رواد طـــب الـطـــوارئ مـنـذ 2008
Medical Emergency Leaders since 2008

Transfer Document

of Canadian Medical Center Co. from the Parallel Market to the Main Market

www.canadian-mc.com

Transfer Document of Canadian Medical Center Co.

from the Parallel Market to the Main Market

Canadian Medical Center Co. (hereinafter referred to as the "**Company**" or the "**Issuer**") was established as a branch of a sole proprietorship under Commercial Registration No. (2050058605) issued in the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G), founded by Mr. Khaled bin Mohammed bin Farhan Al Dosari. During 2016, the Issuer was converted into a limited liability company pursuant to the Memorandum of Association executed on 11/04/1437H (corresponding to 21/01/2016G) and under Commercial Registration No. (2050058605) issued in the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G), with capital amounting to (SAR 2,000,000) two million Saudi riyals divided into (10,000) ten thousand equal-value in-kind shares, each with the value of (SAR 200) two hundred Saudi riyals. On 07/05/1442H (corresponding to 22/12/2020G), the shareholders decided to amend the nominal value of the shareholders' shares from (SAR 200) two hundred Saudi riyals per share to (SAR 10) ten Saudi riyals per share, to increase the Issuer's capital to (SAR 2,666,670) two million, six hundred and sixty-six thousand, six hundred and seventy Saudi riyals, divided into (266,667) two hundred and sixty-six thousand, six hundred and sixty-seven equal shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share, by issuing (66,667) sixty-six thousand, six hundred and sixty-seven new shares with a total nominal value of (SAR 666,670) six hundred and sixty-six thousand, six hundred and seventy Saudi riyals and an issue premium of (SAR 74,333,330) seventy-four million, three hundred and thirty-three thousand, three hundred and thirty Saudi riyals, and to increase the Issuer's capital to (SAR 77,000,000) seventy-seven million Saudi riyals divided into (7,700,000) seven million, seven hundred thousand equal shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share, by transferring the issue premium amount of (SAR 74,333,330) seventy-four million, three hundred and thirty-three thousand, three hundred and thirty Saudi riyals from the issue premium account to the capital account. The changes were documented and the Issuer was converted into a closed joint stock company pursuant to the Decision of His Excellency the Minister of Commerce No. (159) dated 15/05/1442H (corresponding to 30/12/2020G) and under Commercial Registration No. (2050058605) issued from the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G). Following the transformation, the Issuer's capital amounted to (SAR 77,000,000) seventy-seven million Saudi riyals, divided into (7,700,000) seven million, seven hundred thousand ordinary shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share. On 23/12/1442H (corresponding to 02/08/2021G), the Issuer was listed on the Parallel Market upon approval of the Capital Market Authority on 18/11/1442H (corresponding to 28/06/2021G). On 26/11/1444H (corresponding to 15/06/2023G), the Extraordinary General Assembly of Shareholders approved dividing the nominal value of a share from (SAR 10) ten Saudi riyals per share to (SAR 1) one Saudi riyal per share, and amending the number of shares from seven million, seven hundred thousand (7,700,000) ordinary shares to seventy-seven million (77,000,000) ordinary shares, without amending the Issuer's capital. On 18/12/1444H (corresponding to 06/07/2023G), the Board of Directors approved the Issuer's transfer to the Main Market.

All of the Issuer's shares are ordinary shares of one class. No shareholder shall have any preferential rights. Each shareholder (hereinafter referred to as "**Shareholder**"), regardless of the number of their shares, shall have the right to attend and vote at the meetings of the General Assembly of Shareholders (hereinafter referred to as "**General Assembly**").

As stated in its Articles of Association, the Issuer's activities are as follows: (1) Mining and quarrying, (2) Manufacturing industries, (3) Water supply, sewerage, waste management and treatment activities, (4) Construction, (5) Wholesale and retail trade and repair of motor vehicles and motorcycles, (6) Transport and warehousing, (7) Accommodation and food service activities, (8) Information and communications, (9) Financial and insurance activities, (10) Real estate activities, (11) Professional, scientific and technical activities, (12) Administrative and support services, (13) Education, (14) Public administration and defense, compulsory social security, (15) Human health and social work activities, (16) Arts, recreation and entertainment, (17) Other service activities, (18) Agriculture, forestry and fishing, and (19) Electricity, gas, steam and air conditioning supply.

As of the date of this Transfer Document (hereinafter referred to as the "**Document**"), the Issuer has: Two (2) substantial shareholders who directly own 5% or more of the Issuer's shares, namely Khalifa Abdullatif Abdullah Al-Mulhem, who owns nineteen million, three hundred and fifty thousand (19,350,000) shares, representing 25.130%, and Khalid bin Muhammad bin Farhan Al-Dosari, who owns seventeen million, two hundred and fifty-four thousand (17,254,000) shares, representing 22.408% (hereinafter referred to as "**Substantial Shareholders**"), of the Issuer's shares.

Investing in the shares subject to the transfer to the Main Market involves risks and uncertainties. Therefore, the "**Important Notice**" and "**Risk Factors**" sections hereof should be carefully considered by investors before deciding to invest in the Issuer's shares following the transfer to the Main Market.

After the announcement of the Tadawul Group's approval of the transfer of the Issuer's shares to the Main Market, the Saudi Exchange Company ("**Saudi Exchange**") shall suspend trading in the Issuer's shares on the day following expiry of the transfer document publication period for a period not exceeding five trading sessions, and then the transfer procedures shall commence (please refer to the "**Timeline for the Transfer Process**" section on page (vi)).

Financial Advisor

الراجحي المالية
alrajhi capital

This Transfer Document contains information provided as part of the application for transfer to the Main Market in accordance with the requirements of the Listing Rules issued by the Saudi Exchange. The Directors whose names appear on page (iii) jointly and severally bear full responsibility for the accuracy of the information contained in this Transfer Document and confirm, having made all possible and reasonable inquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would render any statement contained herein misleading. The CMA and the Saudi Stock Exchange assume no responsibility for the contents of this Transfer Document, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Transfer Document.

