah Saghaier Alhussaini	Board Member	✓

As a result of the First Ordinary General Assembly's First Meeting, shareholders voted to approve several items as follows:

1. Reviewing and discussing the Board of Directors' report for the financial year ending on 31/12/2024.
2. Approving, after discussion, the Audit Report of the Company's External Auditor for the year ending on 31/12/2024.
3. Reviewing and discussing the Financial Statements for the year ending on 31/12/2024.
4. Approving the appointment of KPMG Professional Services as the Company's External Auditor from among the candidates, based on the recommendation of the Audit Committee, to examine, review, and audit the Financial Statements for the second and third quarters and the annual Financial Statements of 2025, and for the first quarter of 2026, for total fees of SAR 990,000, exclusive of value added tax (VAT).
5. Approving the recommendation of the Board to distribute cash dividends amounting to SAR 400 million to shareholders for the period ending on 31/12/2024, at SAR 2 per share, equivalent to 20% of the share's nominal value, provided that entitlement shall be for shareholders holding shares at the closing of trade on the day of the General Assembly meeting and registered in the Company's shareholders' register at the Securities Depository Center Company (Edaa) at the end of the second trading day following the entitlement date. Payment of dividends will commence by transferring them to the bank accounts linked to the portfolios of eligible shareholders as from Thursday, 15/05/2025, through the paying agent, the Securities Depository Center Company (Edaa). In the event of failure to deposit dividends into a shareholder's account, the shareholder may contact the paying agent, the Securities Depository Center Company (Edaa), or communicate with the Company via email at shares@mouwasat.com.
6. Granting an approval for business transactions and contracts to be concluded for the year ending on 31/12/2025, established between the

Company and Mouwasat International Limited Company, in which Board Members Mohammed Sultan Al-Subaie (Non-Executive Member) and Nasser Sultan Al-Subaie (Executive Member) have a direct interest, and Board Member Khaled Suleiman Al-Saleem (Executive Member) has an indirect interest. These contracts relate to lease agreements for housing for the Company's employees in the cities of Dammam, Jubail, and Al Khobar, which align with the Company's procurement system and without preferential terms, with an estimated value of SAR 2,676,000. It is noted that the value of transactions for the year ending on 31/12/2024 amounted to SAR 2,667,500.

7. Granting an approval for business transactions and contracts to be concluded for the year ending on 31/12/2025, established between the Company and Mouwasat International Limited Company, in which Board Members Mohammed Sultan Al-Subaie (Non-Executive Member) and Nasser Sultan Al-Subaie (Executive Member) have a direct interest, and Board Member Khaled Suleiman Al-Saleem (Executive Member) has an indirect interest. These contracts relate to the supply of medical and pharmaceutical supplies, which align with the Company's procurement system and without preferential terms, with an estimated value of SAR 28,000,000. It is noted that the value of transactions for the year ending on 31/12/2024 amounted to SAR 25,385,384.
8. Not granting an approval for business transactions and contracts to be concluded for the year ending on 31/12/2025, established between the Company and Mouwasat International Limited Company, in which Board Members Mohammed Sultan Al-Subaie (Non-Executive Member) and Nasser Sultan Al-Subaie (Executive Member) have a direct interest, and Board Member Khaled Suleiman Al-Saleem (Executive Member) has an indirect interest. These contracts relate to ticketing and travel

and tourism services, which align with the Company's procurement system and without preferential terms, with an estimated value of SAR 14,000,000. It is noted that the value of transactions for the year ending on 31/12/2024 amounted to SAR 12,367,087.

9. Granting an approval for business transactions and contracts to be concluded for the year ending on 31/12/2024, established between the Company and Mouwasat International Limited Company, in which Board Members Mohammed Sultan Al-Subaie (Non-Executive Member) and Nasser Sultan Al-Subaie (Executive Member) have a direct interest, and Board Member Khaled Suleiman Al-Saleem (Executive Member) has an indirect interest, amounting to SAR 196,823. These contracts relate to the supply and installation of stainless-steel works, which align with the Company's procurement system and without preferential terms.
10. Approval of the business and contracts that will be concluded for the fiscal year ending on 31/12/2025 between the Company and Advision for trading Est., in which the Board member Mr. Khalid Suleiman Al Saleem (Executive Member) has a direct interest, and the nature of transactions are of advertising and marketing related in accordance with the Company's procurement system without preferential terms with an estimated value of SR 30,000,000, noting that the value of transactions for the fiscal year ended on 31/12/2024 amounted to SR 22,003,164.
11. Approving the discharge of the Board Members from liability for the period ending on 31/12/2024.

Second Ordinary General Assembly

The Company's Second Ordinary General Assembly (First Meeting) was held on 04 December 2025, with an attendance rate of 51.58%. The meeting was attended by the following members of the Board:

Member	Position	Attendance Record
Mohammad Sultan Alsubaie	Chairman	✓
Nassir Sultan Alsubaie	Vice Chairman	✓
Khalid Suliman Alsaleem	Managing Director	✓
Sami Abdulkarim AlAbdulkarim	Board Member	✓
Fahad Ayed Alaslami	Board Member	✓
Mohammed Hamad Alkathiri	Board Member	✓
Abdullah Saghaier Alhussaini	Board Member	✓

As a result of the Second Ordinary General Assembly's First Meeting, shareholders voted to approve several items as follows:

- Approving the election of the following members of the Company's Board of Directors from among the candidates for the upcoming term, commencing on 04/01/2026 and ending on 03/01/2030, namely:
 - Fahad Ayed Alaslami
 - Mohammad Sultan Alsubaie
 - Nassir Sultan Alsubaie
 - Mohammed Hamad Alkathiri
 - Khalid Suliman Alsaleem
 - Sami Abdulkarim AlAbdulkarim
 - Abdullah Saghaier Alhussaini
 - Ibrahim Hamad Ababtin
- Approving the Board's recommendation to distribute cash dividends amounting to SAR 200 million to shareholders for the first half of 2025, at SAR 1 per share, equivalent to 10% of the share's nominal value, provided that entitlement shall be for shareholders holding shares at the closing of trade on the day of the General Assembly meeting and registered in the Company's shareholders' register at the Securities Depository Center Company (Edaa) at the end of the second trading day following the entitlement date. Payment of dividends will commence by transferring them to the bank accounts linked to the portfolios of eligible shareholders as from Monday, 15/12/2025, through the paying agent, the Securities Depository Center Company (Edaa). In the event of failure to deposit dividends into a shareholder's account, the shareholder may contact the paying agent, the Securities Depository Center Company (Edaa), or communicate with the Company via email at shares@mouwasat.com.
- Not approving the participation of the candidate, Suleiman Abdullah Al-Khuzai, in any competing business, considering his membership of the Board of Directors of Anfas Medical and AMI Company.
- Not approving the participation of the candidate, Omar Abdullah Abduljabbar, in any competing business, considering his membership of the Board of Directors of Hail National Health Services.
- Not approving the participation of the candidate, Omar Suleiman Al-Ajaji, in any competing business, considering his membership of the Board of Directors of Smile Care Clinic and Al-Qassim Medical Services Company.



Shareholders' Suggestions and Feedback Regarding the Company and its Performance

1. Considering the distribution of interim dividends to shareholders.
2. Working towards horizontal and vertical expansion.

Measures Taken by the Board to Inform the Members of Shareholders' Suggestions and Feedback Regarding the Company and its Performance

The Company's Board of Directors took a number of measures to ensure that its members, particularly Non-Executive Members, are informed of shareholders' suggestions and feedback relating to the Company and its performance, most notably:

1. Presenting shareholders' feedback and suggestions to the Board of Directors.
2. Discussing shareholders' observations during meetings of the Board and its relevant committees.
3. Following up on the implementation of corrective actions coming from shareholders' proposals and informing the Board of latest updates.
4. Adopting official channels for receiving shareholders' proposals and inquiries through the Investor Relations Department.
5. Enabling Non-Executive Members to review financial and operational performance reports and the responses of Executive Management thereto.

Calendar of Key Expected Events in 2026

1

Commencement of operations at Yanbu Hospital during the first quarter of 2026..

2

Convening of the Ordinary General Assembly during May 2026.

3

Commencement of operations at Jeddah Hospital during the third quarter of 2026.

Contact Information

The Company provides a range of direct communication channels designed to ensure prompt response to all inquiries and the provision of the necessary support, as follows:

Email:	shares@mouwasat.com
Official Website:	https://www.mouwasat.com
Investor Relations Website:	https://www.mouwasat.com/en/investors-relations
Official Accounts on Social Media Platforms:	https://www.instagram.com/mouwasat_hosp https://x.com/mouwasat_hosp https://www.facebook.com/mouwasat/ https://www.youtube.com/@mouwasat_hosp https://www.snapchat.com/add/mouwasat_hosp https://www.tiktok.com/@mouwasat_hospitals https://www.threads.net/@mouwasat_hosp?hl=ar
Phone No.:	+966 13 820 0016
Address:	Uhud District - Plan 71 - King Fahd Road - Dammam 31411 - P.O. Box 282



3- Success Partners

Mouwasat Medical Services Company believes that excellence in the provision of healthcare cannot be achieved through individual effort but is rather the outcome of concerted work with a select group of partners whom the Company regards as a fundamental pillar in its journey towards leadership. The Company values the strategic partnerships that have been, and continue to be, the driving force behind every success story it has written in serving the community.



4- Engagement of Stakeholders and Related Parties

Mouwasat Medical Services Company adopts an approach based on opening channels of constructive dialogue with all relevant parties and stakeholders. Through this integration, the Company aims to align visions and expertise to ensure the provision of innovative, flexible, and efficient medical solutions, reaffirming its unwavering commitment to enabling every partner to play an active role in its journey towards shaping a safer and higher-quality healthcare future for all.



Shareholders and Investors:

The Company is committed to achieving a sustainable growth in revenue and net profit, strengthening governance principles, and reducing operating costs.

1



Customers and Suppliers

The Company seeks to expand digital services and broaden its medical network, in addition to signing flexible contracts with vendors.

2



Communities:

The Company plays an active role in social responsibility by launching health awareness programs and initiatives, and by cooperating with non-profit associations.

3



Employees:

The Company invests in attracting and retaining talent and expertise, increasing training programs, and enhancing a healthy and motivating work environment for employees.

4



Governmental and Regulatory Authorities:

The Company complies with the regulations and rules issued by the Council of Cooperative Health Insurance (CCHI) and the Insurance Authority, and its strategy is aligned with Saudi Vision 2030.

5



Section (5)

Governance and Sustainability

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Governance is a fundamental pillar at Mouwasat Medical Services Company, underpinning business sustainability and shareholder rights protection. This is achieved through a model based on transparency and accountability, ensuring that decisions are aligned with the highest ethical and professional standards. In 2025, the Board of Directors continued to strengthen the internal control and risk management framework, while activating the role of Board Committees to ensure impartiality in decision-making. The Company's commitment to governance rules reflects its dedication to building trust with all related parties, from investors to employees, customers, and the community, thereby reinforcing its leading position in the healthcare sector in the Kingdom.



1- Governance at Mouwasat

Mouwasat is committed to establishing an integrated system of policies and regulatory frameworks that ensure the highest levels of integrity and accountability across all its operations. The Company's adoption of governance standards extends beyond mere compliance with the laws and regulations of the

Kingdom; it represents a strategic approach aimed at protecting shareholders' rights, enhancing investor confidence, and ensuring the delivery of high-quality and safe healthcare services, in alignment with Saudi Vision 2030 objectives for the healthcare sector.

General Governance Framework

The General Governance Framework of Mouwasat is based on implementing the principles approved in the Kingdom, including the Companies Law and the Corporate Governance Regulations issued by the regulatory authorities, while aligning them with international best practices. This framework is anchored in a clear structure of powers and responsibilities, the activation of the roles played by the Board and Board Committees, and the dedication to principles of independence and transparency. Furthermore, the said Framework ensures the protection of shareholders' and stakeholders' rights, alongside the effectiveness

of internal control systems, risk management, and compliance.

During 2025, the Company witnessed significant developments in its governance system, including enhancing the role of the Board and Board Committees, specifically the Audit Committee and the Nominations and Remuneration Committee (NRC). Furthermore, the Company improved disclosure and transparency mechanisms for material information in the reports, in addition to updating internal policies and bylaws to keep pace with the latest regulatory requirements.

Governance Pillars

During 2025, the Company intensified its efforts to develop and activate its governance principles and pillars, ensuring the highest levels of organizational effectiveness and sustainability.

Deepening Transparency and Disclosure

Enhancing report content and improving the quality and timing of financial and non-financial disclosures.

Strengthening Accountability

Establishing clear reporting lines and responsibilities, and linking performance to corporate accountability.

Enhancing Independence

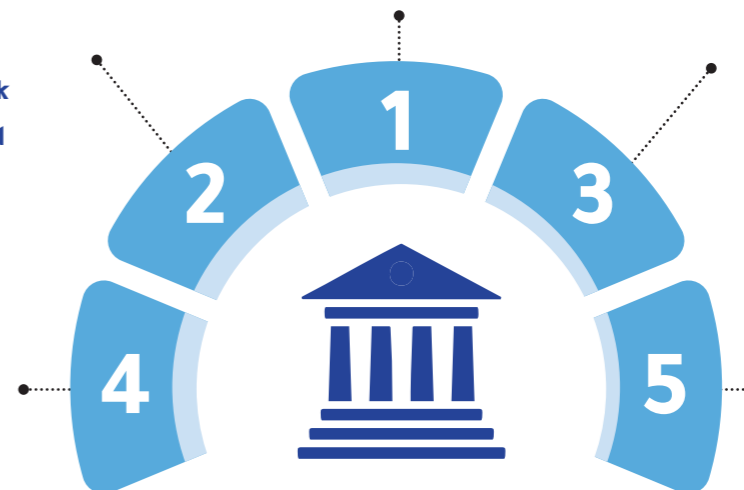
Supporting the independence of Board Committees and oversight functions to ensure the mitigation of any conflicts of interest.

Consolidating Risk Management and Compliance

Aligning risk management with strategic decision-making and developing compliance and control frameworks.

Protecting Stakeholders' Rights

Improving communication channels and ensuring fairness and equal opportunities in transactions with related parties.



Provisions and Compliance

Based on the principle of transparency adopted by Mouwasat, and in compliance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the Company is keen to accurately disclose its level of compliance with these

provisions in a manner consistent with the nature of its activities and organizational structure. Furthermore, the Company clearly and systematically outlines the areas that have not yet been implemented, as follows:

Article/ Paragraph No.	Article/Paragraph Text	Implementation Status	Reasons for Non-Implementation
7/d	Communicating with Shareholders: The Company shall appoint a person responsible for the tasks related to Investor Relations (IR) in the Company in order to achieve effective and fair communication between the Company and the shareholders.	Not Implemented	(Paragraph from a Guidance Article) The Company's Managing Director, assisted by the Board Secretary, is responsible for communication with existing shareholders, potential investors, and external stakeholders.
39/b, e	The Assessment: b) The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board Members and parties concerned with the assessment. e) The Board shall carry out the necessary arrangements to obtain an assessment of its performance from competent third party every three years.	Not Implemented	(Paragraphs from a Guidance Article) According to the provisions of the Company's Corporate Governance Regulations regarding the functions entrusted to the Nomination and Remuneration Committee, including but not limited to: conducting a periodic review of the Board's structure, and establishing policies for salaries, remuneration and incentive programs for the Company Board Members and Executive Directors. To ensure this, an internal evaluation of those functions performed by the Board and Executive Management is required, and work is underway, to select a specialized external entity.
67	Composition of the Risk Management Committee	Not Implemented	(Guidance Articles) The Internal Audit Department covers the scope of work of this Committee and prepares reports with its insights regarding risks that the Company may encounter and methods to manage them. In addition, the Department provides recommendations and discusses them with the Audit Committee during its regular meetings.
68	Competencies of the Risk Management Committee		
69	Meetings of the Risk Management Committee		
82/2, 3	Employee Incentives 2) Establishing a program for granting Company shares or a percentage of the Company profits and pension programs for employees, and setting up an independent fund for such programs. 3) Establishing social organizations for the benefit of the Company's employees.	Under Consideration	(Paragraphs from a Guidance Article)
84	Social Responsibility The Ordinary General Assembly, based on the Board's recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for the purposes of developing the social and economic conditions of the community.	Under Consideration	(Guidance Article)
92	Formation of a Corporate Governance Committee	Not Implemented	(Guidance Article) The Audit Committee is responsible for monitoring the implementation of the provisions of the Corporate Governance Regulations (CGRs) and following up on their updates.



2- Articles of Association (AoA)

The Articles of Association (AoA) of the Company serve as the legal document that governs the Company's operating rules and defines the frameworks for relationships between various departments. This AoA has been drafted to ensure full alignment with the provisions of the Companies Law in the Kingdom and its relevant Implementing Regulations. Accordingly, these AoA define the Company's identity, objectives, capital structure, and dividend distribution mechanisms, while also outlining the roadmap for the competencies of

the Board, Committees, Executive Management, and Shareholders' rights.

The Company is committed to periodically reviewing and updating the provisions of these AoA to keep pace with legislative developments in the Kingdom, ensuring the establishment of corporate governance pillars and achieving sustainable growth that meets the aspirations of all stakeholders.

3- Organizational Structure

The organizational structure of the Company reflects its ambitious strategy, as it is based on a clear separation of duties and a precise definition of authorities, starting from the Board of Directors and Board Committees, down to the Executive and Operational

Departments. This approach aims to enhance internal control and activate the principle of accountability, enabling the Company to respond swiftly to changes in the healthcare sector while maintaining the highest standards of quality in medical care delivery.

4- Board of Directors and Committees

4-1 Board of Directors Formation

As of the end of 2025, the Board of Directors of Mouwasat Medical Services

Company comprises seven (7) members, as follows:

S.	Name	Position	Membership Type
1	Mohammad Sultan Alsubaie	Chairman of the Board	Non-Executive
2	Nassir Sultan Alsubaie	Vice Chairman	Executive
3	Khalid Suliman Alsaleem	Managing Director	Executive
4	Sami Abdulkarim AlAbdulkarim	Member	Non-Executive
5	Fahad Ayed Alaslami	Member	Independent
6	Mohammed Hamad Alkathiri	Member	Independent
7	Abdullah Saghaier Alhussaini	Member	Independent

Note: In its meeting held on 04 December 2025, the Company's General Assembly elected the Members of the Board of Directors for its new term, which commenced on 04/01/2026, and will conclude on 03 January 2030. The changes included the addition of an eighth Member (Independent), Ibrahim Hamad Ababtin.

4-2 Board of Directors' Biographies



**Mr. Mohammed
Sultan Alsubaie**

Current Positions

- Chairman, Board of Directors, Mouwasat Medical Services Company.
- Chairman, Board of Managers, Al Mouwasat International Company.

Previous Positions

- Chairman, Board of Directors, Mouwasat Medical Services Company.
- Chairman, Board of Managers, Al Mouwasat International Company.

Qualifications

- Specialized Courses in Business Administration.
- High School Education.

Experience

- 1974: Self-Employed, Founder, Mouwasat, Dispensary, Dammam.
- Chairmanship, Board of Directors, Mouwasat Medical Services Company.
- Chairmanship, Board of Managers, Al Mouwasat International Company.



**Mr. Nassir
Sultan Alsubaei**

Current Positions

- Vice Chairman, Board of Directors, Mouwasat Medical Services Company.
- Chief Executive Officer (CEO), Mouwasat Medical Services Company.
- Chairman, Executive Committee, Mouwasat Medical Services Company.
- Executive Director, Eastern Medical Services Company.
- Member, Board of Managers, Al Mouwasat International Company.
- Vice Chairman, Kanaf Charity Organization.
- Chairman, Board of Directors, Jeddah Doctors Company.
- Chairman, Board of Managers, Modawaa and Rieaya Medical Company.