This document was issued on 19/04/1447H (corresponding to 05/10/2025G).

شركـة المركـز الكنـدي الطبـي
Canadian Medical Center Co.

رواد طب الطوارئ منذ 2008
Medical Emergency Leaders since 2008

Promising Development and Growth

Important Notice

This Document contains complete detailed information about the Canadian Medical Center Co. and its shares are subject to the transfer from the Parallel Market to the Main Market. Potential investors who wish to invest in the Shares subject to transfer, after the completion of their transfer, listing, and commencement of trading on the Main Market, will be deemed to have made their investment decision based on the information contained in this document which can be viewed by visiting the Issuer's website (www.canadian-mc.com), the website of the financial advisor, Al Rajhi Capital Company, (www.alrajhi-capital.com), or the website of the Saudi Exchange Company "Saudi Exchange" (www.saudiexchange.sa). The Financial Advisor, Al Rajhi Capital, will announce on its page on the Saudi Exchange (Tadawul) website the publication of the Transfer Document and its availability for inspection by investors within the period prescribed under the Listing Rules, for a period of ten (10) Trading Days preceding the transition date to the Main Market.

Further, upon obtaining the Saudi Exchange's approval of the application to transition to the Main Market, the Company must publish the Transfer Document within three (3) Trading Days following the announcement of such approval.

This Transfer Document contains information provided as part of the application for transfer to the Main Market in accordance with the requirements of the Listing Rules issued by the Saudi Exchange (referred to as "Saudi Exchange"). The Directors whose names appear on page (iii) jointly and severally bear full responsibility for the accuracy of the information contained in this Transfer Document and confirm, having made all possible and reasonable inquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would render any statement contained herein misleading. The CMA and the Saudi Stock Exchange assume no responsibility for the contents of this Transfer Document, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Transfer Document.

Al Rajhi Capital has been appointed as the financial advisor ("**Financial Advisor**") in connection with the application for the transfer of the Issuer's shares from the Parallel Market to the Main Market.

The information contained in this Document on the date of its issuance is subject to change. In particular, the financial position of the Issuer and the value of its Shares may be adversely affected by future developments related to inflation, interest rates, taxes or any other economic or political factors beyond the control of the Issuer (please refer to Section (2) "**Risk Factors**" of this Document). This Document and any oral, written or printed communications in relation to the Shares subject to the transfer to the Main Market should not be considered, interpreted or relied upon in any way as a promise or statement regarding future profits, results or events.

This Document may not and shall not be considered a recommendation by the Issuer, its Directors or any of its advisors to participate in an investment in the shares subject to the transfer to the Main Market. The information contained in this Document is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or specific investment needs of the persons wishing to invest in the shares subject to the transfer to the Main Market. Before making any investment decision, each recipient of this Document should obtain independent professional advice regarding investing in the shares subject to the transfer to the Main Market after the commencement of trading from a financial advisor licensed by the CMA, in order to assess the suitability of the investment opportunity and the information contained in this Document for their specific investment objectives, circumstances and needs, including the advantages and risks associated with investing in the shares subject to the transfer to the Main Market. Investing in the shares subject to the transfer to the Main Market may be suitable for certain investors and not for others. Potential investors should not rely on another party's decision to invest or not to invest as the basis for their own investigation into their investment opportunity or the particular circumstances of those investors.

The Issuer and the financial advisor request that the recipient of this Document reviews all regulatory restrictions related to the purchase or sale of shares and adheres to them.

Financial Information

The audited financial statements of the Issuer for the financial years ended December 31, 2022G, 2023G, 2024G, and the first quarter of 2025G have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The audited financial statements for the financial years ended December 31, 2022G, 2023G, 2024G were reviewed, the condensed financial statements for the three-month period ended March 31, 2025G, and for the three-month and six-month periods ended on 30 June 2025 were examined by Dr. Mohamed Al-Amri & Co. - BDO.

The figures contained in this Document are shown in Saudi riyals. The figures contained in the financial statements, if summed, may differ from those contained in this Document due to rounding. Therefore, the financial data contained in this Document may differ from the information contained in the financial statements. It should also be noted that some of the figures and percentages contained in this Document are approximate. Thus, figures shown for the same category presented in different tables may slightly vary, and figures shown as a sum in some tables may not represent an arithmetic mean or sum of the previous figures.

Forecasts and Forward-Looking Statements

The forecasts contained in this Document are prepared on the basis of specific assumptions stated herein. The Issuer's future circumstances may differ from the assumptions used. Therefore, there is no guarantee, assurance or representation regarding the accuracy or completeness of these forecasts.

Certain forecasts and statements contained in this Document constitute "forward-looking statements". Forward-looking statements can be generally identified by the use of words such as "plans", "intends", "aims", "estimates", "believes", "expects", "expected", "may", "possible", "likely", "could", "will", "might", and their negative forms and other words close or similar in meaning. These statements reflect the Issuer's current views on future events, but do not constitute a guarantee or confirmation of any actual future performance of the Issuer, as there are many factors that may affect the actual performance, achievements or results of the Issuer and lead to material differences from what is expressly or implicitly implied in these statements. The most important risks and factors that could lead to such an impact have been reviewed in more detail in other sections of this Document (please refer to Section 2 "**Risk Factors**"). If one or more of these factors are realized, or if any of the forecasts or estimates contained in this Document are proven to be incorrect or inaccurate, the Issuer's actual results may significantly differ from those mentioned herein.

As a result of these risks, uncertainties and estimates, the future events, conditions and forecasts addressed in this Document may not occur as the Issuer anticipates or may not occur at all. Therefore, potential investors should examine all forward-looking statements in light of these clarifications while not primarily relying on them.

Company Directory

According to the Shareholders' Register dated 16/02/1447H (corresponding to 10/08/2025G)									
Name	Position	Nationality	Membership Status		Date of Appointment	Owned Shares			
						Directly Owned		Indirectly Owned	
			Independent/ non-independent	Executive/ non-executive		Number	Percentage	Number	Percentage
Khalid bin Muhammad bin Farhan Al-Dosari	Chairman	Saudi	Non-independent	Non-executive	13/05/1442H (corresponding to 28/12/2020G).	17,254,000	22.408%	N/A	N/A
Khalifa Abdullatif Al-Mulhem*	Vice Chairman	Saudi	Non-independent	Non-executive	13/05/1442H (corresponding to 28/12/2020G).	19,350,000	25.130%	13,160	0.017%
Hassan Hassan Joudeh	Director	Canadian	Non-independent	Executive	13/05/1442H (corresponding to 28/12/2020G).	N/A	N/A	N/A	N/A
Hamad bin Mohammed Al-Duweila	Director	Saudi	Independent	Non-executive	13/05/1442H (corresponding to 28/12/2020G).	N/A	N/A	N/A	N/A
Ibrahim bin Naim Al-Naim	Director	Saudi	Independent	Non-executive	13/05/1442H (corresponding to 28/12/2020G).	N/A	N/A	N/A	N/A
Manar Othman Al-Dokhi	Secretary of the Board	Saudi	-	-	15/02/1445H (corresponding to 01/09/2023G).	N/A	N/A	N/A	N/A
Total						**36,604,000**	**47.538%**	**13,160**	**0.017%**

Source: Company

* Mr. Khalifa Abdullatif Abdullah Al-Mulhem's indirect ownership is represented by his ownership of 64% in Khalifa Abdullatif Al Mulhem Co. Ltd., which owns 11,000 shares in the Issuer, and by his ownership of 51% in Khalifa Al-Mulhim Holding Company, which in turn owns 100% of Precast Building System Co. Ltd. (a One-Person Company), which owns 12,000 shares

Company Address and Representatives

Registered Company Address

Canadian Medical Center Co.
Omar bin Al-Khattab Street, Uhud District, Dammam
P.O. Box 3300 Dammam 31471
Kingdom of Saudi Arabia
Tel: +966 13 8188320
Fax: +966 13 8188059
Website: www.canadian-cm.com
E-mail: info@canadian-cm.com

Company Representatives

Description	First Representative	Second Representative
Name	**Mr. Khalid bin Muhammad bin Farhan Al-Dosari**	**Mr. Sayed bin Saeed Al-Busat**
Capacity	Chairman of the Board of Directors	Chief Financial Officer
Address	Saudi Arabia, Eastern Province, Dammam	Saudi Arabia, Eastern Province, Dammam
Tel No.	+966 13 831 0545	+966 50 010 4791
Fax No.	+966 13 8188059	+966 13 8188059
E-mail	investor.relation@canadian-mc.com	sayed.albsat@canadian-mc.com
Website	https://www.canadian-mc.com	

Source: Company

Stock Exchange

Saudi Exchange Company (Saudi Exchange)
King Fahd Road - Al-Ulaya 6897
Unit No.: 15
Riyadh 12211 - 3388
Kingdom of Saudi Arabia
Tel: +966920001919
Fax: +966112189133
E-mail: csc@saudiexchange.sa
Website: www.saudiexchange.sa

Advisors

Financial Advisor
Al Rajhi Capital Kingdom of Saudi Arabia, Head Office, King Fahd Road, Al Muruj District P.O. Box 5516 Riyadh 12263 Kingdom of Saudi Arabia Tel: +966920005856 Fax: +9661146000625 E-mail: InvestmentBankingTeam@alrajhi-capital.com Website: www.alrajhi-capital.com
Chartered Accountant for the financial year ended December 31, 2022G, 2023G, 2024G, and the first quarter of 2025G
Dr. Mohamed Al-Amri & Co. - BDO Head Office: Moon Tower - 8th Floor P.O. Box: 8736, Riyadh 11492 Kingdom of Saudi Arabia Tel: 920024354 Fax: +966112782883 E-mail: info@bdoalamri.com Website: www.bdoalamri.com
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Financial Professional Due Diligence Advisor
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Notice: All of the above-mentioned advisors have given their written consent to the reference to their names, logos, and testimonials in this Document in the form and content contained herein, and this consent has not been withdrawn as at the date of this Document. It should be noted that all these entities and their employees or any of their relatives do not own shares or any interest of any kind in the Issuer.

Timeline for the Transfer Process

This section includes a timeline showing the important dates for the Issuer's shares to be transferred to the Main Market:

Event	Date
Board approval of the transition from the Parallel Market to the Main Market	On Thursday 18/12/1444H (corresponding to 06/07/2023G).
Date of publication of the Board of Directors' Report	On Sunday 23/09/1446H (corresponding to 23/03/2025G).
Date of submission of the application to transition from the Parallel Market to the Main Market	On Sunday 02/02/1447H (corresponding to 27/07/2025G).
Date of obtaining the Saudi Exchange approval	On Wednesday 09/04/1447H (corresponding to 01/10/2025G).
Period for publishing the Company's Transfer Document for inspection on the Company's website, the Exchange's website, and the Financial Advisor's website	Starting from Sunday 13/04/1447H (corresponding to 05/10/2025G) and ending on Thursday 24/04/1447H (corresponding to 16/10/2025G) for a period of ten days.
Suspension/pause of trading of the Issuer's shares for the purpose of their Transfer to the Main Market	On Sunday 27/04/1447H (corresponding to 19/10/2025G).
Last day of the suspension/halting period	Within a period not exceeding five (5) Trading Days from the suspension/halting of trading of the Company's shares.
Expected date of listing and commencement of trading of the Company's shares on the Main Market	The date of Transfer to the Main Market will be announced on the Saudi Exchange Company website.