Qualifications

- Diploma, Medical Services Management.
- Certificates, Various Intensive Training Courses, Management of Health Services Inside and Outside the Kingdom, in Addition to Scientific Conferences in the Health Field.
- Participant, Various Scientific Conferences, Health Field.

Previous Positions

- General Manager, Health Services for the Project of the Management and Operation of Residential District Clinics in Jubail Industrial City.
- General Manager, Mouwasat Medical Services Company.
- Chairman, Health Committee, Chamber of Commerce and Industry, Eastern Region.
- Vice Chairman, Health Committee, Chamber of Commerce and Industry, Riyadh.
- Member, Council of Health Insurance (CHI), Representative for the Private Health Sector, by Virtue of the Esteemed Council of Ministries Resolution.
- Member, Investment Committee, Council of Health Insurance (CHI).
- Member, Medical Services Council, Representative for the Private Health Sector, by Virtue of the Esteemed Council of Ministries Resolution.
- Member, Saudi Health Council (SHC) by Virtue of the Decision of His Excellency, the Minister of Health.
- Chairman, Board of Managers, Advanced Medical Projects Co. Ltd.

Experience

- Management and Operation, Medical Services Sector.
- Membership and Chairmanship, Medical Services Sector.
- Membership and Chairmanship, Health Committees, Chambers of Commerce and Industry.
- Membership, Investment Committee, Council of Health Insurance (CHI).
- Membership, Medical Services Council.



**Mr. Khalid
Suliman Alsaleem**

Current Positions

- Member, Board of Directors, Mouwasat Medical Services Company.
- Managing Director, Mouwasat Medical Services Company.
- Member, Executive Committee, Mouwasat Medical Services Company.
- Member, Health Committee, Chamber of Commerce and Industry, Eastern Region.
- Chairman, Private Hospitals Committee, Council of Saudi Chambers (CSC).
- Member, Strategic Committee for Insurance (CHI).
- Member, Board of Directors, Council of Cooperative Health Insurance (CCHI).
- Member, Board of Directors, Saudi Health Council (SHC).
- Member, Board of Directors, Jeddah Doctors Company (JDC).

Qualifications

- Diploma, English Language, Rice University, Houston, USA.
- 1985-1987: Public Administration, King Saud University (KSU).
- General Secondary Education, Business Administration.

Previous Positions

- Deputy Administrative Manager, United Medical Services Company.
- Deputy Administrative Manager, Mouwasat Medical Services Company.
- Deputy Executive Manager, Mouwasat Medical Services Company.
- Member, Hospitals Committee, Chamber of Commerce and Industry, Riyadh.
- Founding Member, Arab Hospitals Federation (AHF), Sharjah, UAE.
- Deputy Managing Director, Mouwasat Medical Services Company.

Experience

- Management and Operation, Medical Services Sector.
- Membership, Boards of Directors, Medical Services Sector.
- Memberships and Chairmanships, Health Committees, Saudi Chambers of Commerce.
- Member, Board of Directors, Council of Cooperative Health Insurance (CCHI).
- Membership, Saudi Health Council (SHC).



**Dr. Sami Abdulkarim
AlAbdulkarim**

Current Positions

- CEO, Managing Director, Care and Science Medical Company.
- Chairman, Board of Trustees, Inaya Medical Colleges.
- Chairman, Nomination and Remuneration Committee, Mulkia Investment Company.
- Member, Board of Directors, Mouwasat Medical Services Company.
- Member, Audit Committee, Mouwasat Medical Services Company.
- Member, Executive Committee, Mouwasat Medical Services Company.
- Member, Nomination and Remuneration Committee, Mouwasat Medical Services Company.
- Member, Board of Directors, Alertiq Medical Services Company.
- Chairman, Board of Directors, Smart Information Solutions (SIS) Company.
- Member, Board of Directors, Jeddah Doctors Company (JDC).

Qualifications

- Master's Degree, Dental Implant Prosthetics, International Board of Oral Implantology (IBOI), USA.
- Fellowship, Dental Implant Prosthetics, International Board of Oral Implantology (IBOI), USA.
- Fellowship, Oral and Maxillofacial Surgery (OMS) Specialty, American College of Oral and Maxillofacial Surgeons (ACOMS).
- Bachelor's Degree, Dental Medicine and Surgery, University of Sindh, Pakistan.

Previous Positions

- Vice Chairman, Board of Directors, Chamber of Commerce, Riyadh.
- Chairman, National Health Committee, Council of Saudi Chambers.
- Chairman, Medical Committee, Chamber of Commerce, Riyadh.
- Member, Saudi Health Council (SHC)
- Member, Council of Health Insurance (CHI).
- Member, Board of Trustees, Saudi Commission for Health Specialties (SCFHS).
- Head, Dentistry Department, Al Yamamah Hospital.
- Part-time, Ministry of Health (MoH), Responsible for Medical Licenses for Private Dental Clinics.
- Head, Dentistry Department, Outpatient Clinics, Riyadh Medical Complex.
- Deputy Manager, Dental Center, Riyadh Medical Complex.
- Member, Board of Directors, Mulkia Investment Company.
- Chairman, Nomination and Remuneration Committee, Mouwasat Medical Services Company.

Experience

- Dental Medicine and Surgery.
- Business Administration.
- Member, Board of Directors, Medical Services Sector.
- Member, Board of Directors, Chairman, Medical Committees, Saudi Chambers of Commerce.
- Member, Saudi Health Council, Council of Health Insurance, Board of Trustees, Saudi Commission for Health Specialties (SCFHS).



**Mr. Fahad
Ayed Alaslami**

Current Positions

- CFO, Saudi Real Estate Company (Al Akaria)
- Member, Board of Directors, Mouwasat Medical Services Company.
- Member, Nomination and Remuneration Committee, Mouwasat Medical Services Company.
- Member, Board of Directors, Al Widyah Saudi Real Estate Company (Al Widyah Co).
- Member, Board of Directors, Saudi Real Estate Construction Company (Tamear).
- Member, Audit Committee, Saudi Real Estate Construction Company (Tamear).
- Member, Audit Committee, Mouwasat Medical Services Company.

Qualifications

- Fellowship, Saudi Organization for Chartered and Professional Accountants (SOCPA).
- Fellowship, Certified Management Accountant (CMA).
- Executive Diploma, Islamic Finance.
- Certificate, Chartered Financial Analyst (CFA).
- Certificate, Executive Chief Financial Officer (ECFO) Program.
- Certificate, Oxford Real Estate Program.
- Certificate, International Directors Program (IDP).
- Certificate, COSO Enterprise Risk Management.
- Certificate, Stanford Business Leadership Series (SBLs) Program.
- Certificate, INSEAD Corporate Governance Certificate.
- Bachelor's Degree, Administrative Sciences, Accounting, Imam Mohammad Ibn Saud Islamic University (IMSIU), KSA.

Previous Positions

- Financial Manager, Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO).
- Manager, Accounting Department, Maaden Aluminium (MA).
- Manager, Accounting Services, Saudi Aramco Total Refining and Petrochemical Company (SATORP).
- Project Manager, Financial Specialist, Accountant, Saudi Telecom Company (STC).
- CFO, National Housing Company (NHC).
- Chairman, Audit Committee, Solidarity Saudi Takaful Company.
- Member, Board of Trustees, National Developmental Housing Foundation (Sakan), Representing NHC.
- Member, Board of Directors, SICO Saudi REIT Fund.

Experience

- Accounting and Finance.
- Project Management.
- Investment.
- Member, Boards of Trustees.



**Dr. Mohammed
Hamad Alkathiri**

Current Positions

- Consultancy and Private Business
- Vice Chairman, Board of Directors, National Gas and Industrialization Company (GASCO).
- Member, Nomination and Remuneration Committee, National Gas and Industrialization Company (GASCO).
- Member, Risk Committee, National Gas and Industrialization Company (GASCO).
- Member, Board of Directors, Mouwasat Medical Services Company.
- Member, Audit Committee, Mouwasat Medical Services Company.
- Chairman, Nomination and Remuneration Committee, Mouwasat Medical Services Company.
- Member, Board of Directors, Saudi Ceramic Company.
- Chairman, Nomination and Remuneration Committee, Saudi Ceramic Company.
- Member, Audit Committee, Tam Capital.

Qualifications

- PhD, Business Administration, Strategic Management, University of Manchester, UK.
- MBA, University of Ottawa, Canada.
- Bachelor's Degree, Business Administration, King Saud University (KSU).

Previous Positions

- Secretary General, Chamber of Commerce and Industry, Riyadh.
- Undersecretary, Ministry of Commerce and Industry for Foreign Trade (Currently Ministry of Commerce).
- Secretary General, Riyadh Economic Forum (REF).
- Faculty Member, Department of Business Administration, King Saud University (KSU).
- General Manager, Zajoul for Advanced Communications Technology.
- Member, Nominations and Remuneration Committee, Mouwasat Medical Services Company.

Experience

- Secretary General, Chamber of Commerce and Industry, Riyadh.
- Undersecretary, Ministry of Commerce and Industry for Foreign Trade (Currently Ministry of Commerce).



**Dr. Abdullah
Saghaier Alhussaini**

Current Positions

- Member, Board of Director, Mouwasat Medical Services Company.
- Professor, Financial Accounting and Auditing, General Supervisor, Prince Sultan University (PSU).
- Member, Board of Directors, Khaleej Training and Education Company.
- Member, Audit Committee, Al Khaleej Training and Education Company.
- Member, Nomination and Remuneration Committee, Al Khaleej Training and Education Company.
- Member, Board of Directors, Saudi Networkers Services (SNS) Company.
- Member, Nomination and Remuneration Committee, Saudi Networkers Services (SNS) Company.
- Member, Board of Directors, Masar Alnumou Finance Company.
- Member, Audit Committee, Masar Alnumou Finance Company.
- Member, Risk Committee, Masar Alnumou Finance Company.

Qualifications

- PhD, Financial Accounting and Auditing, University of Kent, UK.
- Master's Degree, Accounting, King Saud University (KSU), KSA.
- Bachelor's Degree, Accounting, King Abdulaziz University (KAU), KSA.

Previous Positions

- Financial Management and Human Resource Management.
- Consultant, Financial and Management, Zakat and Taxation.
- Accounting and Auditing.
- To August 2025: Member, Board of Directors, Mutakamela Insurance Company (Formerly Allianz Saudi Fransi Cooperative Insurance Company).
- To August 2025: Member, Risk Committee, Mutakamela Insurance Company (Formerly Allianz Saudi Fransi Cooperative Insurance Company).
- To August 2025: Member, Nomination and Remuneration Committee, Mutakamela Insurance Company (Formerly Allianz Saudi Fransi Cooperative Insurance Company).

Experience

- Professor, Financial Accounting and Auditing.
- Financial Management and Human Resource Management.
- Financial and Management Consultations, Zakat and Taxation.
- Accounting and Auditing.



Dr. Mohammed Ibrahim Ahmed Al Tuwajiri

(Chairman of the Audit Committee – Non-Board Member)

Current Positions

- Chairman, Audit Committee, Mouwasat Medical Services Company.

Previous Positions

- Assistant Secretary-General, Economic Affairs, League of Arab States.
- Member, Board of Directors, Mouwasat Medical Services Company.
- Member, Nomination and Remuneration Committee, Mouwasat Medical Services Company.
- Manager, Al Madari Office for Administrative and Financial Consulting.
- Manager, Al-Medra Training Centre.

Qualifications

- Doctorate's Degree, Business Administration, Arizona State University (ASU), USA.
- Master's Degree, Business Administration, Finance, University of Denver, Colorado, USA.
- Bachelor's Degree, Business Administration, University of Denver, Colorado, USA.

Experience

- Procurement and Logistics.
- Saudi Aramco.
- Teaching, Education, University Research, and Consultancy.
- Administrative Development, Arab Administrative Development Organization (ARADO).
- Arab Economy, League of Arab States (Arab League).
- Memberships, Boards of Directors.

4-3 Companies Where Board Members Hold Current or Previous Membership or Managerial Positions

The table below lists the names of companies, both inside and outside the Kingdom, where the Company's Board Members hold current or previous membership or managerial positions, along with a clarification of the legal entity of each company:

Mohammad Sultan Alsubaie					
Company Name	Legal Entity	Company Location		Membership Status	
		Inside the Kingdom	Outside the Kingdom	Current	Previous
Mouwasat Medical Services Company	Public Joint Stock Company	√		√	
Al Mouwasat International Company	Limited Liability Company	√		√	

Nassir Sultan Alsubaie					
Company Name	Legal Entity	Company Location		Membership Status	
		Inside the Kingdom	Outside the Kingdom	Current	Previous
Mouwasat Medical Services Company	Public Joint Stock Company	√		√	
Al Mouwasat International Company	Limited Liability Company	√		√	
Eastern Medical Services Company	Limited Liability Company	√		√	
Jeddah Doctors Company	Closed Joint Stock Company	√		√	
Modawaa and Rieaya Medical Company	Limited Liability Company	√		√	
Advanced Medical Projects Co. Ltd	Limited Liability Company	√			√

Khalid Suliman Alsalem					
Company Name	Legal Entity	Company Location		Membership Status	
		Inside the Kingdom	Outside the Kingdom	Current	Previous
Mouwasat Medical Services Company	Public Joint Stock Company	√		√	
Jeddah Doctors Company	Closed Joint Stock Company	√		√	

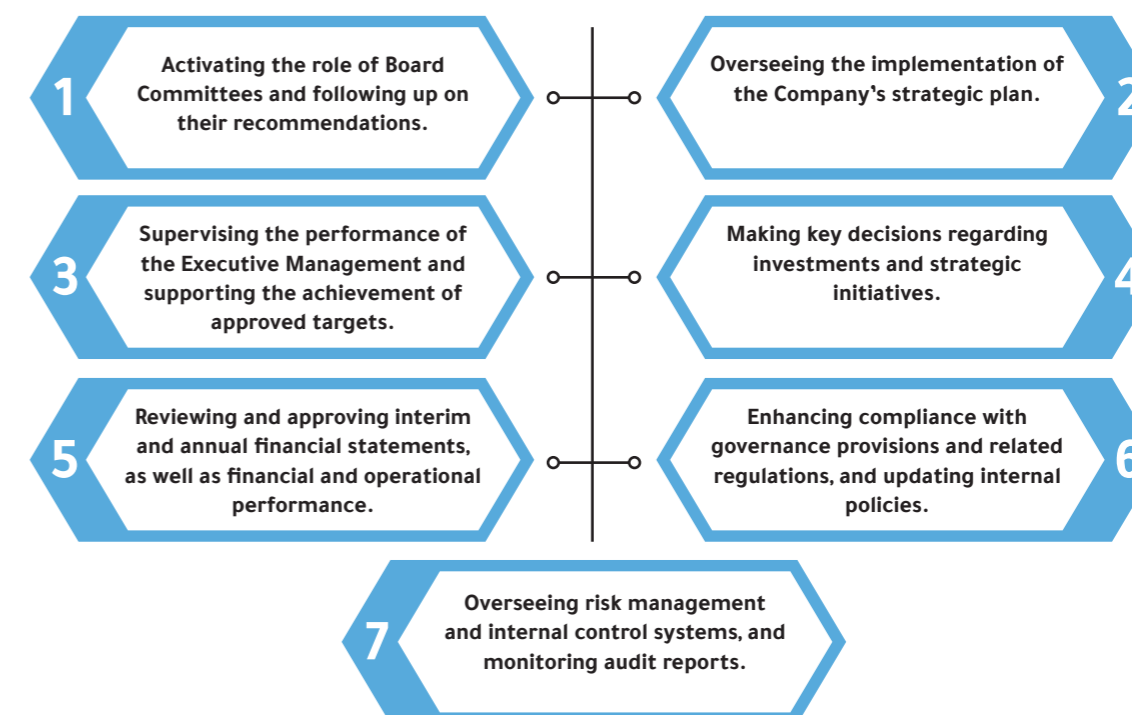
Sami Abdulkarim AlAbdulkarim					
Company Name	Legal Entity	Company Location		Membership Status	
		Inside the Kingdom	Outside the Kingdom	Current	Previous
Mouwasat Medical Services Company	Public Joint Stock Company	√		√	
Care and Science Medical Company	Closed Joint Stock Company	√		√	
Smart Information Solutions (SIS) Company	Limited Liability Company	√		√	
Jeddah Doctors Company	Closed Joint Stock Company	√		√	
Alertiqa Medical Services Company	Limited Liability Company	√			√

Fahad Ayed Alaslami					
Company Name	Legal Entity	Company Location		Membership Status	
		Inside the Kingdom	Outside the Kingdom	Current	Previous
Mouwasat Medical Services Company	Public Joint Stock Company	√		√	
SICO Saudi REIT Fund	Public Joint Stock Company	√		√	
Saudi Real Estate Construction Company (Tamear)	Closed Joint Stock Company	√		√	
Al Widyah Saudi Real Estate Co.	Closed Joint Stock Company	√		√	

Mohammed Hamad Alkathiri					
Company Name	Legal Entity	Company Location		Membership Status	
		Inside the Kingdom	Outside the Kingdom	Current	Previous
National Gas and Industrialization Company (GASCO)	Public Joint Stock Company	√		√	
Makana Commercial and Industrial Investment Company	Limited Liability Company	√		√	
Mouwasat Medical Services Company	Public Joint Stock Company	√		√	
Saudi Ceramic Company	Public Joint Stock Company	√		√	

Abdullah Saghaier Alhussaini					
Company Name	Legal Entity	Company Location		Membership Status	
		Inside the Kingdom	Outside the Kingdom	Current	Previous
AlKhaleej for Training and Education Company	Public Joint Stock Company	√		√	
Mutakamela Insurance Company (Formerly Allianz Saudi Fransi Cooperative Insurance Company) until August 2025	Public Joint Stock Company	√			√
Saudi Networkers Services (SNS) Company	Public Joint Stock Company	√		√	
Masar Alnumou Finance Company	Closed Joint Stock Company	√		√	
Mouwasat Medical Services Company	Public Joint Stock Company	√		√	

4-4 Key Activities of the Board of Directors in 2025



4-5 Board of Directors Meetings and Attendance Record in 2025

Record in 2025

The Company's Board held seven (7) meetings during 2025, reflecting a firm commitment to the Board's role in guiding the Company's general policies, reviewing financial and operational performance, and monitoring the effectiveness of internal control and risk management systems. The meetings were as follows:

Name	Position	Meetings Attendance Record							Attendance (%)
		First Meeting 05/03/2025	Second Meeting 17/03/2025	Third Meeting 05/05/2025	Fourth Meeting 22/05/2025	Fifth Meeting 01/09/2025	Sixth Meeting 21/10/2025	Seventh Meeting 10/11/2025	
Mohammad Sultan Alsubaie	Chairman of the Board	√	√	√	√	X	√	√	85.7%
Nassir Sultan Alsubaie	Vice Chairman	√	√	√	√	√	√	√	100%
Khalid Suliman Alsaleem	Managing Director	√	√	√	√	√	√	√	100%
Sami Abdulkarim AlAbdulkarim	Member	√	√	√	√	√	√	√	100%
Fahad Ayed Alaslami	Member	√	√	√	√	√	√	√	100%
Mohammed Hamad Alkathiri	Member	√	√	√	√	√	√	√	100%
Abdullah Saghaier Alhussaini	Member	√	√	√	√	√	√	√	100%

4-6 Interests of Board Members and their Relatives in the Company's Shares

The following table shows the interests of Board Members and their relatives in the Company's shares for the fiscal year ended 31 December 2025.