For more information, please visit the Saudi Exchange Company website (www.saudiexchange.sa), the Financial Advisor's website (www.alrajhi-capital.com), and the Company's website (www.canadian-mc.com).

Table of Contents

Tabels

Definitions and Terms

01

1. Definitions and Terms

The following table lists definitions and abbreviations for terms used in this Document of Transfer to the Main Market:

Defined Term or Abbreviation	Definition
Company/Issuer	Canadian Medical Center Co.
Board or Board of Directors	Board of Directors of the Company
Management or Senior Management	Management of the Company
Articles of Association	Articles of Association of the Company
General Assembly	General Assembly of Shareholders of the Company
Ordinary General Assembly	Ordinary General Assembly of Shareholders of the Company
Extraordinary General Assembly	Extraordinary General Assembly of Shareholders of the Company
Government	Government of the Kingdom of Saudi Arabia
Kingdom	The Kingdom of Saudi Arabia
Ministry of Commerce (MoC)	Ministry of Commerce of the Kingdom of Saudi Arabia
ZATCA	Zakat, Tax and Customs Authority (formerly the General Authority of Zakat and Income)
Ministry of Human Resources and Social Development (MHRSD)	Ministry of Human Resources and Social Development of the Kingdom of Saudi Arabia
Ministry of Industry and Mineral Resources (MIMR)	Ministry of Industry and Mineral Resources of the Kingdom of Saudi Arabia
General Authority of Meteorology and Environmental Protection (GAMEP)	General Authority of Meteorology and Environmental Protection in the Kingdom of Saudi Arabia
General Authority for Competition (GAC)	The General Authority for Competition (formerly the Competition Council) is a financially and administratively independent government body established in 1439H (corresponding to 2018G). It aims to promote and encourage fair competition, combat unlawful monopolistic practices, ensure the availability and diversity of high-quality goods and services at competitive prices, and encourage innovation.
Companies Law	The Companies Law of the Kingdom of Saudi Arabia, issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), which entered into force on 26/06/1444H (corresponding to 19/01/2023G), and any amendments thereto.
Corporate Governance Regulations	The Corporate Governance Regulations issued by the CMA Board based pursuant to Resolution No. (8-16-2017), dated 16/05/1438H (corresponding to 13/02/2017G), as amended by CMA Board Resolution No. (8-5-2023), dated 25/06/1444H (corresponding to 18/01/2023G), and any amendments thereto.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law promulgated by Royal Decree No. (M/30) dated 02/06/1424H, as amended by CMA Board Resolution No. (1-53-2025) dated 21/11/1446H (corresponding to 19/05/2025G).
Listing Rules	The Listing Rules issued by the Saudi Exchange Company (Saudi Exchange), approved by the CMA Board Resolution No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), and amended by the CMA Board Resolution No. (2-53-2025) dated 21/11/1446H (corresponding to 19/05/2025G), and any amendments thereto.
Capital Market Authority or CMA	The Capital Market Authority in the Kingdom of Saudi Arabia.
Saudi Exchange Company, Capital Market, Stock Market, Market or Tadawul	Saudi Tadawul Saudi Exchange Company (formerly the Saudi Stock Exchange Company), a company of Saudi Tadawul Group Holding, established in accordance with the Council of Ministers' Resolution dated 29/02/1428H (corresponding to 19/03/2007G), in implementation of the Capital Market Law, is a Saudi joint-stock company and the sole entity authorized to operate as a stock market in the Kingdom of Saudi Arabia, where it carries out listing and trading securities.
Main Market	The market of the Exchange in which securities, which have been registered and offered pursuant to Part 4 of the Rules on the Offer of Securities and Continuing Obligations and have been admitted to listing pursuant to Part 3 of the Listing Rules, are traded.

Defined Term or Abbreviation	Definition
Parallel Market	The market of the Exchange in which shares that have been registered and offered pursuant to Part 7 of the Rules on the Offer of Securities and Continuing Obligations and have been admitted to listing pursuant to Part 8 of the Listing Rules, are traded.
Transfer	Submission of an application to the Saudi Exchange to transfer the Company's shares from the Parallel Market to the Main Market
Shares of Existing Shareholders prior to Transfer to the Main Market	100 % of the Company's total capital shares, which amount to seventy-seven million (77,000,000) ordinary shares.
Share	An ordinary share with a nominal value of one (1) Saudi riyal
Nominal Value	One (1) Saudi Riyal per share
Person	A natural or legal person
Shareholder or Shareholders	A shareholder or shareholders of the Company at any given time
Investor	Each person who invests in the shares to be transferred to the Main Market
Business Day	Any business day excluding Friday and Saturday, any day that is an official holiday in the Kingdom of Saudi Arabia, or any day on which banking institutions are closed for business in accordance with the applicable regulations and other government procedures.
Labor Law	The Saudi Labor Law Promulgated by Royal Decree No. M/51 dated 23/08/1426H (corresponding to 27/09/2005G), as amended.
Financial Statements	The Company's audited financial statements for the financial year ended December 31, 2022G, 2023G, 2024G, and the first quarter of 2025G.
Financial Year/Financial Years	It is the period of time for showcasing the results of an establishment's activity, the beginning and end of which are specified in the memorandum of association or articles of association of the relevant company. Note that a company's financial year ends on December 31 of each year.
H	Hijri calendar.
G	Gregorian calendar.
Listing	Listing securities on the Exchange either on the Main Market or on the Parallel Market, or, where the context permits, the application to the Exchange for listing securities.
Transfer	Transfer of the Issuer's shares from the Parallel Market to the Main Market.
Document of Transfer to the Main Market / Document	This Transfer Document, which is the document required under the Listing Rules for the transfer of shares to the Main Market.
Advisors	The Company's advisors whose names appear on page (v).
Financial Advisor	Al Rajhi Capital.
The Company's Chartered Accountant for the financial year ended December 31, 2022G, 2023G, 2024G, and the first quarter of 2025G	Dr. Mohamed Al-Amri & Co. - BDO.
Financial Professional Due Diligence Advisor	PricewaterhouseCoopers Chartered Accountants
Legal Professional Due Diligence Advisor	Suhail Partners Lawyers and Legal Consultants
Tadawul	Automated system for trading Saudi stocks
Control	According to the Glossary of Defined Terms Used in the Exchange Rules and the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued by the Capital Market Authority, control means the ability to influence the actions or decisions of another person, whether directly or indirectly, alone or with a relative or Affiliate, through: 1. holding 30% or more of the voting rights in a company; or 2. having the right to appoint 30% or more of the members of the governing body.

Defined Term or Abbreviation	Definition
Public	means in the Glossary of Defined Terms Used in the Exchange Rules persons other than the following: 1. affiliates of the issuer; 2. substantial shareholders of the issuer; 3. directors and senior executives of the issuer; 4. directors and senior executives of affiliates of the issuer; 5. directors and senior executives of substantial shareholders of the issuer; 6. any relative of persons described at (1), (2), (3), (4) or (5) above; 7. any company controlled by any persons described at (1), (2), (3), (4), (5) or (6) above; or 8. persons acting in concert, with a collective shareholding of (5%) or more of the class of shares to be listed.
Risk Factors	It is a set of potential influences that should be understood and hedged against before making the decision to invest in the shares subject to transfer to the Main Market.
International Financial Reporting Standards (IFRS)	A set of accounting standards and interpretations issued by the International Accounting Standards Board (IASB). (International Financial Reporting Standards) These are the International Financial Reporting Standards (IFRS) approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA). These standards include the international standards, additional requirements and disclosures required by the SOCPA, and other standards and publications approved by the SOCPA, including the technical standards and publications relating to matters not covered by the international standards, such as the matter of Zakat.
Saudi Organization for Chartered and Professional Accountants (SOCPA)	The Saudi Organization for Chartered and Professional Accountants (SOCPA) in the Kingdom of Saudi Arabia.
Nationalization or Saudization	Labor regulations in the Kingdom of Saudi Arabia that require companies operating in the Kingdom to employ a certain percentage of Saudis and replace expatriate workers with Saudi citizens in private sector jobs.
Nitaqat	The Saudization Program (Nitaqat) was approved by the Resolution of the Minister of Human Resources and Social Development No. 4040, dated 12/10/1422H (corresponding to 10/09/2011G), based on the Council of Ministers Resolution No. 50, dated 12/05/1415H (corresponding to 27/10/1994G). The Ministry of Human Resources and Social Development (formerly the Ministry of Labor and Social Development) in the Kingdom launched the (Nitaqat) program to provide incentives for institutions to employ Saudi nationals. This program evaluates the performance of any institution on the basis of specific domains: platinum, green and red.
SAR	Saudi Riyal – the official currency of the Kingdom of Saudi Arabia
USD	US Dollar – the official currency of the United States of America
Vision 2030	The National Strategic Economic Program, which aims to reduce dependence on oil and the petrochemical industry, diversify the Saudi economy, and develop public services.
Value Added Tax (VAT)	On 02/05/1438H (corresponding to 30/01/2017G), the Council of Ministers approved the Unified Agreement for Value Added Tax (VAT) for the Gulf Cooperation Council (GCC) countries, which came into effect on January 1st, 2018. This new tax is added to the existing tax and fee system applicable to specific sectors in the Kingdom as well as in the GCC countries. The amount of this tax is (5%). The Kingdom's government has decided to increase the value-added tax rate from 5% to (15%), starting from July 2020G. A number of products were exempted, including (basic foods and services related to health care and education).

شركة المركز الكندي الطبي
Canadian Medical Center Co.
رواد طب الطوارئ منذ 2008
Medical Emergency Leaders since 2008

02

Risk Factors

2. Risk Factors

An investment in the shares subject to the transfer to the Main Market involves high risks and may be appropriate only for those investors who are able to evaluate the benefits and risks of such investment, and who can bear any loss that may result therefrom.

Prospective investors wishing to invest in the Shares subject to transfer and trade on the Main Market should carefully consider all of the information provided in this Document, including the following risk factors, prior to deciding to invest in the Shares to be listed on the Main Market. The risks set out below do not include all the risks that the Issuer may face, as there may be additional factors not currently known to the Issuer that could affect its operations.

If any of the risks included in this section, which the Issuer's management currently believes to be material, occur or materialize, the Issuer's business, financial conditions, future prospects, results of operations, and cash flows may be materially adversely affected. There may be additional risks that the Board of Directors has not currently identified or classified as immaterial, but which may actually occur and become material. In the event that a risk factor that the Issuer's management currently believes to be material occurs or is realized, or any other risks that the Issuer's management has not been able to identify, or that it currently considers to be immaterial, occur, this may have a material adverse effect on the Issuer's business, financial position, results of operations and future prospects, and may lead to a decrease in the share price, weakening the Issuer's ability to distribute dividends to shareholders, and may cause investors to lose all or part of their investment in the shares.

The Issuer's Directors acknowledge that, to the best of their knowledge and belief, there are no other material risks as of the date of this Document other than those mentioned in this section that could affect investors' decisions to invest in the shares subject to the transfer to the Main Market.

The risks described below are not presented in order of priority based on their importance or expected impact on the Issuer. There may be additional risks that the Issuer is currently unaware of, or that the Issuer currently believes are immaterial, which may in the future have the same effects or consequences stated in this Document. Accordingly, the risks described in this section or in any other section of this Document may not include all risks that could affect the Issuer or its operations, activities, assets or the markets in which it operates, and/or do not indicate all risks involved in investing in the Shares.