Name of Beneficiary	Beginning of Year		End of Year		Net Change	Change Percentage
	No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Mohammad Sultan Alsubaie	35,000,000	-	35,683,485	-	683,485	1.95%
Nassir Sultan Alsubaie	35,000,000	-	38,484,512	-	3,484,512	9.96%
Khalid Suliman Alsaleem	9,520	-	16,237	-	6,717	70.56%
Sami Abdulkarim AlAbdulkarim	50,444	-	50,444	-	-	-
Fahad Ayed Alaslami	0.0	-	0.0	-	0.0	0%
Mohammed Hamad Alkathiri	540	-	540	-	0.0	0%
Abdullah Saghaier Alhussaini	1	-	1	-	0.0	0%

4-7 Board Committees

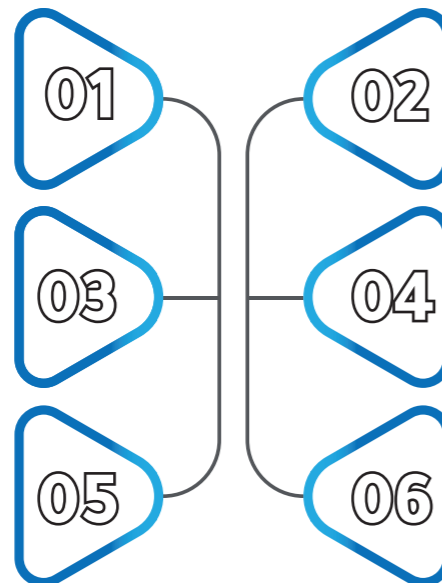
(A) Executive Committee

Committee Functions and Competencies

Monitoring the performance of the Executive Management and ensuring compliance with policies and regulations.

Reviewing and approving urgent operational initiatives and decisions within the delegated authorities.

Financial planning, credit rating, cash flows, borrowing activities, and investment deposits, in coordination with the Audit Committee.



02
Overseeing operational and financial performance, as well as Key Performance Indicators (KPIs).

04
Reviewing and providing recommendations to the Board regarding strategic decisions related to operational priorities.

06
Executing Board functions between meetings in coordination with the Vice Chairman and Managing Director, ensuring resource allocation aligns with long-term strategic and operational objectives.

The Executive Committee comprises three (3) Board Members, as detailed in the table below:

Name	Position	Membership Type
Nassir Sultan Alsubaie	Board Member (Executive)	Chairman
Khalid Suliman Alsaleem	Board Member (Executive)	Member
Sami Abdulkarim AlAbdulkarim	Board Member (Non-Executive)	Member

Meetings Attendance Record

Name	Position	Meetings Attendance Record	Attendance (%)
		First Meeting 09/11/2025	
Nassir Sultan Alsubaie	Committee Chairman	✓	100%
Khalid Suliman Alsaleem	Member	✓	100%
Sami Abdulkarim AlAbdulkarim	Member	✓	100%

Key Topics on the Agenda of the Executive Committee Meetings in 2025

1. Reviewing updates on current expansion projects and discussing their implementation timelines.
2. Reviewing the expansion plan for new projects for the year 2025.
3. Discussing current and future investment opportunities.
4. Discussing the Company's development plans, most notably the Unified Medical Record (UMR) integration project across all group hospitals.
5. Discussing community engagement programs and active contributions to community service.

(B) Audit Committee

Committee Functions and Competencies



The Audit Committee comprises four (4) Members, including three (3) Board Members, as detailed in the table below:

Name	Position	Membership Type
Mohammed Ibrahim Ahmed Al Tuwajjiri	Non-Board Member	Chairman
Sami Abdulkarim AlAbdulkarim	Board Member (Non-Executive)	Member
Mohammed Hamad Alkathiri	Board Member (Independent)	Member
Fahad Ayed Alaslami	Board Member (Independent)	Member

Meetings Attendance Record

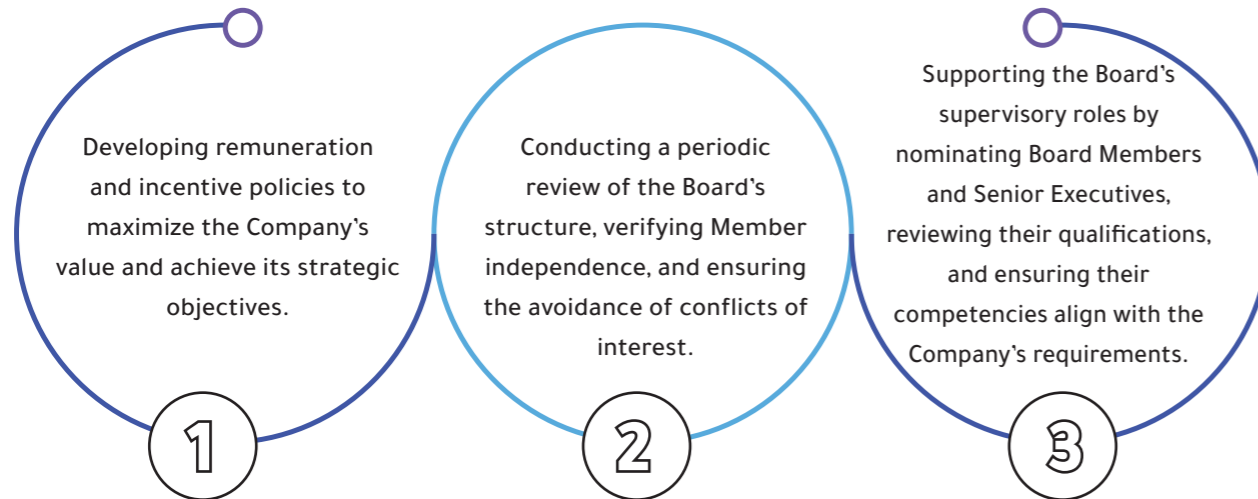
Name	Position	Meetings Attendance Record									Attendance(%)
		First Meeting 10/02/2025	Second Meeting 05/03/2025	Third Meeting 07/04/2025	Fourth Meetings 04/05/2025	Fifth Meeting 18/05/2025	Sixth Meeting 28/07/2025	Seventh Meeting 22/09/2025	Eighth Meeting 30/10/2025	Ninth Meeting 24/11/2025	
Mohammed Ibrahim Ahmed Al Tuwajjiri	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Sami Abdulkarim AlAbdulkarim	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mohammed Hamad Alkathiri	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Fahad Ayed Alaslami	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

Key Activities of the Audit Committee in 2025

- Ensuring the independence of External Auditors, monitoring their work, and reviewing and assessing audit plans with them.
- Examining internal audit reports and following up on the implementation of corrective actions for the observations included in these reports.
- Reviewing the interim and annual financial statements, assessing the adopted accounting policies, providing opinions, and making recommendations to the Board accordingly.
- Overseeing the internal control management, reviewing its systems to verify their effectiveness in executing the tasks and operations defined by the Board, and preparing reports and recommendations in this regard.
- Analyzing and studying the key risks faced by the Company, including financial, technical, and operational risks, as well as reviewing management policies related to identifying, assessing, and mitigating such risks.

(C) Nomination and Remuneration Committee (NRC)

Committee Functions and Competencies



The Nomination and Remuneration Committee comprises three (3) Board Members, as detailed in the table below:

Name	Position	Membership Type
Mohammed Hamad Alkathiri	Board Member (Independent)	Committee Chairman
Fahad Ayed Alaslami	Board Member (Independent)	Member
Sami Abdulkarim AlAbdulkarim	Board Member (Non-Executive)	Member

Meetings Attendance Record

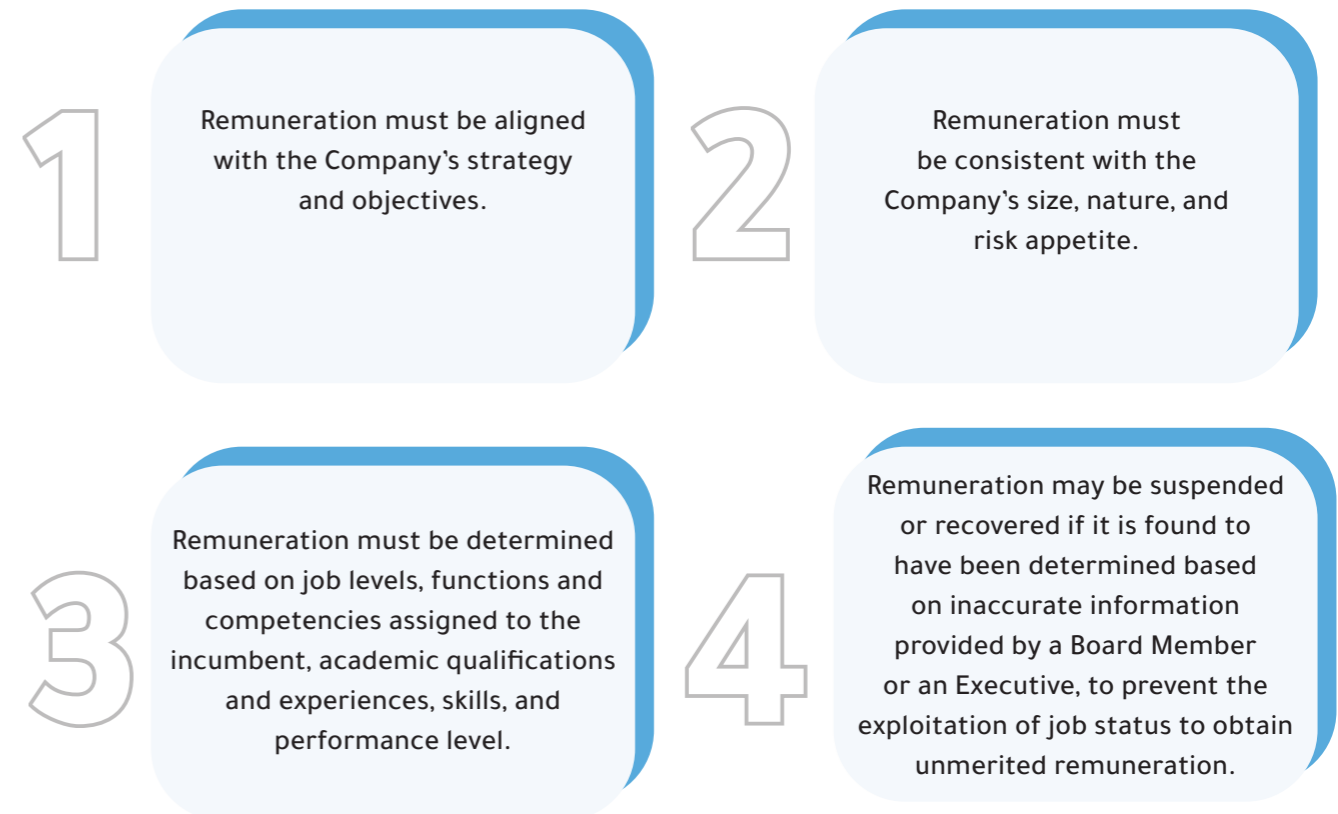
Name	Position	Meetings Attendance Record				Attendance (%)
		First Meeting 12/02/2025	Second Meeting 05/08/2025	Third Meeting 22/09/2025	Fourth Meeting 06/10/2025	
Mohammed Hamad Alkathiri	Committee Chairman	√	√	√	√	100%
Fahad Ayed Alaslami	Member	√	√	√	√	100%
Sami Abdulkarim AlAbdulkarim	Member	√	√	√	√	100%

Key Activities of the Nomination and Remuneration Committee in 2025

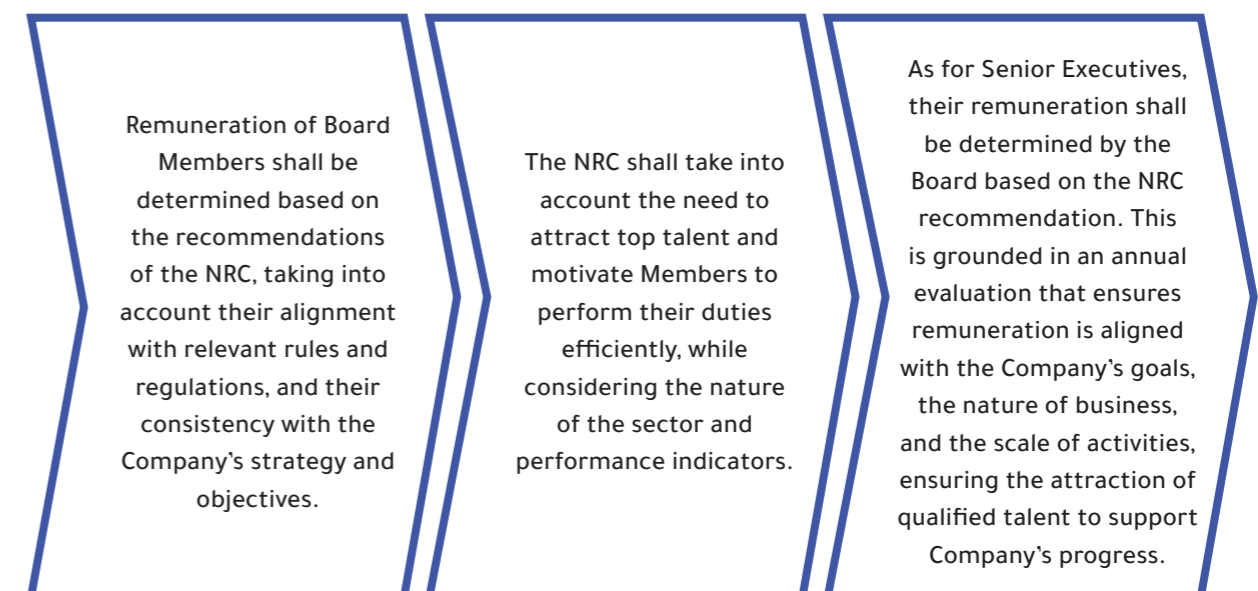
1. Discussing the Company's need for executive positions.
2. Discussing the Board's structure and its alignment with the Corporate Governance Regulations (CGRs).
3. Overseeing the nomination process for the Board's new four-year term, which commenced in 04 January 2026, to the completion of voting during the Ordinary General Assembly meeting held in 04 December 2025.
4. Verifying the independence of Independent Members and assessing whether any circumstances may affect their independence. The NRC also confirmed that none of the Board Members engage in businesses that compete with the Company's operations, except as permitted by the Ordinary General Assembly in its meeting held on 05 May 2025.

4–8 Remuneration of Board Members, Committee Members, and Senior Executives

Remuneration Policy for Members of the Board, Board Committees, and Executive Management



Remuneration of Board Members



(A) Remuneration of Board Members for the Year 2025

(All Amounts in SAR)

Name	Position	Fixed Remuneration							Variable Remuneration						End-of-service Gratuity	Grand Total	Expense Allowance
		Lump Sum	Board Meeting Attendance Allowance	Total Board Meeting Attendance Allowance	In-kind Benefits	Technical, Administrative, and Advisory Remuneration	Remuneration of Chairman, Managing Director, or Board Secretary (if a member)	Total	Percentage of Profits	Periodic Remuneration	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares (Value)	Total			
Non-Executive Members																	
Mohammad Sultan Alsubaie	Chairman of the Board	1,000,000	9,000	-	-	-	-	1,009,000	-	-	-	-	-	-	-	1,009,000	-
Sami Abdulkarim AlAbdulkarim	Board Member	1,000,000	12,000	39,000	-	-	-	1,051,000	-	-	-	-	-	-	-	1,051,000	-
Total (SAR)		2,000,000	21,000	39,000	-	-	-	2,060,000	-	-	-	-	-	-	-	2,060,000	-
Independent Members																	
Fahad Ayed Alaslami	Board Member	1,000,000	12,000	39,000	-	-	-	1,051,000	-	-	-	-	-	-	-	1,051,000	-
Mohammed Hamad Alkathiri	Board Member	1,000,000	12,000	39,000	-	-	-	1,051,000	-	-	-	-	-	-	-	1,051,000	-
Abdullah Saghaier Alhussaini	Board Member	98,630	12,000	-	-	-	-	110,630	-	-	-	-	-	-	-	110,630	-
Total (SAR)		2,098,630	36,000	78,000	-	-	-	2,212,630	-	-	-	-	-	-	-	2,212,630	-
Executive Members																	
Nassir Sultan Alsubaie	Vice Chairman of the Board	750,000	6,000	-	-	-	-	756,000	-	-	-	-	-	-	-	756,000	-
Khalid Suliman Alsalem	Managing Director	750,000	6,000	-	-	-	-	756,000	-	-	-	-	-	-	-	756,000	-
Total (SAR)		1,500,000	12,000	-	-	-	-	1,512,000	-	-	-	-	-	-	-	1,512,000	-
Grand Total (SAR)		5,598,630	69,000	117,000	-	-	-	5,784,630	-	-	-	-	-	-	-	5,784,630	-

(B) Remuneration of Committee Members

Name	Fixed Remuneration (Excluding Meeting Attendance Allowances)	Meeting Attendance Allowances	Total
Audit Committee Members			
Mohammed Ibrahim Ahmed Al Tuwajjiri	500,000	27,000	527,000
Sami Abdulkarim AlAbdulkarim	200,000	27,000	227,000
Mohammed Hamad Alkathiri	200,000	27,000	227,000
Fahad Ayed Alaslami	200,000	27,000	227,000
Total	1,100,000	108,000	1,208,000
Nomination and Remuneration Committee Members			
Mohammed Hamad Alkathiri	-	12,000	12,000
Sami Abdulkarim AlAbdulkarim	-	12,000	12,000
Fahad Ayed Alaslami	-	12,000	12,000
Total		36,000	36,000
Grand Total (SAR)	1,100,000	144,000	1,244,000

*No remuneration was paid to the Members of the Executive Committee.

(C) Remuneration of the Top 5 Senior Executives for the Year 2025

Description	Annual Remuneration (SAR)
Remuneration paid to the top 5 Senior Executives, including the CEO and the CFO	30,049,309

5- Executive Management

The Executive Management at Mouwasat serves as the primary driver of the Company's ambitious vision. It is tasked with leading and directing operational activities through an integrated structure that brings together specialized core departments under one umbrella.

These departments work in harmony and coordination to ensure the delivery of the highest standards of quality in healthcare services and to reinforce the Company's leading position in the medical sector.



6- Related Party Transactions

Details of Contracts Concluded with Related Parties in 2025, and the Interests of Board Members and Senior Executives in these Contracts

S.	Related Party	Nature of Relationship	Type of Contract	Contract Term	Transaction Value (SAR)
1	Al Mouwasat International Company	Owned by Mohammed Sultan Al-Subaie Owned by Nasser Sultan Al-Subaie Interest associated with Khaled Suleiman Al-Saleem	Supply contracts for medical supplies and travel tickets	1 year	SAR 27 Mln
2	Advision for Trading Est.	Owned by Khaled Suleiman Al-Saleem	Supply of advertising, publicity, and marketing services	1 year	SAR 27 Mln

During the fiscal year 2025, the External Auditor did not receive any additional fees beyond those specified below:

Service Type	Fees (SAR)
Annual Zakat Declaration	110,000
Write-off Report for Trade Receivables for the Year Ended 31 December 2024	35,000
Independent Limited Assurance Report on Article 71 Requirements of the Companies Law	40,000
Agreed-Upon Procedures (AUP) - Local Content Report	100,000
Total Non-Audit Services Fees	285,000
Audit of the Company's Financial Statements	990,000
Grand Total	1,275,000

7- Board Evaluation

During 2025, the Board performance in Mouwasat underwent a comprehensive and independent evaluation process. This process was conducted through two training workshops facilitated by an external consultant, Governance Experts Firm (GEF),

a Saudi consultancy firm. The evaluation aimed to ensure impartiality and to develop the Board Members' skills in alignment with best professional practices and approved standards, thereby ensuring the Company's continued leadership in the healthcare sector.