2.1 Risks Related to the Issuer

2.1.1 Risks Related to the Inability to Implement the Issuer's Strategic Plan

The Issuer has developed a strategic plan aimed at expanding its services, enhancing its market share, and achieving sustainable growth in revenue and profitability. This plan includes entering new markets, signing additional contracts, developing technical infrastructure, improving operational efficiency, and diversifying income sources. The implementation of this plan depends on several factors, the most significant of which are: Availability of qualified human resources, obtaining the necessary licenses and regulatory approvals, securing the required financing in a timely manner and under appropriate terms, and the Issuer's success in competing for new contracts. However, there is no guarantee that the Issuer will be able to implement its strategic plan as planned, as any delay or failure to implement these initiatives may result in growth, revenue, and profitability targets not being achieved within the expected timeframe. Changes in the market, regulatory or technological ecosystem may also require a fundamental adjustment to the strategic plan, adding a degree of uncertainty about the Issuer's future. If the Issuer is unable to efficiently implement its strategy, this could lead to a decline in customer confidence, lost investment opportunities, or insufficient revenue to cover costs, which would negatively impact its business results, profitability, and future prospects.

2.1.2 Risks Related to Licenses, Permits, and Certifications

The Issuer is subject to a number of rules and regulations that require it to obtain the necessary licenses and permits from the competent regulatory authorities in the Kingdom to carry out its business. The Issuer has obtained most of the applicable licenses, certificates, permits and approvals related to its business activities as of the date of this Document, including, but not limited to: A license to open a private healthcare facility issued by the Ministry of Health, company registration certificates issued by the Ministry of Commerce, a safety certificate issued by the General Directorate of Civil Defense, trademark registration certificates issued by the Saudi Authority for Intellectual Property, Saudization certificates issued by the Ministry of Human Resources and Social Development, zakat certificates, a value-added tax registration certificate issued by the Zakat, Tax and Customs Authority, and social insurance certificates issued by the General Organization for Social Insurance. (For more information, please refer to Subsection (6.4) "**Licenses**" of Section (6) "**Legal Information and Declarations of Board Members**" of this Document.)

It is noted that the Company maintains a commercial registration for an inactive limited liability company (CR No. 2050067861) that is in the process of cancellation, and that Zakat Certificate No. 1116224964 does not cover one of the Company's branches registered under CR No. 1009042659. It was further noted that certain licenses and certificates have expired, including: (i) the preliminary approval to open a healthcare facility for the Buqayq branch, which expired on 08/09/1445H (18/03/2024G); (ii) the Civil Defense permit, which expired on 14/11/1441H (05/07/2020G); and (iii) the commercial activity license, which expired on 12/09/1440H (17/05/2019G). If the Company fails to complete the cancellation of the inactive commercial registration, to rectify the non-coverage of all branches under the Zakat certificate, or to renew these licenses and certificates on a timely basis, it may face regulatory and financial impediments that could affect the continuity of its operations.

During issuance of this Document, the Issuer is renewing a number of these certificates and is proceeding with its procedures. However, if the Issuer is unable to renew its current licenses, permits and certificates or obtain any of the licenses necessary for its business, if any of its licenses are suspended or expired, if any of those licenses are renewed on terms that are not suitable for the Issuer, or if the Issuer is unable to obtain additional licenses, permits and certificates that may be required from it in the future, this may expose the Issuer to ceasing and being prevented from carrying out its business, such as closing the Issuer or freezing all services provided to the Issuer by the regulatory authorities (such as renewing licenses and certificates, issuing visas and residence permits, transferring sponsorships, etc.), or exposing it to financial fines imposed by the authorities related to licenses, permits and certificates, which will result in the Issuer's operations being disrupted and it incurring additional costs, which in turn will negatively impact the Issuer's business, results of operations, financial position and future prospects.

2.1.3 Clinic-related Risks

The Issuer operates medical clinics to support project operations; however, these clinics are currently incurring losses that adversely affect overall profitability. The clinics incurred losses of SAR 6.3 million, SAR 7.4 million, SAR 9.2 million, and SAR 2.0 million in the fiscal years 2022G, 2023G, and 2024G, and in the first quarter of 2025G, respectively. Notwithstanding these losses, the clinics are essential to the Company, as they are required to obtain the physicians' licenses necessary to work in the clinics and on oil platforms. These losses arise because the medical services provided by the clinics to project employees are recognized as project revenues, while the clinics bear the related costs. This accounting treatment increases the financial pressure on the clinics and, by extension, on the Company.

It is also noteworthy that the profitability of other projects may be somewhat overstated, as certain medical costs and examinations are not charged to the projects themselves but to the clinics. This cost allocation may create a misleading impression of the projects' true financial performance while increasing the cost burden recorded for the clinics. In 2023G, medical examination revenues recorded under projects amounted to approximately SAR 9.3 million, resulting in actual profits of SAR 12.9 million for other projects, while the clinics achieved actual profits of only SAR 1.8 million. In 2024G, such revenues totaled SAR 4.9 million, with other projects realizing actual profits of SAR 16.1 million, whereas the clinics recorded aggregate losses of SAR 3.4 million. In the first quarter of 2025G, such revenues were SAR 1.2 million, other projects realized actual profits of SAR 4.7 million, and the clinics incurred actual losses of SAR 0.79 million, reflecting lower corresponding revenues and increased fixed personnel costs at the clinics.

The continued operating losses of the clinics, together with the potential overstatement of the profitability of other projects, may have a material adverse effect on the Company's overall financial results and financial position, particularly given the ongoing need to operate these clinics as a regulatory prerequisite for the Company's operations.