8- Loans

The following table provides a statement of the total loans obtained by the Company during 2025, with a detailed breakdown as follows:

(All Amounts in SAR Mln)

Lender Name	Loan Principal Amount	Loan Term		Amount Paid During the Year	Loan Balance at Year-End
		From	To		
1- Ministry of Finance (MOF)					
MOF Loan - Dammam Medical Tower	10.3	2011	2025	0.6	0
MOF Loan - Mouwasat Hospital, Riyadh	106	2018	2036	5.3	63.6
Total MOF Loans	116.3	-	-	5.9	63.6
2- Arab National Bank (ANB)					
ANB Loan No. 12	103.4	2020	2025	6.9	0
ANB Loan No.13	100	2025	2032	0	100
ANB Loan No. 14	100	2025	2032	0	100
Total ANB Loans	303.4	-	-	6.9	200
3- Saudi Awwal Bank (SAB)					
SAB Loan No.12	70	2022	2025	38.9	0
SAB Loan No.13	185	2022	2027	43.9	41.5
SAB Loan No.15	105	2023	2029	16.1	59.2
SAB Loan No.17	250	2026	2031	0	250
Total SAB Loans	610	-	-	98.9	350.7
4- Saudi National Bank (SNB)					
SNB Loan No.3	205	2021	2026	41	10.3
SNB Loan No.4	295	2025	2030	29.5	265.5
Total SNB Loans	500	-	-	70.5	275.8
5- Bank Albilad					
Bank Albilad Loan No. 1	40	2021	2026	8	4.7
Bank Albilad Loan No. 2	30	2023	2028	6	16
Bank Albilad Loan No. 3	70	2023	2028	14	37.3
Total Bank Albilad Loans	140	-	-	28	58
Total Loan Value	1,659.7	-	-	210.2	948.1

Evolution of the Company's Loans (2024-2025)

(All Amounts in SAR)

Description/Year	2024	2025	Variance (%)
Long-term Loans	564,793,854	757,150,409	34.1%
Current Portion of Long-term Loans	173,589,172	190,921,219	10%
Total	738,383,026	948,071,628	28.4%

9- Statutory Payments

The Company is committed to paying all in compliance with the applicable laws and statutory dues and payments, including regulations in the Kingdom.

Zakat, government fees, and social insurance,

Statement of Paid and Outstanding Statutory Payments

(All Amounts in SAR Mln)

Statutory Organization	2025		Brief Description	Reasons
	Paid	Due and Unpaid at Year-End		
Zakat	30	35	Estimated on the Zakat base until the end of 2025.	Payment is made with the submission of Zakat declaration during the subsequent year.
Value Added Tax (VAT)	256	26	The tax calculated on services provided is remitted to the Zakat, Tax and Customs Authority (ZATCA) on a monthly basis.	Payment is made in the month following the calculation date.
Withholding Tax	3.3	1.3	Arises from services provided by foreign and non-resident entities, as well as from dividend distributions to non-resident shareholders.	Payment is made in the month following the deduction date.
Customs Duties	0.5	-	Customs duties on imports for the year 2025.	-
General Organization for Social Insurance (GOSI)	40	3.6	Monthly insurance premiums due for employees.	Payment is made in the month following the due date.

10- Penalties and Sanctions

Driven by the principle of transparency and a commitment to the highest standards of governance, Mouwasat is keen to monitor and disclose all penalties or sanctions, if any, issued by regulatory authorities, while continuously working to address their root causes and enhance internal control mechanisms to ensure a legally and administratively compliant work environment.

Penalties, Sanctions, and Litigations during 2025

(All Amounts in SAR)

Issuing Authority	Reason for Violation	Final Penalty Amount (SAR)	Remedial Action
Ministry of Health (MOH)	Violations of the Health Institutions System	160,000	The amount was settled, with necessary corrective actions taken promptly. The relevant department was instructed to ensure full compliance with regulatory requirements.
Saudi Food and Drug Authority (SFDA)	Violation of the Law of Pharmaceutical Installations and Products - Technical Violation	30,000	
Ministry of Human Resources and Social Development (HRSD)	Labor Law Violations	72,600	
Zakat, Tax and Customs Authority (ZATCA)	Violation of the Zakat, Tax and Customs Authority (ZATCA) Regulations	500	
General Organization for Social Insurance (GOSI)	Violation of the General Organization for Social Insurance (GOSI) Regulations	56,942	



11- Annual Review Results of the Effectiveness of Internal Control Procedures

Mouwasat Company places the utmost importance on the internal control system, considering it the fundamental pillar for ensuring the integrity of financial and operational activities and protecting the Company's assets.

Internal Audit

The Audit Committee is responsible for monitoring the Company's business and verifying the integrity of financial reports, internal control systems, and risk management. The Internal Audit Department's 2025 strategy was built on a risk-based approach to enhance corporate governance and improve the efficiency and effectiveness of internal controls across hospitals and support departments.

The strategy also focused on providing recommendations that contribute to developing the professional team's

capabilities and enhancing operational and financial efficiency. This year, the department successfully implemented 95% of its approved annual plan, which contributed to improving oversight and compliance levels across various departments. This has solidified its role as a strategic partner in risk and governance discussions, while continuing its efforts to develop digital audit tools and accelerate corrective action implementation.

Internal Audit Department Functions

The Internal Audit Department at the Company is responsible for evaluating the internal control system, overseeing its effectiveness, and ensuring the Company's compliance with laws and regulations across all its activities and risk management. The Department submits its reports to the Audit Committee on a quarterly basis. Accordingly, the Committee supervises internal audit activities, reviews annual plans, and follows up on corrective actions for any observations, subsequently submitting its recommendations to the Board.

1- Functions Related to the Activities of the Company's External Auditor

The Internal Audit Department verifies the

independence and objectivity of the External Auditor, reviews its work plan, and examines the interim and annual financial statements to ensure their integrity and fairness before they are presented to the Board of Directors.

2- Functions Related to Compliance Assurance

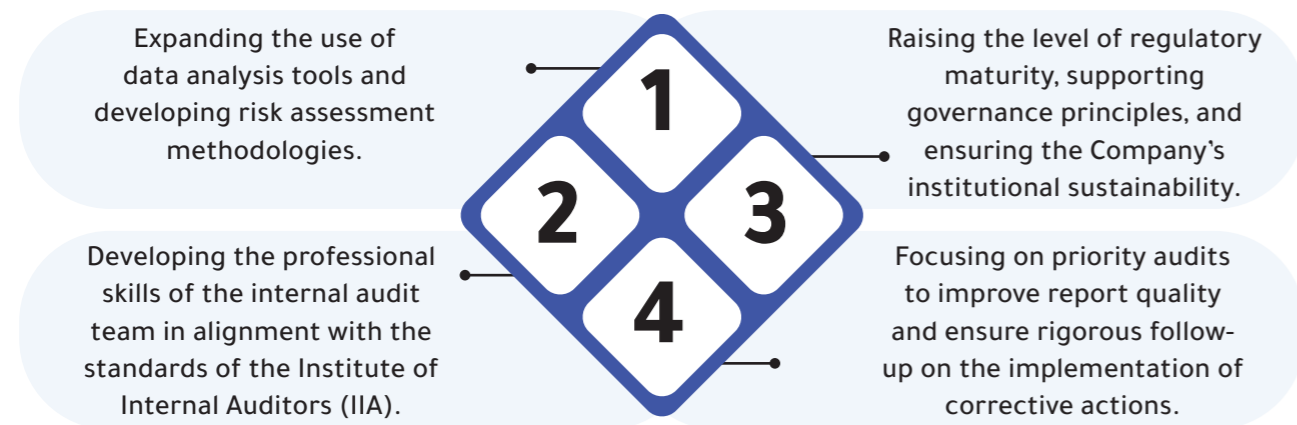
The Internal Audit Department is responsible for studying the legislation issued by regulatory authorities to verify that the Company has taken the necessary actions regarding such legislation, as well as laws and regulations. Furthermore, the Department identifies matters requiring action and submits them to the Board along with its recommendations.

Internal Audit Department Scope of Work

- 1 Preparing the annual audit plan and obtaining approval from the Audit Committee.
- 2 Providing proposals for developing the internal control system, increasing awareness of its role, and enhancing its effectiveness.
- 3 Engaging in continuous and ongoing interaction with all departments to verify full compliance with approved internal regulations and the laws governing the business.
- 4 Preparing audit reports and findings, including related recommendations, monitoring their implementation, and submitting them to the Board and the Audit Committee.
- 5 Evaluating workflow procedures and providing proposals to verify their adequacy in ensuring the effectiveness of internal control systems.
- 6 Verifying the alignment of the internal control system with the Company's Corporate Governance Regulations (CGRs) and internal control systems to protect its assets and property.
- 7 Assessing the evolution of risk factors within the Company and existing systems to address radical or unexpected changes in the financial market.
- 8 Submitting a report to the Board and the Audit Committee covering audit operations conducted during the fiscal year, comparing them to the approved plan, explaining any deviations, and evaluating the Executive Management's effectiveness in addressing them.

Internal Audit Department Plan for 2026

The Internal Audit Department's plan for 2026 focuses on strengthening risk-based oversight and driving digital transformation through the following points:



Annual Audit Results

Based on the approved Internal Audit plan for 2025, the Internal Audit Department evaluated the adequacy and effectiveness of the Company's internal control procedures in accordance with international standards and in alignment with corporate governance requirements. The results revealed the following:

- 1- The internal control system enjoys an appropriate degree of adequacy and effectiveness, particularly for key high-risk operations.
- 2- There are no observations that could materially

affect or negatively reflect upon the integrity of the financial reports or compliance with applicable laws and regulations.

- 3- Emphasis was placed on enhancing the documentation of certain procedures, improving the segregation of duties, and raising the efficiency of some control measures. Periodic reports were submitted to the Audit Committee and Executive Management, along with proposals for corrective plans and timelines for their implementation.

Audit Committee Opinion

It is worth noting that, through the performance of its functions and continuous collaboration with the Internal Audit Department, the External Auditor, and the Executive Management, the Audit Committee affirms the following:

- 1- The internal control systems are effectively implemented, based on the evaluation of workflows and the risks facing the Company.
- 2- There were no matters of material impact during

2025 that require disclosure regarding the application of financial systems and reports, or the level of compliance with the Company's governance rules.

- 3- The financial statements and the Board of Directors' report as of 31 December 2025, contain information that enables shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.

Internal Auditor's Report

The Audit Committee considers that no conflict occurred between its recommendations and the Board's decisions during 2025 regarding the appointment, dismissal, fee determination, or performance evaluation of the Company's Auditor. The Committee reviewed the proposals submitted by External Auditors based on specific professional criteria, including technical standards, regulatory compliance, fee levels, and the Company's experience in dealing with the

applicants.

Upon completion of the evaluation, the Committee submitted a recommendation to the Board nominating three External Auditors. These nominations were approved and presented to the General Assembly to select the most suitable amongst them. Consequently, no cases of disagreement in viewpoints were recorded between the Committee and the Board during the year.

12- Sustainability and Corporate Social Responsibility (CSR)

Mouwasat adopts an integrated sustainability strategy based on balancing the provision of world-class healthcare with a commitment to ethical and environmental responsibility, ensuring the building of a healthy and secure future. During 2025, the Company issued its first independent Annual Sustainability Report, covering Environmental, Social, and Governance (ESG) topics. This Report was prepared in accordance with the Global Reporting Initiative (GRI) standards,

aligning with Saudi Vision 2030 and the Health Sector Transformation Program (HSTP).

The Board includes a Governance and Sustainability Committee responsible for overseeing ESG responsibility, and disclosure files, including reviewing the sustainability report before its approval and publication. This is in addition to a Risk Management Committee operating under approved regulations.

Sustainability and Corporate Social Responsibility (CSR) Strategy


The Company adopts a Corporate Social Responsibility (CSR) and Sustainability Strategy for the period from 2025 to 2029. Progress towards its goals is monitored

through a dashboard of performance indicators, which encompasses three main pillars as follows:



The Company's Sustainability Initiatives

During 2025, the Company adopted a package of qualitative sustainability initiatives, reflecting its vision to be an active partner in building a sustainable society and an integrated healthy environment.



Economic

Operational Efficiency
Working on developing innovative treatment mechanisms, expanding telemedicine services and geographic presence simultaneously, and adding new specialized services.

Cost Control
Adopting balanced strategy to monitor and control operational costs without compromising the quality standards of healthcare services provided.

Supply Chain Automation
Using ERP and Barcode systems to manage inventory movement and code pharmaceutical materials, in addition to ABC classification for material categorization.




Social

Quality
Applying the highest professional standards in daily operations through continuous collaboration with experts and consultants to evaluate performance and develop provided services.

Partnerships
Concluding joint cooperation agreements with international companies, organizations, and hospitals, creating a positive impact on operational processes.

Competency and Saudization
Attracting national talent to increase Saudization rates, with a focus on training and development to enhance both patient and employee experiences.




Governance

Risk Management and Compliance
Improving insurance claims, developing clinical documentation, and raising cybersecurity awareness under the supervision of the Governance and Risk Management Committees.

Transparency and Shareholder Rights
Enhancing investor confidence through an experienced management team that works to align services with international accreditations and adheres to the highest standards of transparency.

Compliance with Regulatory Requirements
Updating the Company's policies continuously to meet the expectations of regulatory authorities, which supports obtaining international accreditations and reinforces its position as a trusted and accredited medical entity.



Environmental

Safe Cleaning
Using eco-friendly materials to achieve sustainability and reduce risks to the end user, in addition to monitoring the cleanliness of staff housing and ambulances.

Waste Management
Collecting and sorting waste in a safe manner through contracts with licensed disposal companies, and recycling recyclable materials. The Company's recycling rate ranges from 85% to 95%.

Energy Consumption Optimization
Forming a committee to follow up on energy consumption optimization matters, installing motion sensors for lighting control, and studying the use of solar panels in hospitals.

Sustainability Challenges

The Company faces a set of fundamental sustainability challenges due to the evolving nature of the healthcare sector. Most notable among these is balancing increasing operational growth with targets for reducing carbon emissions and rationalizing energy and water consumption, in addition to other factors.



Environmental Challenges

Climate Change: Reducing and monitoring emissions across the Group's entire operational scope.

Energy and Water Consumption Optimization: Increasing investment in energy and water management programs by using high-efficiency facilities, upgrading lighting systems, and standardizing LED technology.

Medical Waste: Increasing investment in medical waste management policy programs, with priority given to those related to recycling.



Social Challenges

Excellence in Medical and Therapeutic Service Delivery: Increasing investments in accreditation programs and medical centers of excellence.

Unhindered Access to Treatment: Focusing on international standards in rehabilitation and treatment, increasing investment in remote care programs (Telehealth), and geographic expansion.

Human Capital: Increasing investment in employee talent development through training and engagement, and designing career advancement plans.



Governance Challenges

Cyber Threats: Increasing investment in cybersecurity programs in alignment with applicable laws and regulations.

Medical Domain: Enhancing patient medical records to ensure the confidentiality and privacy of information.

Job Compliance: Updating and developing job descriptions for all employees within a clear and defined organizational structure, while strictly monitoring the implementation of ethical and health standards.

The Future of Sustainability in 2026

In 2026, Mouwasat is adopting a comprehensive sustainability strategy that is based on aligning its operations with local and international best practices and supporting the United Nations Sustainable Development Goals (SDGs), while fostering a culture of responsibility among its employees. This strategy includes investing in environmental protection, reducing emissions, and optimizing resource consumption, alongside empowering employees, enhancing the patient experience, and ensuring the quality and safety of services. Furthermore, the Company is also focusing on digital expansion and telehealth, intensifying awareness campaigns and supporting charitable initiatives, and broadening the scope of its services by establishing new centers to serve wider segments of the community.



Social Contributions

The Company believes that its responsibility extends beyond providing clinical care to creating a social impact that enhances the lives of individuals and society. This is achieved through an integrated Corporate Social Responsibility (CSR) strategy that combines professional excellence with humanitarian initiatives. The strategy includes developing national

human capital, supporting the non-profit sector, promoting preventive health awareness, and investing in environmental protection, emission reduction, and medical waste management. In 2025, spending on social initiatives reached approximately SAR 2.3 million, in addition to SAR 11 million allocated for environmental initiatives.

A Vibrant Society and Safe Care

Digital Transformation

The Company is working on pharmacy automation, employing advanced robotics in surgical operations, cleaning, and sterilization, in addition to digitizing supply chain processes and medication storage.

Health Awareness

The Company launches educational campaigns and awareness programs on the proper use of antibiotics, as well as others covering chronic and viral diseases such as diabetes and hepatitis.

Training and Development

The Company is committed to developing and training its medical competencies and the efficiency of its employees, through continuous education programs and dedicated leadership tracks, ensuring the delivery of distinguished healthcare services according to the highest standards.

Community Engagement

The Company supports the non-profit sector and humanitarian initiatives. In 2025, it participated in the inauguration of the Yusuf Bin Ahmed Kanoo Retiree Center and the Ertiqa Association for refurbishing computer devices and distributing them to charities.

Infrastructure Improvement

During 2025, the Company invested approximately SAR 40 million in developing and upgrading engineering systems and operational facilities, fostering a safe and stable work environment.

Event Participation

The Company is keen on knowledge transfer and expertise exchange by participating in major health events and forums, such as the Patient Experience Conference and the Global Health Exhibition 2025.

Patient Experience Enhancement

The Company adopts dedicated programs for patient safety and experience enhancement by facilitating communication, immediate complaint resolution, maintaining high cleanliness standards, and conducting periodic rounds to monitor patient satisfaction.

Attracting Global Talent

The Company attracts elite global talent from 31 different nationalities, reflecting its diverse expertise and contributing to the quality of specialized services.

13- Board Recommendations

1. Review and discuss the Board of Directors' Report for the fiscal year ended 31/12/2025.
2. Vote on the External Auditor's report for the fiscal year ended 31/12/2025.
3. Review and discuss the financial statements for the fiscal year ended 31/12/2025.
4. Vote on the appointment of the Company's External Auditor from among the candidates based on the Audit Committee's recommendation, to examine, review, and audit the second, third quarters, and annual financial statements of the fiscal year 2026, and the first quarter of the fiscal year 2027, and determine their fees.
5. Vote on the Board's recommendation to distribute cash dividends to shareholders for the second half of the fiscal year ended 31/12/2025, amounting to SAR 225 million at a rate of SAR 1.125 per share, equivalent to 11.25% of the capital. Dividend eligibility shall be for shareholders owning shares on the day of the General Assembly meeting and registered in the Company's shareholder registry at the Securities Depository Center (Edaa) at the end of the second trading day following the General Assembly date.
6. Vote on delegating the Board to distribute interim dividends to the Company's shareholders on a semi-annual or quarterly basis for the fiscal year 2026.
7. Vote on the business and contracts to be concluded between the Company and Mouwasat International Company, in which Board Members, Mohammed Sultan Al-Subaie and Nasser Sultan Al-Subaie, have a direct interest, and Board Member, Khaled Suleiman Al-Saleem, has an indirect interest. These include supply contracts, which will be conducted according to the Company's procurement system without preferential terms, given that the total value of contracts executed during 2025 amounted to SAR 27 million.
8. Vote on transactions and contracts to be executed between the Company and Advision for Trading Est., owned by Board Member Khaled Suleiman Al-Saleem. These contracts involve the implementation of and supply of advertising, publicity, and marketing works according to the Company's procurement system without preferential terms. It should be noted that the value of executed works during 2025 amounted to SAR 27 million.
9. Vote on discharging Board Members from liability for the period ended 31/12/2025.