2.1.4 Risks Related to Customer Concentration

This reliance imposes significant risks on the Issuer's future profitability and sustainability, underscoring the strategic importance of diversifying its client base to mitigate the risks of financial instability. The Issuer relies heavily on a limited segment of customers to generate the majority of its revenue. The top three customers in the financial year 2022G accounted for SAR 61.0 million, representing 75.1% of total revenue, in the financial year 2023G, SAR 68.9 million, representing 68.6% of total revenue, in the financial year 2024G, SAR 65.6 million, representing 59.2% of total revenue, and in Q1 of 2025G, SAR 17.8 million, representing 59.2% of total revenue. The Total revenues in the first quarter of fiscal year 2025 were concentrated with Aramco[1] (approximately 45.5% of total revenues), KCA_Detogh Gulf Drilling Company (approximately 7.3%), and ADES Holding Company (approximately 6.3%). The current contract with Aramco's[2] expires in December 2025, with an option to extend it until December 2027. After that, the company must undergo a competitive bidding process to win a new contract. Additionally, contracts with ADES Holding and KCA_Detogh Gulf Drilling, two other major clients, expire in December 2025 and September 2026, respectively, exposing revenue streams to the risk of near-simultaneous renewal or replacement of these contracts.

This reliance imposes significant risks on the Issuer's future profitability and sustainability, underscoring the strategic importance of diversifying its client base to mitigate the risks of financial instability. The Issuer's failure to renew any of these

1 These revenues arise from the contract initially entered into by the Company with Saudi Aramco, which upon renewal became with Johns Hopkins Aramco Healthcare, the medical services provider to Saudi Aramco.

2 This contract constitutes the agreement initially entered into by the Company with Saudi Aramco, and upon its renewal became with Johns Hopkins Aramco Healthcare, which serves as the medical services provider to Saudi Aramco.

key contracts, or renew them on less favorable terms, or the loss of one of these customers for any reason - including a reduction in the customer's capital spending, a change in its strategy, or the Issuer's failure to meet contracted service levels - could have a material adverse effect on the Issuer's business, results of operations, cash flows, financial condition, and future prospects.

2.1.5 Risks Related to the Issuer's Non-compliance with Continuous Disclosures

The Issuer, being a publicly listed joint stock company, is obligated towards the market to disclose the matters that should be disclosed to the market in accordance with the provisions of Rules on the Offer of Securities and Continuing Obligations, and any changes that occur therein.

The Issuer's obligation to disclose matters that should be disclosed is an ongoing obligation and a duty on it to provide information to the capital market by presenting all matters that arise in the Issuer's activities and business, which in turn will have an impact on investors' decision to invest or not to invest in the Issuer's shares. The Issuer should adhere to the continuous disclosure of crucial matters that should be reported to the capital market immediately upon their occurrence.

The Issuer's failure to disclose or delay in disclosing matters that should be disclosed in accordance with the Rules on the Offer of Securities and Continuing Obligations constitutes a violation of the rules of the capital market, which may expose the Issuer to violations by the CMA, which will have a negative and material impact on the Issuer's reputation and share performance.

2.1.6 Risks Related to Availability of Future Financing

In the future, the Issuer may need to obtain financing from commercial banks, government lenders, or other financiers to cover working capital requirements or implement future growth plans. The Issuer's ability to obtain loans and facilities from lenders at lower costs or on terms appropriate to its future financial position, depends on global economic conditions, financial market conditions, interest rates, the availability of credit from banks or external lenders, and the confidence of lenders in the Issuer. The Issuer may not be able to obtain this financing at all or on reasonable terms for any reason, such as restrictions on financing or on the lenders' view of the Group or the Issuer's future results of operations, financial position and cash flows. Borrowing at variable interest rates may also make the Issuer vulnerable to increases in interest rates and/or commissions, which may be significantly affected by factors beyond the Issuer's control, such as monetary and tax policies and global economic and political conditions, and the Issuer may not be able to secure such financing on reasonable terms or at all when necessary. Any increase in interest rates and commission rates, whether fixed or variable, applied by banks will result in higher financing costs for the Issuer, which will negatively impact its future profits and its ability to pay and meet its obligations towards lenders. As a result, it may not be able to take advantage of business opportunities, such as acquisition opportunities, or respond to changes in market or sector conditions. The occurrence of any of the above-mentioned events will have a material adverse impact on the Issuer's business, financial position, results of operations and future prospects.

2.1.7 Risks Related to Rising Employee Costs

The Issuer's profitability is highly dependent on its ability to control personnel costs, particularly those relating to physicians, nurses, and drivers working at remote and offshore sites—such as offshore platforms and vessels—where the nature of the work necessitates highly competitive salaries to attract and retain talent. This resulted in a marked increase in average salaries during the fiscal years 2022G and 2024G without a commensurate increase in revenues, contributing to lower profitability in those periods. Although margins improved slightly in fiscal year 2023G due to entering into new contracts at higher rates and sales of ambulances during the same period, in the first quarter of 2025G the Company adjusted its strategy by reducing reliance on its full-time employees ("FTEs") and substituting outsourced labor at lower wage levels, which supported improved profitability in that period.

Historically, the Company has relied on outsourced labor, engaging additional physicians and nurses for projects as needed. The average monthly salary for outsourced personnel was approximately SAR 9.2 thousand in 2022G and SAR 9.8 thousand in 2023G, decreasing to SAR 8.8 thousand in 2024G and SAR 8.2 thousand in the first quarter of 2025G. The Company's average reliance on outsourced labor was 18% during 2022G–2024G, rising to 23% in the first quarter of 2025G.

Accordingly, any sudden or sustained change in personnel costs—whether for FTEs or outsourced workers—could materially and adversely affect the Company's profit margins and cash flows and could negatively impact its financial results, operations, and future prospects.

2.1.8 Risks Related to Reliance on Key Employees and Executive Management

The Issuer and its future plans for success rely on the expertise and competencies of its executive management and key employees. The Issuer aims to attract and employ qualified individuals to ensure the efficiency and quality of its business through effective management and sound operations. The Issuer will also need to increase its employees' salaries to ensure their retention or to attract new staff with appropriate qualifications and experience. Accordingly, if the Issuer loses any of its senior executives or qualified employees and is unable to hire replacements with the same level of experience and qualifications at a cost appropriate to the Issuer, this will have a material adverse impact on the Issuer's business, results of operations and future prospects.