14- Board Declarations

Mouwasat Board hereby declares that:

- The accounting records have been properly prepared.
- The internal control system has been prepared on a sound basis and implemented effectively.
- The Board has no significant doubt concerning the Company's ability to continue its operations.
- The consolidated financial statements for the fiscal year ended 31/12/2025, have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- No substantial events have occurred that affect the integrity of the Company's financial position following the end of the fiscal year 2025, that need to be disclosed, other than information that is already available and announced.
- External Auditor's report does not include any reservations on the annual financial statements during the fiscal year 2025.
- There is no conflict between the Audit Committee and the Board's decisions during 2025.
- No recommendation was made by the Audit Committee in 2025 concerning the appointment of an Internal Auditor, nor did the Board pass any resolution in this respect.
- No material observations were reported in the Internal Auditor's report or by the Audit Committee regarding the Company's performance or business activities during 2025.
- The Board did not recommend changing the Auditor before the end of the term for which they were appointed.
- No treasury shares are held by the Company.
- No shares or debt instruments issued by the subsidiaries.
- No investments or reserves are established for the benefit of the Company's employees.
- No person has informed the Company of any class of shares with voting rights.
- There is no redemption, purchase, or cancellation by the Company of any redeemable debt instruments.
- There are no convertible debt instruments, contractual securities, subscription right warrants, or similar rights issued by the Company during the fiscal year 2025.
- There are no conversion or subscription rights under any convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the Company.
- No arrangements or waiver agreement have been concluded, according to which any of the Company's Board Members, Committee Members, or Senior Executives have assigned any remuneration.
- No arrangements or waiver agreements have been concluded, according to which any of the Company's shareholders have assigned any of their rights to dividends.
- No option rights or subscription rights are held by the Board Members, Senior Executives, their spouses, or minor children.
- The Board has not received any request from shareholders owning (5%) or more of the Company's capital to convene a General Assembly meeting during the year 2025.
- There are no procedures that may obstruct the shareholders' right to vote.
- None of the Board Members is/was exercising any business activities that are competitive to the Company business or any of the branches thereof.
- No cash loan of any kind was provided by the Company to any of the Board Members, nor served as a guarantor for any loan to any third party.
- There are no material deviations from the approved Remuneration Policy.
- There is no description of any interest, contractual securities, or subscription rights belonging to Senior Executives and their relatives in the shares and debt instruments of the Company or any of its subsidiaries.

Auditor's Report and Financial Statements for the Year Ending on 31 December 2025

MOUWASAT MEDICAL SERVICES COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025
together with the Independent Auditor's Report

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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Independent Auditor's Report

To the Shareholders of Mouwasat Medical Services Company (A Saudi Joint Stock Company) (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The 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 annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Audit Committee 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 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 judgement and maintain professional scepticism 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.



Independent Auditor's Report

To the Shareholders of Mouwasat Medical Services Company (A Saudi Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Mouwasat Medical Services Company ("the Company") and its subsidiaries ("the Group")**.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

KPMG Professional Services Company

Mohammed Najeeb Alkhilawi
License no. 481



Al Khobar, 6 Shawwal 1447H
Corresponding to: 25 March 2026G

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Note	2025	2024
ASSETS			
Non-current assets			
Property and equipment	7	3,971,300,149	3,509,651,696
Goodwill	8	16,371,000	16,371,000
Intangible assets	9	30,631,152	20,184,315
Right-of-use asset	10.1	36,614,738	20,090,410
Lease receivable	10.5	862,793	-
Advances to contractors and suppliers	12	192,545,770	80,074,990
Total non-current assets		4,248,325,602	3,646,372,411
Current assets			
Inventories	13	236,898,566	232,064,997
Accounts receivables	14	905,840,981	925,047,643
Current portion of lease receivable	10.5	141,000	-
Advances, prepayments and other current assets	15	97,610,627	87,739,936
Term deposits	16	-	85,000,000
Cash and cash equivalents	17	497,450,629	426,574,756
Total current assets		1,737,941,803	1,756,427,332
Total assets		5,986,267,405	5,402,799,743
EQUITY AND LIABILITIES			
Equity			
Share capital	18	2,000,000,000	2,000,000,000
Other reserve	20	512,548,823	430,344,695
Retained earnings		1,265,455,162	1,137,993,239
Equity attributable to shareholders of the Company		3,778,003,985	3,568,337,934
Non-controlling interest	21	142,533,453	145,232,079
Total equity		3,920,537,438	3,713,570,013
Liabilities			
Non-current liabilities			
Long-term borrowings	22	757,150,409	564,793,854
Employees' benefits	23	205,151,296	173,427,385
Lease liabilities	10.3	36,652,754	19,453,753
Retention payable	24.1	67,316,867	50,476,948
Total non-current liabilities		1,066,271,326	808,151,940
Current liabilities			
Accounts payable	24	318,801,368	276,850,508
Due to related parties	34	2,947,362	8,228,796
Refund liability	27	179,041,660	155,993,839
Accruals and other current liabilities	25	267,990,431	228,455,456
Current portion of lease liabilities	10.3	4,768,426	3,842,154
Current portion of long-term borrowings	22	190,921,219	173,589,172
Provision for zakat	26	34,988,175	34,117,865
Total current liabilities		999,458,641	881,077,790
Total liabilities		2,065,729,967	1,689,229,730
Total equity and liabilities		5,986,267,405	5,402,799,743

Nassir Alsubaei
(Chief Executive Officer)

Khalid Al-Saleem
(Authorized Board Representative)

Adel Abou Hamra
(Chief Financial Officer)

The accompanying notes 1 through 39 on pages 6 to 51 form an integral part of these consolidated financial statements.

1

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	2025	2024
Revenue			
Medical services revenue	27	2,735,923,609	2,428,198,536
Pharmaceutical sales	27	486,656,420	451,173,805
		3,222,580,029	2,879,372,341
Cost of revenue			
Cost of operations	28	(1,527,833,581)	(1,333,342,121)
Cost of sales		(333,266,580)	(309,352,574)
		(1,861,100,161)	(1,642,694,695)
Gross profit		1,361,479,868	1,236,677,646
Operating expenses			
Selling and marketing expenses	29	(55,461,585)	(48,884,336)
General and administrative expenses	30	(446,390,846)	(393,329,339)
Reversal / (impairment) loss on accounts receivables	14.1	9,834,961	(78,406,331)
Other income	31	10,822,499	18,900,210
Other expenses	11	-	(10,686,634)
Operating profit		880,284,897	724,271,216
Other income and expenses			
Interest income on term deposits		22,440,169	11,979,959
Finance cost	32	(19,551,977)	(30,455,304)
Profit before zakat		883,173,089	705,795,871
Zakat expense	26	(31,134,194)	(36,185,714)
Profit for the year		852,038,895	669,610,157
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement loss on employees' end-of-service benefits obligations	23	(13,221,470)	(3,976,860)
Other comprehensive loss for the year		(13,221,470)	(3,976,860)
Total comprehensive income for the year		838,817,425	665,633,297
Profit for the year attributable to:			
Shareholders of the Company		822,041,282	645,759,043
Non-controlling interest	21	29,997,613	23,851,114
Profit for the year		852,038,895	669,610,157
Total comprehensive income for the year attributable to:			
Shareholders of the Company		809,666,051	641,281,930
Non-controlling interest	21	29,151,374	24,351,367
Total comprehensive income for the year		838,817,425	665,633,297
Earnings per share:			
Basic and diluted earnings per share for profit attributable to the shareholders of the Company	33	4.11	3.23

Nassir Alsubaei
(Chief Executive Officer)

Khalid Al-Saleem
(Authorized Board Representative)

Adel Abou Hamra
(Chief Financial Officer)

The accompanying notes 1 through 39 on pages 6 to 51 form an integral part of these consolidated financial statements.

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MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

Notes	2025	2024
Cash flows from operating activities		
Profit for the year	852,038,895	669,610,157
<i>Adjustments for:</i>		
Depreciation on property and equipment	7 233,729,721	228,445,620
Depreciation on right-of-use assets	10.2 3,391,361	3,005,346
Amortization of intangible assets	9 7,267,680	6,542,922
(Reversal) / impairment loss on accounts receivables	14 (9,834,961)	78,406,331
Loss on sale of investment held for sale	11 -	480,805
Finance cost	32 19,551,977	30,455,304
Interest income on term deposits	(22,440,169)	(11,979,959)
Property and equipment written off	1,612	100
Dividend income from investment held for sale	11 -	(10,205,829)
Impairment loss on remeasurement of investment held for sale	11 -	10,205,829
Interest income on lease receivable	10.5 (27,539)	-
Gain on de-recognition of right of use asset for sub-lease	10 (780,368)	-
Provision for technological obsolescence against surgical and consumable tools	13 13,319,608	-
Provision for employees' benefits	23 36,996,259	33,584,083
Gain on disposal of property and equipment	31 (1,528,205)	(1,183,251)
Zakat expense	26 31,134,194	36,185,714
	1,162,820,065	1,073,553,172
<i>Changes in:</i>		
Inventories	(18,153,177)	(34,900,211)
Accounts receivables	29,041,623	149,202,772
Due from a related party	-	916,431
Advances, prepayments and other current assets	(10,549,913)	12,104,313
Retention payable	16,839,919	16,042,287
Accounts payable	41,950,860	45,143,774
Due to related parties	(5,281,434)	3,092,609
Refund liability	23,047,821	49,909,036
Accruals and other current liabilities	38,485,011	44,032,917
Cash generated from operating activities	1,278,200,775	1,359,097,100
Employees' benefits paid	23 (18,493,818)	(17,933,996)
Finance cost paid	36.1 (51,725,361)	(48,912,598)
Zakat paid	26 (30,263,884)	(35,821,927)
Net cash from operating activities	1,177,717,712	1,256,428,579


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MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Attributable to the shareholders of the Company				Non-controlling interest	Total equity
	Share capital	Other reserve	Retained earnings	shareholders' equity		
Balance at 1 January 2024	2,000,000,000	365,768,791	911,287,213	3,277,056,004	149,790,712	3,426,846,716
Acquisition of subsidiary	-	-	-	-	490,000	490,000
Total comprehensive income for the year	-	-	645,759,043	645,759,043	23,851,114	669,610,157
Profit for the year	-	-	(4,477,113)	(4,477,113)	900,253	(3,976,860)
Other comprehensive (loss) / gain for the year	-	-	641,281,950	641,281,950	24,351,367	665,633,297
Total comprehensive income for the year	-	-	645,759,043	645,759,043	24,351,367	665,633,297
Transfer to other reserve	-	64,575,904	(64,575,904)	-	-	-
Transactions with owners in their capacity as owners	-	-	(350,000,000)	(350,000,000)	-	(350,000,000)
Dividends	-	-	-	-	(29,400,000)	(29,400,000)
Dividends to non-controlling interest	-	-	-	-	145,252,079	145,252,079
Balance at 31 December 2024	2,000,000,000	430,344,695	1,137,993,239	3,508,337,934	145,252,079	3,713,570,013
Balance at 1 January 2025	2,000,000,000	430,344,695	1,137,993,239	3,508,337,934	145,252,079	3,713,570,013
Total comprehensive income for the year	-	-	822,041,282	822,041,282	29,997,613	852,038,895
Profit for the year	-	-	(12,375,231)	(12,375,231)	(846,239)	(13,221,470)
Other comprehensive loss for the year	-	-	809,666,051	809,666,051	29,151,374	838,817,425
Total comprehensive income for the year	-	-	822,041,282	822,041,282	29,997,613	852,038,895
Transfer to other reserve	-	82,204,128	(82,204,128)	-	-	-
Transactions with owners in their capacity as owners	-	-	(600,000,000)	(600,000,000)	-	(600,000,000)
Dividends	-	-	-	-	(36,750,000)	(36,750,000)
Dividends to non-controlling interests	-	-	-	-	4,900,000	4,900,000
Additional capital contribution in subsidiary	-	-	-	-	-	-
Balance at 31 December 2025	2,000,000,000	512,548,823	1,265,455,162	3,778,063,985	142,533,453	3,920,537,428


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MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	2025	2024
Cash flows from investing activities			
Purchase of property and equipment		(409,631,952)	(429,017,800)
Purchase of intangible assets	9	(17,714,517)	(6,540,668)
Proceeds from disposal of property and equipment		2,364,239	1,842,756
Dividend received from an investment held for sale	11	-	10,205,829
Advances to contractors		(363,745,426)	(78,857,632)
Term deposits		85,000,000	15,000,000
Interest received on term deposits		23,119,391	11,092,987
Rent received from sub-lease		70,500	-
Additional capital contribution in subsidiary	1	4,900,000	-
Proceeds from sale of investment held for sale	11	-	8,284,389
Acquisition of subsidiary	1	-	490,000
Net cash used in investing activities		(675,637,765)	(467,500,139)
Cash flows from financing activities			
Dividends paid	19	(600,000,000)	(350,000,000)
Proceeds from term loans	22	420,000,000	245,000,000
Repayment of term loans	22	(210,311,398)	(272,700,727)
Payment of lease liabilities including finance cost	10.3	(4,142,676)	(4,302,463)
Dividends paid to non-controlling interests in subsidiary	21	(36,750,000)	(29,400,000)
Net cash outflow from financing activities		(431,204,074)	(411,403,190)
Net increase in cash and cash equivalents		70,875,873	377,525,250
Cash and cash equivalents at beginning of the year		426,574,756	49,049,506
Cash and cash equivalents at end of the year	17	497,450,629	426,574,756
Non-cash transactions:			
Finance cost capitalized	7.4	35,309,222	20,366,251
Transfer from advances to contractors and suppliers to property and equipment	12	251,274,646	243,243,423
Addition of right of use asset and lease liability	10	6,927,486	3,412,725
Re-assessment of right of use asset and lease liability	10	13,254,589	-
Addition of lease receivable	10.5	1,046,754	-


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MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

1. GENERAL

Mouwasat Medical Services Company ("the Company") is registered in Saudi Arabia under Commercial Registration number 2050032029 dated Ramadan 12, 1417H (corresponding to January 21, 1997). The Company was converted into a Saudi Joint Stock Company in accordance with Ministerial Resolution No. 1880 dated Dhu-al-Hijja 4, 1426H (corresponding to 4 January 2006). The unified number of the Company is 7001385033.

Details regarding the Company's subsidiary are as follows:

Name	Country of incorporation	Activities	Percentage %
Eastern Medical Services Company Limited	Saudi Arabia	Medical services	51%
Jeddah Doctor Company	Saudi Arabia	Medical services	51%
Modawaa and Rieaya Medical Company Limited	Saudi Arabia	Medical services	51%

Eastern Medical Services Company Limited is a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 2051023824 dated Ramadan 10, 1420H (corresponding to 18 December 1999). This subsidiary is engaged in construction and operation of hospitals, dispensaries and special clinics.

Jeddah Doctors Company Limited ("JDC") (Saudi Closed Joint Stock Company) is registered in Kingdom of Saudi Arabia under commercial registration number 4030278617 dated Muharram 13, 1436H (corresponding to 6 November 2014). The subsidiary is engaged in general construction of non-residential buildings including (schools, hospitals, hotels etc.), demolition of buildings; purchase, sale and division of land and real estate, and off-plan sales activities; colleges and university institutes, hospitals, medical operation of hospitals.

Mouwasat Medical Services Company in partnership with Al Dawaa Medical Services Company, has established Modawaa and Rieaya Medical Company Limited ("Modawaa") a limited liability company within Kingdom of Saudi Arabia under commercial registration number 2051256627 dated Dhu'al Qadah 29, 1445H (corresponding to 6 June 2024) for the purpose of medical clinics activities. Modawaa's capital has been set at SR 1 million, with contributions divided as 51% for Mouwasat Medical Services Company and 49% for Al Dawaa Medical Services Company. The Company has control over Modawaa and classified it as a subsidiary. During the year ended 31 December 2025, additional capital contribution of SR 10 million was made by the shareholders as per their respective shareholding.

The Company through its multiple branches is engaged in the acquisition, management, operation and maintenance of hospitals, medical centers, drug stores, pharmacies and wholesale of medical equipment and drugs.

Branch	Commercial Registration Number	Date
Dammam	2050046891	18/09/1425H
Dammam	2050111494	20/04/1438H
Dammam	2050111780	25/05/1438H
Dammam	2050086573	27/11/1433H
Khobar	2051064380	12/09/1438H
Jubail	2055004626	09/03/1421H
Jubail	2055006727	19/09/1425H
Madinah	4650029967	06/05/1421H
Madinah	4650030759	11/11/1421H
Madinah	4650083001	18/01/1438H
Madinah	4650252425	19/05/1444H
Riyadh	1010295838	09/11/1431H
Yanbu	4700118283	04/06/1444H

The consolidated financial statements include the financial information of the branches mentioned above and its subsidiaries (together referred as 'Group').

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) as endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (here and after refer to as “IFRSs as endorsed in KSA”)

2.2. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for employees’ end-of-service benefits obligation which is measured at the present value of the obligations as explained in the relevant accounting policy, financial assets at fair value through profit or loss which are measured at fair value and financial assets at fair value through other comprehensive income which are measured at fair value.

2.3. Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (SR) which is the Group’s functional currency. All financial information presented in these financial statements have been rounded off to the nearest Saudi Riyals, unless otherwise stated.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies stated below have been consistently applied to all periods presented in these consolidated financial statements, unless otherwise stated.

a) Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company (Parent Company) and its subsidiaries as at 31 December 2025. Subsidiaries are all the entities over which the Group has control. 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 all the following:

- 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

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) Basis of consolidation (continued)

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 Company 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 in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions among members of the Group are eliminated in full for consolidation.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Parent. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity attributable to owners of the Parent Company.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Non-Controlling Interests (NCI)

Non-Controlling interests (NCI) are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Interests in equity accounted investees

The Group’s interest in equity-accounted investees comprise interest in an associate.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the group’s share of movements in other comprehensive income of the investee in other comprehensive income, until the date on which significant influence ceases. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of investment.

When the Group’s share of losses in an equity accounted investment equals or exceeds its investment in the investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has incurred obligation or has made payments on behalf of the investee.

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a) Basis of consolidation (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in the relevant accounting policy.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b) Business combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The acquisition of an asset or a group of assets that does not constitute a business. In such cases the acquirer shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

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 acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests 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 administrative expenses.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised 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 recognised 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 recognised 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.

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

c) Current and non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to sell or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current.

d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The 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:

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. The Group determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts in Saudi Riyals unless otherwise stated)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Fair value measurement (continued)

External valuers are involved for valuation of significant assets, whenever required. The involvement of external valuer is decided by the Group after discussion and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the Company's external valuer, which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the 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.

e) Revenue recognition

The Group generates its revenue from sales of pharmaceuticals and rendering of inpatient and outpatient services over time and at a point in time. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The goods and services are sold both on their own in separately identified contracts with customers and together as a bundled package of goods and/or services.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Operating revenue

Revenue is measured at the transaction price, which is the amount of consideration that the Group expects to be entitled to in exchange for the services provided. Revenue primarily comprises fees charged for inpatient and outpatient hospital services. For operating revenues, the revenue is recognized when the treatment is provided, and the invoice is generated (i.e., after satisfaction of performance obligation). Net patient services revenue is recognized at the estimated net realizable amounts from the third-party payers (insurance and other companies) for the services rendered, net of estimated retroactive revenue adjustments when the related services are rendered. Unbilled revenue is recorded for the service rendered where the patients are not discharged, and final invoice is not raised for the services.

The normal business process associated with transactions with third-party payers involves review and inspection of submitted claims, which occasionally results in an adjustment of invoiced amount. This adjustment could be for various technical or medical reasons resulting from review of submitted claims by third-party payers. These adjustments constitute a variable consideration and are assessed based on all information (historical, current and forecast) that is reasonably available to the Group and identify a reasonable number of possible consideration amounts. Some contracts include variable considerations such as volume discount and prompt payment discount. Discounts comprise retrospective volume discounts granted to certain third-party payers on attainment of certain levels of business and constitute variable consideration. These are accrued over the course of the arrangement based on estimates of the level of business expected and are adjusted against revenue at the end of the arrangement to reflect actual volumes. Accordingly, the Group expects an amount of consideration that is less than what was originally invoiced. Management estimates variable consideration using the single most likely amount method for prompt payment discount.

Revenue from inpatient services is recognized over a period of time and outpatient services are recognized at the point in time.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) Revenue recognition (continued)

Sale of goods

Sales of goods represents the invoiced value of medicines and drugs supplied by the Group. The Group's contracts with customers for the sale of medicines and drugs generally include one performance obligation. Revenue from sale of medicines and drugs is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery/dispensing of the medicines and drugs.

Interest income on term deposits

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental income is recognized on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

Dividend

Dividend income from investments is recognized when the shareholders right to receive payment has been established.

f) Foreign currency transactions

Transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income and expense.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Property and equipment

Property and equipment excluding land and construction work in progress (CWIP) are carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis. Freehold land and properties under construction are not depreciated.

The following useful lives are used in the calculation of depreciation:

	<u>Years</u>
Buildings	33 years
Building system and improvements	3 to 10 years
Medical equipment and tools	4 to 10 years
Furniture, fixture and equipment	3 to 10 years
Motor Vehicles	4 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Construction work in progress (CWIP)

CWIP is recognized at cost less accumulated impairment, if any. CWIP is transferred to the related property and equipment when the construction or installation and related activities necessary to prepare the property and equipment for their intended use have been completed, and the property and equipment are ready for operational use.

Land is recognized at cost, less impairment, if any.

h) Intangibles assets

Intangible assets represent the software license and operating license of certain hospitals. They are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives ranging between 3 to 10 years. Useful lives are reviewed at each reporting date.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Intangibles assets (continued)

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

i) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Leases (continued)

a. Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Currently, Group has no contract which includes lease and non-lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying assets to restore the underlying assets or the site on which it is located less any lease incentive returned.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability mainly comprise of fixed lease payments.

The lease liability is subsequently carried at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low value assets and short-term leases including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Leases (continued)

b. Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its building properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

j) 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.

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Recognition and initial measurement

Accounts receivable and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Accounts receivable without a significant financing component is initially measured at the transaction price.

ii) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through OCI ("FVOCI"); or fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

- k) Financial instruments (continued)**
ii) Financial assets (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

iii) Financial assets - Business model and assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

- k) Financial instruments (continued)**

iv) Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

v) Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Financial assets at FVOCI	<i>Equity instrument at FVOCI:</i> These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

vi) Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments (continued)

vii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

l) Impairment

i) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies the general approach to provide for ECLs on all other financial instruments. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivable and contract assets, the Group applies a simplified approach in calculating ECLs.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group assesses all the information available, including past due status, credit ratings, the existence of third party insurance and forward-looking economic factors in the measurement of the expected credit losses associated with its accounts receivable and contract assets.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) Impairment (continued)

i) Impairment of financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held)

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) Impairment (continued)

i) Impairment of financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each product to its present location and condition and calculated on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

n) Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet, if any.

o) 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. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liability

Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at a rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed in the consolidated income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied, are added to or deducted from the cost of the asset.

p) Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, are recorded in the consolidated statement of financial position under accounts payable and accruals. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable. A contingent asset becomes a realized asset recordable on the consolidated statement of financial position when the realization of cash flows associated with it becomes relatively certain.

q) Zakat and tax

Zakat

The Group is subject to the regulations of the Zakat, Tax and Custom Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is charged to the statement of profit or loss on an accruals basis. The zakat charge is computed on the Saudi shareholders' share of the zakat base at the end of the year. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

q) Zakat and tax (continued)

Zakat (continued)

Value added tax

Expenses and assets are recognised net of the amount of value added tax ("VAT"), except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.
- The net amount of VAT recoverable from, or payable

r) Employees' benefits

Retirement benefit costs and termination benefits

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in profit or loss in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

s) Segment reporting (continued)

The Group's Board of Directors are considered to be the chief operating decision maker. Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. As the operations of the Group are conducted in the Kingdom of Saudi Arabia, accordingly, for management purposes, the Group is organized into business units based on its products and services.

t) Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

u) Other reserves

In accordance with Company's By-laws, the Company has established other reserve by the appropriation of 10% of net income until the reserve equals 30% of the share capital. This reserve is not available for dividend distribution.

v) Short term investments

Short term investments in the statements position are deposits with having maturity of more than three months but less than a year from date of placement.

w) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

x) Assets held for sale

Non-current assets or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets (if any), which continued to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognized in the consolidated statement of profit or loss.

Once classified as held for sale, intangible assets and property and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements in conformity with IFRS, as endorsed in KSA, requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The 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 that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Critical accounting estimates

i. Provision for expected credit losses of accounts receivable and contract assets

The Group uses a provision matrix to calculate ECLs for accounts receivable and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. payor groups). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

ii. Employees' end-of-service benefits

The cost of the employees' end-of-service benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Revenue recognition – estimating variable consideration

The Group estimates variable considerations to be included in the transaction price in respect of each of its agreement with customers. In making such estimate the Group assess the impact of any variable consideration in the contract, customers' right to volume discounts, prompt payment discounts and claims disallowance of certain services provided to the patients upon submission of invoices to the customers. The Group uses its accumulated historical experience to estimate the percentage. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected adjustments estimated by the Group.

iv. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget and marketing terms forecast for the next five years and do not include restructuring activities that the 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 growth rate used for extrapolation purposes.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

a. Critical accounting estimates (continued)

v. Useful lives of property and equipment

Management determines the estimated useful lives of property and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges, if any, are adjusted in current and future periods.

vi. Useful lives of intangible assets

Management reviews the amortization period and the amortization method for any intangible asset with a finite useful life at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the Company changes the amortization period accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the Group changes the amortization method to reflect the changed pattern.

vii. Zakat

The Group is subject to Zakat in accordance with the Zakat, Tax and Custom Authority ("ZATCA") regulations. Zakat computation involves relevant knowledge and judgement of the Zakat rules and regulations to assess the impact of Zakat liability at a particular period end. This liability is considered an estimate until the final assessment by ZATCA is carried out until which the Group retains exposure to additional Zakat liability.

b. Critical judgements in applying accounting standards

i. Incremental borrowing rate for lease agreements

The Group cannot readily determine the interest rate implicit in the lease agreement, therefore, it uses its Incremental Borrowing Rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

ii. Determining the lease term of contracts

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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5. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS

Amendments to existing standards adopted by the Group

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2025:

- Lack of Exchangeability – Amendments to IAS 21, effective for annual periods beginning on or after 1 January 2025;

However, these amendments did not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to existing standards issued but not yet effective

The amendments to existing standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these amendments to existing standards, if applicable, when they become effective:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', effective for annual periods beginning on or after 1 January 2026;
- Annual improvements to IFRS Accounting Standards – Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash flows, effective for annual periods beginning on or after 1 January 2026;
- IFRS 18 Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027;
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures', effective for annual periods beginning on or after 1 January 2027.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28, effective date deferred indefinitely.

The above-mentioned standards are not expected to have a significant or material impact on the consolidated financial statements of the Group when they become effective except IFRS 18. Management is currently assessing the impact of IFRS 18.

6. OPERATING SEGMENTS

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and gross profit and is measured consistently in the consolidated financial statements.

The Group's operations consist mainly of the medical services and sale of pharmaceuticals products and accordingly following are selected financial information as at 31 December 2025 and 2024 by business segment:

- Medical Services segment: Inpatient and outpatient services.
- Pharmaceuticals*.

No operating segments have been aggregated to form the above reportable operating segments.

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6. OPERATING SEGMENTS (CONTINUED)

	Medical Services	Pharmaceuticals	Total
For the year ended 31 December 2025			
Revenue	2,735,923,609	486,656,420	3,222,580,029
Gross profit	1,208,090,028	153,389,840	1,361,479,868
For the year ended 31 December 2024			
Revenue	2,428,198,536	451,173,805	2,879,372,341
Gross profit	1,094,856,415	141,821,231	1,236,677,646
As at 31 December 2025			
Segment assets	5,516,864,458	290,361,287	5,807,225,745
Segment liabilities	1,707,452,917	179,235,390	1,886,688,307
As at 31 December 2024			
Segment assets	4,984,465,609	262,340,295	5,246,805,904
Segment liabilities	1,387,578,481	145,657,410	1,533,235,891

Geographical segments:

All of the Group's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of the share of results of associates, central administration costs including directors' salaries, profit from term deposits, non-operating gains and losses in respect of financial instruments and finance costs. This is the measure reported to the Group's Board of Directors for the purpose of resource allocation and assessment of segment performance. Details regarding capital expenditure and investment in associate has been separately disclosed in these consolidated financial statements.

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7. PROPERTY AND EQUIPMENT (CONTINUED)

7.1 Depreciation charge for the year has been allocated as follow:

	Note	2025	2024
Cost of operations	28	186,507,265	182,666,883
General and administration expenses	30	47,222,456	45,778,737
		233,729,721	228,445,620

7.2 As at 31 December 2025, plots of land amounting to SR 52.92 million (2024: SR 52.92 million) have been pledged as security against term loans from Ministry of Finance.

7.3 Construction Work in progress:

Construction work in progress mainly represents costs incurred to construct new hospitals and expansion of existing hospitals, which is currently in work-in-progress. During the year, Group has capitalised SR 52.43 million (2024: SR 114.88 million). Subsequent to the year end, the Group capitalised the hospital in Yanbu and started operations in the hospital in Yanbu from 1 February 2026.

7.4 In 2025, borrowing costs of SR 35.31 million (2024: SR 20.37 million) have been capitalized.

7.5 During the year, the Group reclassified assets with a cost of SAR 6.23 million and related accumulated depreciation of SAR 0.16 million from buildings to building systems and improvements, to better reflect the nature and function of the underlying assets.

8. GOODWILL

On 24 July 2006, the Group acquired 51% of the voting shares of Eastern Medical Services Company Limited ("EMS"), an unlisted company registered in the Kingdom of Saudi Arabia. The Group performed its annual impairment test and compared the carrying value to their estimated recoverable amount based on appropriate method. The results of impairment test at 31 December 2025 indicated no impairment loss.

The recoverable amount of the EMS is also determined based on value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for services. The pre-tax discount rate applied to the cash flow projections is 10.4% (2024: 10.7%). The long-term growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2% (2024: 2%). As a result of the analysis, the estimated recoverable amount exceeded its carrying amount by approximately SR 386.9 million (2024: SR 348.2 million) and management did not identify an impairment for this CGU.

Key assumptions used in value in use calculations

The calculation of value in use is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Gross margins are based on average values achieved in the three years preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Discount rates represent the current market assessment of the risks specific to cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Growth rate estimates are based on published industry research.

Management have considered and assessed reasonably possible changes for key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount. Management believes a reasonable range of increase or decrease in any of the assumptions within the projected cash flows would not change the outcome of the impairment analysis for the goodwill.

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7. PROPERTY AND EQUIPMENT

Cost	Land	Buildings	Building system and improvement	Medical equipment and tools	Furniture, fixture and equipment	Motor vehicles	Construction work in progress	Total
1 January 2024	517,131,144	1,490,974,950	852,312,457	958,343,083	215,935,650	41,139,512	311,975,805	4,387,812,601
Additions	208,638,670	12,354,022	7,649,781	60,851,713	20,568,430	8,669,168	373,895,690	692,627,474
Transfers (note 7.3)	-	62,144,815	52,640,955	80,123	14,620	-	(114,880,513)	-
Write off	-	-	-	(75,752)	(62,311)	-	-	(138,063)
Disposals	(160,000)	-	(5,713)	(2,596,270)	(433,434)	(4,734,508)	-	(7,929,925)
31 December 2024	725,609,814	1,565,473,787	912,597,480	1,016,602,897	236,022,955	45,074,172	570,990,982	5,072,372,087
Additions	103,805,946	12,753,527	17,331,598	56,286,767	28,213,881	7,129,344	470,694,757	696,215,820
Reclassification (note 7.5)	-	(6,252,906)	6,252,906	-	-	-	-	-
Transfers (note 7.3)	-	40,051,608	12,236,393	44,938	103,509	-	(52,436,448)	-
Write off	-	-	-	(2,560)	(225,090)	-	-	(227,650)
Disposals	(582,000)	-	(40,844)	(2,012,863)	(1,077,466)	(2,118,334)	-	(5,831,507)
31 December 2025	828,833,760	1,612,026,016	948,377,533	1,070,919,179	263,037,789	50,085,182	989,249,291	5,762,528,750

Accumulated depreciation

1 January 2024	-	334,819,414	373,974,602	481,626,491	122,741,857	28,520,790	-	1,341,683,154
Depreciation charge for the year	-	41,718,491	79,124,204	82,546,983	20,174,282	4,881,660	-	228,445,620
Write off	-	-	-	(75,688)	(62,275)	-	-	(137,963)
Disposals	-	-	(4,198)	(2,415,030)	(383,906)	(4,467,286)	-	(7,270,420)
31 December 2024	-	376,537,905	453,094,608	561,682,756	142,469,958	28,935,164	-	1,562,720,391
Depreciation charge for the year	-	43,572,117	81,572,140	82,196,760	20,464,795	5,923,909	-	233,729,721
Reclassification (note 7.5)	-	(158,232)	158,232	-	-	-	-	-
Write off	-	-	-	(2,556)	(223,482)	-	-	(226,038)
Disposals	-	-	(40,461)	(1,927,828)	(1,057,001)	(1,970,183)	-	(4,995,473)
31 December 2025	-	419,951,790	534,784,519	641,949,132	161,654,270	32,888,890	-	1,791,228,601
Carrying amount	828,833,760	1,192,074,226	413,593,014	428,970,047	101,383,519	17,196,292	989,249,291	3,971,300,149
As at 31 December 2025	725,609,814	1,188,935,882	459,502,872	454,920,141	93,552,997	16,139,008	570,990,982	3,509,651,696
As at 31 December 2024	-	-	-	-	-	-	-	-

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9. **INTANGIBLE ASSETS**

	Softwares	Operating licenses	Total
Cost			
1 January 2024	30,826,674	14,560,864	45,387,538
Additions during the year	2,449,211	4,091,457	6,540,668
Written off during the year	-	(2,225,666)	(2,225,666)
31 December 2024	33,275,885	16,426,655	49,702,540
Additions during the year	14,567,861	3,146,656	17,714,517
Written off during the year	-	(4,743,952)	(4,743,952)
31 December 2025	47,843,746	14,829,359	62,673,105
Accumulated amortization			
1 January 2024	14,776,115	10,424,854	25,200,969
Amortization charge for the year	2,999,963	3,542,959	6,542,922
Written off during the year	-	(2,225,666)	(2,225,666)
31 December 2024	17,776,078	11,742,147	29,518,225
Amortization charge for the year	3,510,519	3,757,161	7,267,680
Written off during the year	-	(4,743,952)	(4,743,952)
31 December 2025	21,286,597	10,755,356	32,041,953
Carrying amount			
31 December 2025	26,557,149	4,074,003	30,631,152
31 December 2024	15,499,807	4,684,508	20,184,315

The amortization of intangible assets has been allocated as follows:

	2025	2024
Cost of operations (note 28)	2,808,415	2,399,969
General and administration expenses (note 30)	4,459,265	4,142,953
	7,267,680	6,542,922

10. **LEASES**

a) **Leases as lessee**

The Group contracted for lease of building in Madinah having a lease period of 11 years ending on 31 December 2030 with an option to renew thereafter on mutual consent. Lease payments agreed at the time of inception of lease, may change during the tenure of agreement based on mutual consent of both parties. During the year ended 31 December 2025, Group re-assessed the lease term of the Madinah lease and extended the lease term for additional 5 years ending on 31 December 2035.

During 2024, Group has recognised lease of land for the construction of hospital in Yanbu for 43 years for the agreement entered during 2022, with an option to renew thereafter on mutual consent. Company has recognised the impact on the opening balances during 2024 as the impact was immaterial. Lease payments are agreed at the time of inception and are fixed during the tenure of the agreement.

During the year ended 31 December 2025, Group has recognised leases of land for the construction of hospital in Jubail for 20-30 years and a building in Khobar to operate a clinic for 10 years with an option to renew the leases thereafter on mutual consent.

10.1 **Right of use assets**

	2025	2024
1 January	20,090,410	19,683,031
Additions during the year	6,927,486	3,412,725
Effect of re-assessment of lease term	13,254,589	-
Depreciation expense	(3,391,361)	(3,005,346)
De-recognition of right of use assets (note 10 (b))	(266,386)	-
31 December	36,614,738	20,090,410

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10. **LEASES (CONTINUED)**

10.2 **The depreciation of right-of-use asset has been allocated as follows:**

	2025	2024
Cost of operations (note 28)	2,713,088	2,404,277
General and administration expenses (note 30)	678,273	601,069
	3,391,361	3,005,346

10.3 **Lease liability**

	2025	2024
1 January	23,295,907	22,395,185
Additions during the year	6,927,486	3,412,725
Effect of re-assessment of lease term	13,254,589	-
Interest expense	2,085,874	1,790,460
Payments	(4,142,676)	(4,302,463)
Balance as at 31 December	41,421,180	23,295,907

	2025	2024
Current portion	4,768,426	3,842,154
Non-current portion	36,652,754	19,453,753
Balance as at 31 December	41,421,180	23,295,907

10.4 **Amounts recognized in statement of profit or loss**

	2025	2024
Interest on lease liabilities (note 32)	2,085,874	1,790,460
Depreciation on right-of-use assets (note 10.2)	3,391,361	3,005,346

b) **Leases as lessor**

During the year ended 31 December 2025, the Group has sub-leased Madinah building that has been presented as a right-of-use asset. The Group recognized a gain of SR 780,368 (31 December 2024: nil) on derecognition of the right-of-use asset pertaining to the building amounting to SR 266,386 and recognised interest income on lease receivable of SR 27,539 (31 December 2024: nil).

10.5 **Lease receivable**

	2025	2024
Additions during the year	1,046,754	-
Interest income	27,539	-
Lease rental received	(70,500)	-
31 December	1,003,793	-

	2025	2024
Current portion	141,000	-
Non-current portion	862,793	-
Balance as at 31 December	1,003,793	-

The Group has rented out outlets within hospitals premises for a period of less than one year and has no material finance lease contract as a lessor.

11. **INVESTMENT IN AN ASSOCIATE – HELD FOR SALE**

The Group has 50% share in Advance Medical Project Company ("AMPC"), a limited liability company registered in the Kingdom of Saudi Arabia. AMPC is engaged in operating ophthalmology, ears, noses and throats clinics. This investment is accounted for under the equity method and share in result of associate has been recorded in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023.

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11. INVESTMENT IN AN ASSOCIATE – HELD FOR SALE (CONTINUED)

During 2024, the Group has formally announced its decision to exit its investment in Advanced Medical Projects Co (“AMPC”). Earlier it was agreed to extend the memorandum of association ended on 31 December 2022 to the end of 2025. Subsequently, an amendment was made, and services were continued until the end of January 2024. Starting from 1 February 2024, Mouwasat hospital in Dammam provided services through their Mouwasat Eye Centre. Pursuant to exit, Group does not have significant influence over AMPC.

Consequently, as of 31 December 2023, the Group classified investments in associates as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. This investment was carried at lower of fair value and carrying amount as management consider the fair value of investment approximate to the carrying value.

The financial information of the associate is not material at the Group level, therefore summarised financial information of the associate has not been presented.

During 2024, the Group received a dividend of SR 10.21 million from AMPC, which was recognized as other income (note 31). In November 2024, a final settlement was agreed upon with AMPC, and the Group received SR 8.28 million as full and final settlement. As a result in 2024, a loss of SR 10.69 million was recognized on the sale of the investment in an associate held for sale.

12. ADVANCES TO CONTRACTORS AND SUPPLIERS

This represents advances made to contractors and suppliers for hospital projects under progress and purchase of medical equipment. The movement in advances to contractors and suppliers was as follows:

	2025	2024
Balance as at 1 January	80,074,990	244,460,781
Payments during the year	363,745,426	78,857,632
Transfer to property and equipment	(251,274,646)	(243,243,423)
Balance as at 31 December	<u>192,545,770</u>	<u>80,074,990</u>

13. INVENTORIES

	2025	2024
Pharmaceuticals and cosmetic materials	144,256,300	122,477,948
Surgical and consumable tools	99,059,553	100,105,098
Other consumables	6,902,321	9,481,951
	<u>250,218,174</u>	<u>232,064,997</u>
Less: provision for technological obsolescence against surgical and consumable tools	<u>(13,319,608)</u>	<u>-</u>
	<u>236,898,566</u>	<u>232,064,997</u>

No expense or reversal has been recognized in respect of impairment for pharmaceutical and cosmetic materials as expired pharmaceutical inventories are recalled by the suppliers before the expiry date as per terms of agreement.

No write downs of inventory to net realisable value and of the reversal of such write-downs have been recognized because sales prices of pharmaceutical inventories are regulated by ministry of health and have not significantly changed subsequent to year end.

During the year ended 31 December 2025, inventories of SR 446.34 million and SR 333.27 million (2024: SR 365.68 million and SR 309.35 million) were recognized as an expense during the year and included in cost of operations and cost of sales respectively.

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14. ACCOUNTS RECEIVABLE

	2025	2024
Accounts receivable	955,644,421	1,017,462,327
Less: Impairment loss (note 14.1)	(49,803,440)	(92,414,684)
	<u>905,840,981</u>	<u>925,047,643</u>

The Group’s credit terms require receivables to be repaid within 30-60 days of the claim date depending on the type of customer, which is in line with healthcare industry. It is not the practice of the Group to obtain collateral over receivables and therefore are unsecured. No interest is charged on outstanding balance. As at 31 December 2025, approximately 96.3% of the Group’s accounts receivable balance was due from various governmental and insurance entities (31 December 2024: 94%).

The Group always measures the loss allowance for accounts receivable at an amount equal to lifetime ECL. The expected credit losses are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of accounts receivable based on the Group’s provision matrix. As the Group’s historical credit loss experience does not show significantly different loss pattern for different customer segments.

	Accounts receivable – days past due					Total
	Not past due	30-90	90-180	180-360	>360	
31 December 2025	320,827,381	213,898,894	187,859,354	183,255,352	-	905,840,981
31 December 2024	319,803,138	370,877,551	142,365,666	62,932,534	29,068,754	925,047,643

14.1 Following is the movement of impairment loss on accounts receivable:

	2025	2024
Balance at 1 January	92,414,684	163,486,121
(Reversal) / impairment loss on accounts receivables	(9,834,961)	78,406,331
Write offs	(32,776,283)	(149,477,768)
Balance at 31 December	<u>49,803,440</u>	<u>92,414,684</u>

15. ADVANCES, PREPAYMENTS AND OTHER CURRENT ASSETS

	2025	2024
Prepaid expenses	48,945,033	41,264,746
Advances to suppliers	18,865,824	26,998,281
Contract assets (note 27.1)	5,873,388	7,087,682
Other assets	23,926,382	12,389,227
	<u>97,610,627</u>	<u>87,739,936</u>

16. TERM DEPOSITS

As at 31 December 2025, Islamic term deposits of SR nil (2024: SR 85 million) were placed with a local bank with maturities of more than three months and earn commission income at fixed agreed rate specified in the placement letter. The agreed rate was prevailing market interest rate at the time of its placement.

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17. CASH AND CASH EQUIVALENTS

	2025	2024
Cash in hand	593,911	446,219
Bank balances	119,856,718	116,128,537
Term deposits	377,000,000	310,000,000
	497,450,629	426,574,756

Cash and cash equivalents comprise cash at banks, cash in hand and term deposits with maturity less than three months which are subject to an insignificant risk of changes in value.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

18. SHARE CAPITAL

The authorized, issued and fully paid share capital of the Company is divided into 200 million shares (2024: 200 million shares) of SR 10 each.

19. DIVIDENDS

The Board of Directors at their meeting held on 11 Ramadan 1447H (corresponding to 28 February 2026G) proposed a cash dividend of SR 1.125 per share amounting to SR 225 million for the second half the year ended 31 December 2025G. The approval of the shareholders of the Group for the dividend will be obtained in their forthcoming Annual General Meeting. The consolidated interim financial statements for the year ended 31 December 2025 do not include the effect of the aforementioned proposed dividend.

The Board of Directors at their meeting held on 9 Rabi-ul-Awwal 1447H (corresponding to 1 September 2025G) proposed a cash dividend of SR 1 per share amounting to SR 200 million for the first half the year ended 31 December 2025G. The approval of the shareholders of the Group for the dividend was obtained in their Ordinary General Assembly Meeting of shareholders held on 13 Jumada Al Akhirah 1447H (corresponding to 4 December 2025G). The dividend has been accounted for in the consolidated financial statements for the year ended 31 December 2025.

The Board of Directors at their meeting held on 22 Jumada Al-Akhirah 1446H (corresponding to 23 December 2024G) proposed a cash dividend of SR 2 per share amounting to SR 400 million for the year ended 31 December 2024G which was subsequently approved by shareholders in General Assembly Meeting held on 7 Dhual Qa'dah 1446H (corresponding to 5 May 2025G). The dividend has been accounted for in the consolidated financial statements for the year ended 31 December 2025.

The Board of Directors at their meeting held on 12 Jumada Al-Akhirah 1445H (corresponding to 25 December 2023G) proposed a cash dividend of SR 1.75 per share amounting to SR 350 million for the year ended 31 December 2023G. The approval of the shareholders of the Group for the dividend was obtained in their Annual General Meeting held on 19 Dhual Qa'dah 1445H (corresponding to 27 May 2024G). The dividend has been accounted for in the consolidated financial statements for the year ended 31 December 2024.

20. OTHER RESERVE

In accordance with the By-laws of the Company, 10% of the profit for the year is required to be transferred to the other reserve until the balance in the reserve equals 30% of the capital.

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21. NON-CONTROLLING INTERESTS

The following table summarises the information relating to the Group's subsidiaries (Eastern Medical Services Company "EMS", Jeddah Doctor Company "JDC" and Modawaa and Rieaya Medical Company Limited ("Modawaa") that has material non-controlling interests (NCI), before any intra group eliminations.

Summarized statements of financial positions

31 December 2025	EMS	JDC	Modawaa	Total
Non-current assets	123,983,909	508,425,100	18,700,913	651,109,922
Current assets	114,652,411	7,372,874	6,966,863	128,992,148
Non-current liabilities	(24,502,125)	(337,405,132)	(15,649,277)	(377,556,534)
Current liabilities	(42,000,535)	(67,058,268)	(2,602,118)	(111,660,921)
Net assets	172,133,660	111,334,574	7,416,381	290,884,615
Attributable to:				
Equity holder of parent	87,788,176	56,780,631	3,782,355	148,351,162
Non-controlling interests	84,345,484	54,553,943	3,634,026	142,533,453

31 December 2024	EMS	JDC	Modawaa	Total
Non-current assets	115,671,604	317,378,067	-	433,049,671
Current assets	141,417,792	2,289,722	1,000,000	144,707,514
Non-current liabilities	(20,109,175)	(140,425,942)	-	(160,535,117)
Current liabilities	(54,300,626)	(66,452,756)	(76,673)	(120,830,055)
Net assets	182,679,595	112,789,091	923,327	296,392,013
Attributable to:				
Equity holder of parent	93,166,603	57,522,434	470,897	151,159,934
Non-controlling interests	89,512,992	55,266,657	452,430	145,232,079

Summarized statements of profit or loss and other comprehensive income for the year ended 31 December:

31 December 2025	EMS	JDC	Modawaa	Total
Revenue	293,512,402	-	28,486	293,540,888
Cost of sales	(157,267,809)	-	(2,071,179)	(159,338,988)
Selling and distribution expenses	(6,216,787)	(4,240)	(40,145)	(6,261,172)
General and administration expenses	(62,519,931)	(1,367,679)	(635,582)	(64,523,192)
Reversal of impairment loss on accounts receivables	816,765	-	-	816,765
Other income	317,073	-	-	317,073
Finance costs	-	-	(580,689)	(580,689)
Interest income	1,690,152	-	-	1,690,152
Profit / (loss) before zakat	70,331,865	(1,371,919)	(3,299,109)	65,660,837
Zakat for the year	(4,135,224)	(98,156)	(207,837)	(4,441,217)
Net profit / (loss) for the year	66,196,641	(1,470,075)	(3,506,946)	61,219,620
Other comprehensive gain for the year	(1,742,576)	15,558	-	(1,727,018)
Total comprehensive income for the year	64,454,065	(1,454,517)	(3,506,946)	59,492,602
Profit attributable to non-controlling interest	32,436,354	(720,337)	(1,718,404)	29,997,613
Total comprehensive income attributable to non-controlling interests	31,582,492	(712,714)	(1,718,404)	29,151,374
Dividends to non-controlling interest	(36,750,000)	-	-	(36,750,000)

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21. NON-CONTROLLING INTERESTS (CONTINUED)

31 December 2024	EMS	JDC	Modawaa	Total
Revenue	264,224,246	-	-	264,224,246
Cost of sales	(141,798,231)	-	-	(141,798,231)
Selling and distribution expenses	(11,259,127)	(8,480)	-	(11,267,607)
General and administration expenses	(54,938,322)	(758,314)	(62,841)	(55,759,477)
Impairment loss on accounts receivables	(4,629,828)	-	-	(4,629,828)
Other income	13,679	-	-	13,679
Finance costs	(141,982)	-	-	(141,982)
Interest income	1,091,897	-	-	1,091,897
Profit / (loss) before zakat	52,562,332	(766,794)	(62,841)	51,732,697
Zakat for the year	(2,925,983)	(117,138)	(13,832)	(3,056,953)
Net profit / (loss) for the year	49,636,349	(883,932)	(76,673)	48,675,744
Other comprehensive gain for the year	1,020,925	-	-	1,020,925
Total comprehensive income for the year	50,657,274	(883,932)	(76,673)	49,696,669
Profit attributable to non-controlling interest	24,321,811	(433,127)	(37,570)	23,851,114
Total comprehensive income attributable to non-controlling interests	24,822,064	(433,127)	(37,570)	24,351,367
Dividends to non-controlling interest	(29,400,000)	-	-	(29,400,000)

Summarised cash flow information for the year ended 31 December:

31 December 2025	EMS	JDC	Modawaa	Total
Cash from operating activities	78,326,520	(31,927,803)	(2,234,876)	44,163,841
Cash used in investing activities	(19,518,417)	(191,633,520)	(1,373,036)	(212,524,973)
Cash (used in) / generated from financing activities	(75,000,000)	225,000,000	9,032,000	159,032,000
Net increase / (decrease) in the cash and cash equivalents	(16,191,897)	1,438,677	5,424,088	(9,329,132)

Summarised cash flow information for the year ended 31 December (continued):

31 December 2024	EMS	JDC	Modawaa	Total
Cash from operating activities	91,875,682	19,259,761	-	111,135,443
Cash used in investing activities	7,237,579	(144,515,502)	-	(137,277,923)
Cash (used in) / generated from financing activities	(60,000,000)	125,000,000	1,000,000	66,000,000
Net increase / (decrease) in the cash and cash equivalents	39,113,261	(255,741)	1,000,000	39,857,520

Non-controlling interest percentage	2025	2024
Eastern Medical Services Company	49%	49%
Jeddah Doctor Company	49%	49%
Modawaa and Rieaya Medical Company Limited	49%	49%

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22. LONG-TERM BORROWINGS

	2025	2024
Current		
Loans from commercial banks (a)	185,617,569	167,642,232
Loans from Ministry of Finance (b)	5,303,650	5,946,940
	190,921,219	173,589,172
Non-Current		
Loans from commercial banks (a)	698,810,267	501,150,062
Loans from Ministry of Finance (b)	58,340,142	63,643,792
	757,150,409	564,793,854
Movement in bank loans and borrowings is as follows:		
	2025	2024
Balance at 1 January	738,383,026	766,083,753
Additions	420,000,000	245,000,000
Payments made during the year	(210,311,398)	(272,700,727)
Balance at 31 December	948,071,628	738,383,026

- a) The Group obtained Islamic loans facilities from various local commercial banks. These loans are secured by promissory notes, assignment of insurance and contract proceeds and corporate guarantees. These facilities are subject to commission at SIBOR plus an agreed margin.
- b) The Group obtained loans facility of SR 147.3 million from Ministry of Finance for expansions and building of new hospitals and purchase of medical equipment. The loans are secured by a mortgage on the Group's plots of land (refer note 7.2) and are repayable on equal annual installments. These loans do not carry any financial charges.
- c) As at 31 December 2025, the Group had SR 820 million of unutilized facilities available for drawdown from total facilities of SR 2,490 million (2024: SR 1,665 million of unutilized facilities available for drawdown from total facilities of SR 2,990 million).

The Group is required to comply with certain covenants under the loan facility agreements mentioned above. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. The Group was in compliance with financial covenants as of 31 December 2025 and 31 December 2024.

Following are the combined aggregate amounts of future maturities representing principal amounts of the term loans as at 31 December:

	2025	2024
Within one year	190,921,219	173,589,174
Later than one year but not later than five years	652,828,517	471,114,652
Later than five years	104,321,892	93,679,200
	948,071,628	738,383,026

23. EMPLOYEES' BENEFITS

The Group operates a defined benefit plan in line with the Labour Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plan.

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23. EMPLOYEES' BENEFITS (CONTINUED)

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income related to employee benefit obligations are as follows:

Total amount recognized in profit or loss:

	2025	2024
Current service cost	27,820,880	26,403,963
Interest cost on benefit obligation	9,175,379	7,180,120
	36,996,259	33,584,083

Total amount recognised in other comprehensive income

	2025	2024
Remeasurement loss arising from:		
Actuarial loss due to change in experience adjustments	13,292,853	13,557,439
Actuarial gain due to change in financial assumptions	(71,383)	(9,580,579)
	13,221,470	3,976,860

Movement in the present value of defined benefit obligation:

	2025	2024
As at 1 January	173,427,385	153,800,438
Current service cost	27,820,880	26,403,963
Interest cost	9,175,379	7,180,120
Remeasurement losses on the obligation	13,221,470	3,976,860
Benefits paid during the year	(18,493,818)	(17,933,996)
As at 31 December	205,151,296	173,427,385

Significant assumptions used in determining the post-employment defined benefit obligation includes the following:

	2025	2024
Discount rate	4.5%	5.25%
Future salary increases	3.5%	4.25%
Mortality rates	WHO SA19	WHO SA19
Rates of employee turnover	Heavy	Heavy

Assumptions regarding future mortality have been based on published statistics and mortality tables. For current year World Health Organization "WHO" 19 mortality table has been used (2024: World Health Organization "WHO" 19 mortality table was used) for Kingdom of Saudi Arabia. There is no major deviation in the mortality tables used.

A quantitative sensitivity analysis for discount rate assumption on the defined benefit obligation as at 31 December is shown below:

Assumptions	Discount rate	
	0.5% increase	0.5% decrease
Defined benefit obligation as at 2025	200,314,287	210,238,690
Defined benefit obligation as at 2024	169,304,704	177,702,572

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23. EMPLOYEES' BENEFITS (CONTINUED)

	Future salary increases	
	0.5% increase	0.5% decrease
Defined benefit obligation as at 2025	210,263,783	200,245,608
Defined benefit obligation as at 2024	177,723,653	169,247,006

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected against the defined benefit liability in future years:

	2025	2024
Year 1	32,256,763	25,058,312
Year 2	56,655,404	52,254,895
Year 3	32,625,802	26,839,256
Year 4	29,687,870	28,067,329
Year 5	31,069,574	27,226,409
Beyond 5 years	153,985,409	136,901,671
	336,280,822	296,347,872

24. ACCOUNTS PAYABLE

	2025	2024
Accounts payable	318,441,841	276,518,749
Retention payable (note 24.1)	359,527	331,759
	318,801,368	276,850,508

The average credit period on purchases of goods is three months. No interest is charged on the accounts payable outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

24.1 Non-current retention payable amounting to SR 67,316,867 (2024: SR 50,476,948) represents retention amount payable to contractors, in accordance with contractual agreements for long term projects.

25. ACCRUALS AND OTHER CURRENT LIABILITIES

	2025	2024
Accrued employee cost	115,120,855	100,921,380
Accrued management incentives	44,631,733	41,965,842
Value added tax (VAT)	61,684,875	41,504,347
Accrued material and services cost	24,112,984	21,961,055
NPHIES accrual	13,207,217	18,404,919
Accrued finance cost	2,994,215	1,944,251
Other payables	6,238,552	1,753,662
	267,990,431	228,455,456

26. ZAKAT

The significant components of the zakat base of the Company under zakat regulations principally comprised of shareholders' equity, long-term borrowings and provisions at the end of the year, less deduction for the net book value of property and equipment, investments and certain other items.

Some of the amounts have been adjusted in arriving at approximate zakat base and the zakat charge for the year.

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26. ZAKAT (CONTINUED)

Movement of zakat provision as follow:

	2025	2024
Balance at 1 January	34,117,865	33,754,078
Charge		
Current year	34,988,175	34,117,865
Prior year	(3,853,981)	2,067,849
	31,134,194	36,185,714
Payments during the year	(30,263,884)	(35,821,927)
Balance at 31 December	34,988,175	34,117,865

Status of assessments:

Mouwasat Medical Services Company

The Company has submitted its zakat returns up to year ended 31 December 2024, settled zakat as per the return and obtained the required certificates and official receipts. The assessments for the years up to 2016 were finalized and settled in 2018. Zakat, Tax and Custom Authority ("ZATCA") raised queries for years 2017 and 2018 and the Company has provided the relevant information. According to ZATCA portal, the inquiry case for these years were closed and ZATCA did not raise any Zakat differences. ZATCA raised assessments for years 2019 and 2020 with a total liability of SR 7.3 million. Company has submitted an objection against ZATCA's assessment for the year 2019 and 2020 and subsequent to the objection, ZATCA issued a revised assessment with a total additional liability of SR 5.2 million, on which the Company filed an appeal against the rejection with the Committee for Resolution of Tax Violations and Disputes "CRTVD" through the General Secretariat of Tax Committees "GSTC" portal. The CRTVD has issued its decision where it has rejected the Company appeal. Subsequently, the Company has appealed the CRTVD's decision with the Appellate Committee of Tax Violations and Dispute Resolution (ACTVDR). During 2024, the decision was issued in favor of ZATCA. During the year ended 31 December 2025, the Company paid SR 4.59 million against the 2019 and 2020 assessments. However, the Company is awaiting a final decision from ZATCA. The Company received an assessment for the years 2021 and 2022 amounting to SR 2.4 million which has been finalized and paid. The Company has received the final assessment for the year 2023, accepting the filed return with no additional zakat liability. The Company received an initial assessment for the year 2024 amounting to SR 3.8 million which is still under review by ZATCA.

Eastern Medical Services Company Limited

The subsidiary has submitted its zakat returns up to year ended 31 December 2024, settled zakat as per the returns and obtained the required certificates and official receipts. The assessments for the years from 2013 to 2016 and for the year 2018 were finalized and settled in 2018. ZATCA raised an assessment for the year 2019 amounting to SR 0.663 million and the Company has submitted an objection against ZATCA's assessment for the year 2019. ZATCA issued a revised assessment rejecting the Company appeal. The Company filed an appeal against the rejection with the Committee for Resolution of Tax Violations and Disputes "CRTVD" through the General Secretariat of Tax Committees "GSTC" portal. During the period, CRTVD issued its decision regarding the Company's appeal and partially accepted certain contentions of the Company. Subsequently, the Company has appealed the CRTVD's decision with the Appellate Committee of Tax Violations and Dispute Resolution (ACTVDR). During the year ended 31 December 2025, the decision was issued in favor of ZATCA, and the Company paid an amount of SR 0.59 million as final settlement. The assessment for the years 2020 to 2024 are still under review by the ZATCA.

Jeddah Doctor Company

The subsidiary submitted the zakat return up to year ended 31 December 2024, settled zakat as per the returns and obtained the required certificates and official receipts. The subsidiary has not received any assessments from Zakat, Tax and Customs Authority ("ZATCA") since inception.

Modawaa and Rieaya Medical Company Limited

The subsidiary has submitted the zakat return for the period from 6 June 2024 to 31 December 2024, settled zakat as per the returns and obtained the required certificates and official receipts. The subsidiary has not received any assessments from Zakat, Tax and Customs Authority ("ZATCA") since inception.

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27. REVENUE

The Group generates revenue primarily from:

- Services relating to inpatient and outpatient; and
- Sale of pharmaceutical goods.

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by service lines and timing of revenue recognition. All revenues are generated within Kingdom of Saudi Arabia.

	2025	2024
Revenue by service lines		
Medical services	2,735,923,609	2,428,198,536
Pharmaceuticals	486,656,420	451,173,805
	3,222,580,029	2,879,372,341
Timing of revenue recognition		
Medical services and pharmaceuticals sales transferred at a point in time	1,839,124,194	1,728,474,606
Medical services transferred over time	1,383,455,835	1,150,897,735
	3,222,580,029	2,879,372,341
As at 31 December		
Contract assets (note 27.1 and 15)	5,873,388	7,087,682
Refund liability (note 27.2)	179,041,660	155,993,839

27.1 Contract assets:

Contract assets are related to in-patients who were provided with services during the reporting period but were not discharged or billed as of the reporting date.

27.2 Refund liability

Certain contracts provide for discounts comprise retrospective volume discounts granted to third-party payers (insurance and other companies) on attainment of certain admission levels / certain levels of patient visits. The retrospective volume discounts give rise to variable consideration. Variable consideration is recognized as a revenue to the extent that it is highly probable that it will not reverse. Discounts are accrued over the course of the period based on the estimates of the level of business expected using single most likely amount method. This is adjusted at the end of the period to reflect actual volumes. Volume discounts are recorded as a reduction in revenue and liabilities are created based on these estimates.

	2025	2024
Balance at 1 January	155,993,839	106,084,803
Addition during the year	251,432,468	155,710,516
Adjusted during the year	(228,384,647)	(105,801,480)
Balance at 31 December	179,041,660	155,993,839

28. COST OF OPERATIONS

	2025	2024
Employees' cost	742,490,111	658,082,120
Material consumption	293,149,638	237,845,606
Depreciation (note 7)	186,507,265	182,666,883
Drug consumption	153,194,872	127,836,404
Repair and maintenance	60,912,765	52,390,773
Support services	42,322,570	32,928,896
Utilities	22,063,647	17,823,174
Amortization of intangible assets (note 9)	2,808,415	2,399,969
Depreciation on right-of-use of assets (note 10.2)	2,713,088	2,404,277
Others	21,671,210	18,964,019
	1,527,833,581	1,333,342,121

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29. SELLING AND MARKETING EXPENSES

	2025	2024
Employee's cost	19,539,213	17,317,951
Advertisement and promotion	35,922,372	31,566,385
	55,461,585	48,884,336

30. GENERAL AND ADMINISTRATION EXPENSES

	2025	2024
Employees' cost	215,350,781	190,497,456
Depreciation (note 7)	47,222,456	45,778,737
Management bonus	40,418,873	27,726,293
NPHIES fee accrual (note 30.1)	29,560,720	8,906,915
Repair and maintenance	19,237,038	22,453,903
Executives' salaries	12,950,000	18,650,000
Support services	13,390,581	14,112,382
Telephone and postage	8,615,081	6,582,320
Board of directors' remuneration	8,248,630	10,695,000
Utilities	12,950,180	12,519,208
Office stationery and supplies	6,771,653	6,894,201
Amortization of intangible assets (note 9)	4,459,265	4,142,953
Insurance	4,377,905	5,086,599
Fees and subscriptions	5,133,019	4,457,824
Legal and professional fees	3,240,138	2,679,251
Depreciation on right-of-use of assets (note 10.2)	678,273	601,069
Others	13,786,253	11,545,228
	446,390,846	393,329,339

30.1 NPHIES fee accrual represents fee accrued during the year for using NPHIES portal which is a unified electronic service platform for health and insurance exchange services.

31. OTHER INCOME

	2025	2024
Rental income	1,894,604	1,878,445
Gain on disposal of property and equipment	1,528,205	1,183,251
Dividend income from investment held for sale – note 11	-	10,205,829
Others	7,399,690	5,632,685
	10,822,499	18,900,210

32. FINANCE COST

	2025	2024
Interest on Islamic loans	17,466,103	28,664,844
Interest on lease liabilities (note 10.3)	2,085,874	1,790,460
	19,551,977	30,455,304

33. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net income for the period attributable to the shareholders of the Company by the weighted average number of outstanding shares during the period as follows:

	2025	2024
Profit for the year attributable to the shareholders of the Company	822,041,282	645,759,043
Weighted average number of outstanding shares during the year	200,000,000	200,000,000
Basic and diluted earnings per share attributable to the shareholders of the Company	4.11	3.23

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34. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the Company's shareholders, associated companies and their shareholders, key management personnel, Board of Directors, and entities controlled, jointly controlled or significantly influenced by such parties. Terms and conditions of these transactions are approved by the Group's management. During the year, the Group transacted with the following related parties:

Related Party	Relationship	2025	2024
Al-Mouwasat International Company	Owned by shareholder		
AdVision Media Solution	Entity with significant influence		
Related Party	Nature of transaction	2025	2024
Al-Mouwasat International Company	- Purchases	24,005,397	38,162,449
	- Other services	2,896,408	2,454,345
AdVision Media Solution	- Advertisement services	27,533,945	22,003,164
Advance Medical Project Company ("AMPC") – note 34.1	- Revenue	-	(460,008)
	- Purchase of services	-	1,738
	- Other services	-	2,037,654
	- Cost charged	-	650,000

The breakdown of the amounts due to related parties are as follows:

a) Due to related parties

	2025	2024
AdVision Media Solution	2,482,477	3,854,923
Al-Mouwasat International Company	464,885	4,373,873
	2,947,362	8,228,796

Amounts due from related parties as at 31 December 2025 and 31 December 2024 principally include balances related to the above-mentioned transactions. Outstanding balances at the reporting date are unsecured, interest free and payable within credit period in ordinary course of business. Prices and terms of payment of the above transactions are approved by the Group's management.

b) Compensation to key management personnel

The remuneration of directors and other members of key management personnel during the period was as follows:

	2025	2024
Salary and allowances	22,150,000	30,600,000
Incentives and other benefits	17,205,427	15,822,397
	39,355,427	46,422,397

The remuneration of directors and key executives is determined by the remuneration committee considering the performance of individuals and market trends. Board of Directors' fee of SR 8.2 million (2024: SR 10.7 million) has been included as part of key management personnel remuneration.

34.1 During 2024, the Group formally announced its decision to exit its investment in Advanced Medical Projects Co ("AMPC"). In November 2024, a final settlement was agreed upon with AMPC. Pursuant to exit, Group does not have significant influence over AMPC and is no longer a related party.

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34. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

On 20 March 2023, the Board of Directors of Zakat, Tax, and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia (KSA) approved the amendments to the Transfer Pricing Bylaws (TP Bylaws) to bring the following into effect: a) extend applicability of the Transfer Pricing (TP) provisions to Zakat paying entities; and b) introduced Advance Pricing Agreements (APA) provisions for Tax payers and Zakat payers and these amendments were subsequently approved by Ummul Qura on 14 April 2023. The amendments will be applicable for Financial Years (FYs) starting on or after 1 January 2024. Under these new requirements, Zakat paying entities will need to ensure that their transactions with related parties are priced at arm's length and will be required to submit a TP disclosure form and TP Affidavit with their Zakat returns along with other compliances as stipulated in the TP Bylaws. Group has filed the TP disclosure form for 2024 along with its zakat return.

35. CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees

As of 31 December 2025, the Group's bankers have given guarantees, on behalf of the Group, amounting to SR 29.8 million (2024: SR 8.56 million) mainly in respect of performance guarantees to customers and others.

Capital commitments

As of 31 December 2025, the Group's capital commitments amounted to SR 239.47 million (2024: SR 342.68 million) relating to certain expansion projects.

As of 31 December 2025, the Group has outstanding letter of credits amounting to SR 94.41 million (2024: SR 8.69 million).

36. FINANCIAL INSTRUMENTS

36.1 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise loans, lease liability, accounts payable, accrual and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include accounts receivable, term deposits and 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 regularly reviews 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 in any hedging activities. The Board of Directors reviews and agrees with policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency risk, interest rate risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include: loans and borrowings, deposits, and certain other financial instruments.

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

The Group did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars. Since Saudi Riyal is on a fixed parity with the US Dollar, the management believes that the Group does not have any significant exposure to currency risk.

Commodity price risk

The Group is exposed to the impact of market fluctuations of the prices of various inputs to cost of revenues including pharmaceuticals supplies. The Group prepares annual budgets and periodic forecasts including sensitivity analyses in respect of various levels of such materials to manage the risk.

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36. FINANCIAL INSTRUMENTS (CONTINUED)

36.1 Financial instruments risk management objectives and policies (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. Management monitors the changes in interest rates and believes that fair value and cash flow interest rate risks to the Group are not significant.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before Zakat is affected through the impact on floating rate borrowings, as follows:

	2025	2024
Increase by 50 basis points	<u>(1,314,636)</u>	<u>(3,878,045)</u>
Decrease by 50 basis points	<u>1,314,636</u>	<u>3,878,045</u>

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for accounts receivable) and from its investing activities, including deposits with banks and financial institutions with sound credit rating of A or A-.

	2025	2024
Cash and cash equivalents	496,856,718	426,128,537
Term deposits (note 16)	-	85,000,000
Accounts receivable (note 14)	905,840,981	925,047,643
Contract asset (27.1)	5,873,388	7,087,682
Other current assets	29,799,770	19,476,909
	<u>1,438,370,857</u>	<u>1,462,740,771</u>

Accounts receivable

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Accounts receivable of the Group are spread across large number of customers comprising of Ministry, insurance companies, semi-government companies and individual patients. The Group holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow ups. The management has established a credit policy under which each new insurance company is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual historical data. The Group evaluates the concentration of risk with respect to accounts receivable as low, as its customers are located within Kingdom of Saudi Arabia. Accounts receivable and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, management has fully exhausted recoveries through legal means and a failure to make contractual payments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the 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 having rating "Baa1" or better. The stated rating is as per the global bank ratings by Moody's Investors Service. At the reporting date, no significant concentration of credit risk was identified by the management.

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36. FINANCIAL INSTRUMENTS (CONTINUED)

36.1 Financial instruments risk management objectives and policies (continued)
Credit risk (continued)

Contract assets and other current assets

Contract assets are not more than six months. The Group is not significantly exposed to any credit risk on these balances.

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. The Group manages its liquidity risk by ensuring that bank facilities are available. The Group's terms of sales and services provided require amounts to be paid within 30 to 60 days of the date of submitting the invoice. Accounts payable are normally settled within 60 to 90 days of the date of purchase.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 December 2025	Carrying amount	Contractual undiscounted cash flows			
		Within 12 months	2 to 5 years	> 5 years	Total
Accounts payable	318,801,368	318,801,368	-	-	318,801,368
Due to related parties	2,947,362	2,947,362	-	-	2,947,362
Retention payable	67,316,867	-	67,316,867	-	67,316,867
Accruals and other payable	267,990,431	267,990,431	-	-	267,990,431
Refund liability	179,041,660	179,041,660	-	-	179,041,660
Loans and borrowings	948,071,628	235,098,153	726,166,767	112,132,816	1,073,397,736
Lease liabilities	41,421,180	4,768,427	21,250,629	42,588,396	68,607,452
	1,825,590,496	1,008,647,401	814,734,263	154,721,212	1,978,102,876

As at 31 December 2024	Carrying amount	Contractual undiscounted cash flows			
		Within 12 months	2 to 5 years	> 5 years	Total
Accounts payable	276,850,508	276,850,508	-	-	276,850,508
Due to related parties	8,228,796	8,228,796	-	-	8,228,796
Retention payable	50,476,948	-	50,476,948	-	50,476,948
Accruals and other payable	228,455,456	228,455,456	-	-	228,455,456
Refund liability	155,993,839	155,993,839	-	-	155,993,839
Loans and borrowings	738,383,026	211,217,721	530,413,737	95,015,182	836,646,640
Lease liabilities	23,295,907	3,842,154	16,845,368	12,084,404	32,771,926
	1,481,684,480	884,588,474	597,736,053	107,099,586	1,589,424,113

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36. FINANCIAL INSTRUMENTS (CONTINUED)
36.1 Financial instruments risk management objectives and policies (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Liabilities		Equity				
		Long term loan (including related accrued finance cost)	Lease liabilities	Share capital	Other reserve	Retained earnings	Non-controlling interest	Total
Balance at 1 January 2025		740,327,277	23,295,907	2,000,000,000	430,344,695	1,137,993,239	145,232,079	4,477,193,197
Changes from financing cash flows								
Proceeds from long-term loans	22	420,000,000	-	-	-	-	-	420,000,000
Repayment of long-term loans	22	(210,311,398)	-	-	-	-	-	(210,311,398)
Payment of lease liabilities		-	(2,056,802)	-	-	-	-	(2,056,802)
Interest paid		(51,725,361)	(2,085,874)	-	-	-	-	(53,811,235)
Total changes from financing cash flows		157,963,241	(4,142,676)	-	-	-	-	153,820,565
Other change								
Interest expense								
Interest capitalised	32	17,466,103	2,085,874	-	-	-	-	19,551,977
Addition in lease liabilities	10.3	35,309,222	6,927,486	-	-	-	-	35,309,222
Effect of re-assessment of lease	10.3	-	13,254,589	-	-	-	-	13,254,589
Total liability related changes		52,775,325	22,267,949	-	-	-	-	75,043,274
Total equity related changes		-	-	82,204,128	127,461,923	(2,698,626)	-	206,967,425
Balance at 31 December 2025		951,065,843	41,421,180	2,000,000,000	512,548,823	1,265,455,162	142,533,453	4,913,024,461

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36. FINANCIAL INSTRUMENTS (CONTINUED)

36.1 Financial instruments risk management objectives and policies (continued)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants may lead to negotiation. There have been no breaches of the financial covenants of any loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2025 and 31 December 2024.

Accounting classifications and fair values

The following table shows the carrying value of financial assets and financial liabilities. As at 31 December 2025 and 2024, all financial assets and financial liabilities of the Group are categorized as being held at amortized cost. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

36.2 Financial assets

	2025	2024
Accounts receivable (note 14)	905,840,981	925,047,643
Contract asset (note 15)	5,873,388	7,087,682
Term deposits (note 16)	-	85,000,000
Cash and cash equivalents (note 17)	497,450,629	426,574,756
Other current assets	23,926,382	12,389,227
Total financial assets not measured at fair value	1,433,091,380	1,456,099,308

36.3 Financial liabilities

	2025	2024
Loans and borrowings (note 22)	948,071,628	738,383,026
Lease liabilities (note 10.3)	41,421,180	23,295,907
Accounts payable (note 24)	318,801,368	276,850,508
Due to related parties (note 34)	2,947,362	8,228,796
Retention payable (note 24.1)	67,316,867	50,476,948
Refund liability	179,041,660	155,993,839
Other current liabilities	175,954,020	144,831,473
Total financial liabilities not measured at fair value	1,733,554,085	1,398,060,497

36.4 Measurement of fair values

The Group's principal financial assets include cash and cash equivalents, accounts receivable and certain other receivables that arise directly from its operations. The Group's principal financial liabilities comprise long-term borrowings and accounts payable, due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations. Due to the short-term nature of the financial assets and financial liabilities classified as current assets and current liabilities, their carrying amounts are approximate to be the same as their fair values. For non-current financial liabilities, management consider that the fair values are not significantly different from their carrying amounts.

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36. FINANCIAL INSTRUMENTS (CONTINUED)

36.1 Financial instruments risk management objectives and policies (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Note	Liabilities (including related accrued finance cost)	Lease liabilities	Share capital	Other reserve	Retained earnings	Non-controlling interest	Total
Balance at 1 January 2024		767,909,507	22,395,185	2,000,000,000	365,768,791	911,287,213	149,790,712	4,217,151,408
Changes from financing cash flows								
Proceeds from long-term loans	22	245,000,000	-	-	-	-	-	245,000,000
Repayment of long-term loans	22	(272,700,727)	-	-	-	-	-	(272,700,727)
Payment of lease liabilities		(48,912,598)	(2,512,003)	-	-	-	-	(50,703,058)
Interest paid		(76,613,325)	(4,302,463)	-	-	-	-	(80,915,788)
Total changes from financing cash flows		(152,226,625)	(6,814,466)	-	-	-	-	(159,041,091)
Other change								
Interest expense	32	28,664,844	1,790,460	-	-	-	-	30,455,304
Interest capitalised		20,366,251	-	-	-	-	-	20,366,251
Addition in lease liabilities	10.3	-	3,412,725	-	-	-	-	3,412,725
Total liability related changes		49,031,095	5,203,185	-	-	-	-	54,234,280
Total equity related changes		-	-	64,575,904	226,706,026	-	(4,558,633)	286,723,297
Balance at 31 December 2024		740,327,277	23,295,907	2,000,000,000	430,344,695	1,137,993,239	145,232,079	4,477,193,197

MOUWASAT MEDICAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in Saudi Riyals unless otherwise stated)

37. SUBSEQUENT EVENTS

There are no significant subsequent events other than already disclosed in these consolidated financial statements that occurred between 31 December 2025 and the date of approval of these consolidated financial statements.

38. COMPARATIVE FIGURES

During the year, management has reclassified the employee costs among cost of operations, general and administration expenses and selling and distribution expenses for better presentation.

The comparatives as at and for the year ended 31 December 2024 have been reclassified as follows to confirm with current year presentation.

<u>Description</u>	<u>Reclassified from</u>	<u>Reclassified to</u>	<u>Amount</u>
Employee costs	General and administration expenses	Cost of operations	52,286,889
Employee costs	Selling and distributing expenses	General and administration expenses	69,224,224

39. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Directors on 22 Ramadan 1447H, corresponding to 11 March 2026G.

Mouwasat

Mouwasat Medical Services Co.



المواساة

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