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

In the management and conduct of its various operations and activities, the Issuer is subject to the provisions of the Companies Law. Following its transfer to the Main Market, the Issuer will be subject to the Corporate Governance Regulations. The Companies Law and Corporate Governance Regulations impose certain corporate governance requirements that the Issuer must comply with, which require taking certain measures to ensure actual compliance. The Companies Law and Corporate Governance Regulations also impose strict penalties for violating their mandatory provisions and rules. Accordingly, the Issuer may be subject to such penalties, including financial penalties and/or imprisonment. For example, the Companies Law stipulates that every manager, official, director, auditor or liquidator who records false or misleading data shall be punished with imprisonment for no more than three (3) years and a fine of not exceeding five million Saudi Riyals (SAR 5,000,000). It is worth noting that the Companies Law is promulgated by Royal Decree No. M/132, dated 01/12/1443H (corresponding to 30/06/2022G), and entered into force on 26/06/1444H (corresponding to 19/01/2023G). The extent of the impact of implementing the New Companies Law on companies in general and on the Issuer and its operations in particular may not be apparent at present, and the Issuer may incur additional costs in order to take the necessary steps to ensure compliance therewith. Failure by the Issuer to comply with such provisions and rules would have a material adverse effect on its business, results of operations, financial position and prospects.

The Extraordinary General Assembly adopted the Corporate Governance Regulation of the Issuer on 11/07/1442H (corresponding to 23/02/2021G). It incorporates provisions derived from the Corporate Governance Regulations issued by the CMA. The Issuer's success in properly implementing its governance regulation will depend on the extent to which the Board, its Committees, and the Senior Executives comprehend, understand and properly execute such rules and procedures, particularly with regard to Board independence requirements, procedures of conflicts of interest, and disclosure requirements. Failure to comply with the mandatory provisions of the Corporate Governance Regulations issued by the CMA could subject the Issuer to regulatory penalties that may have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

It is worth noting that Directors are obliged to uphold duties of care and loyalty to the Issuer and its Shareholders and ensure that their actions serve the best interests thereof. These duties require the Directors to exercise due diligence and prioritize the interests of the Issuer over their personal interests and those of other stakeholders, including in situations where a conflict of interest arises, such as when a director is involved in a transaction with a Related Party or engaged in a competing activity. Failure by Directors to fulfill their duties of care and loyalty could result in liability to the Issuer for their actions or inaction, as well as any associated claims. The occurrence of any of the above typically leads to the resignation or removal of the respective Director, leaving his seat vacant on the Board of Directors. This could impede the Board's capacity to discuss issues and make decisions effectively, as well as redirect the Issuer's resources towards locating and selecting a suitable replacement, which would have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

2.1.10 Risks Related to Lack of Experience in Managing Companies Listed on the Main Market

Although the Issuer's Senior Management has experience managing the Issuer as a joint-stock company listed on the Parallel Market for more than four years, their experience in managing it as a company listed in the Main Market may be somewhat limited because it is recently listed. They may have insufficient experience when it comes to managing it as a company listed on the Main Market, particularly in terms of complying with the laws and regulations pertaining to joint-stock companies listed on the Main Market and the continuing disclosure requirements applicable to such companies. Accordingly, the Senior Management will need to exert further efforts to guarantee compliance with the rules and regulations applicable to companies listed on the Main Market. If the Issuer does not comply with such rules or governance and disclosure requirements, it will be exposed to regulatory sanctions, which would have a material adverse effect on its business, prospects and financial condition.

2.1.11 Risks Related to the Management's Decisions

The Issuer's success and business sustainability depend on the management's ability to make informed and timely strategic and operational decisions that keep pace with market developments, meet customer needs, and achieve operational efficiency. These decisions cover many areas, such as geographic expansion, service pricing, partner selection, human resource management, and capital allocation. If management makes inappropriate decisions – due to incomplete information, inaccurate estimates, poor risk assessment, or delays in responding to changes – it would adversely affect the Issuer's financial and operational performance, as well as its competitiveness in the market, and the confidence of customers and investors in its ability to manage growth. Accordingly, any ineffective management decisions could lead to lost business opportunities, increased costs, or project failures. As a result, the Issuer's performance, operation results, and financial position would be adversely impacted.

2.1.12 Risks Related to Errors and Misconduct of Employees

The Issuer relies on specialized personnel, including doctors, nurses, and drivers, to provide its medical and ambulance services. These personnel often work in remote locations or highly sensitive offshore operating environments. Adherence to professional standards and regulatory compliance is essential to maintaining patient safety and customer relationships. The Issuer has adopted control policies and procedures aimed at reducing errors or illegal behavior. However, it cannot guarantee the prevention of all individual unlawful acts or violations. This may include, but is not limited to: forgery, fraud, embezzlement, acting without authorization, professional negligence, misuse of company assets, or breach of existing contractual requirements. Given the nature of the Issuer's operational contracts with major and sensitive entities—such as companies operating in the energy and industrial sectors—any irresponsible behavior by an employee could expose the Issuer to financial, criminal, or regulatory claims, and could lead to the loss of major contracts or harm future growth opportunities. Such errors could also impact the Issuer's reputation and market position, adversely affecting its ability to expand or win new contracts. Overall, this poses a significant risk to the Issuer's business continuity, financial results, and future prospects.

2.1.13 Risks Related to Errors and Misconduct of Board Members

The Issuer's senior management and Board members may commit acts that could adversely affect the Issuer, including misuse of Company information or systems, disclosure of confidential information, or dissemination of misleading information. The Issuer may not always be able to prevent Senior Management and Board members from committing any serious misconduct or ensure their compliance with the Issuer's internal regulations and policies. As a result, the Issuer may incur losses, fines, or financial liabilities, or its reputation may be damaged, leading to material adverse effects on its business, results of operations, financial condition, and prospects. It is worth noting that the Issuer provides insurance coverage against errors and omissions of Senior Management and Board members, which aims to mitigate the effects of such risks.

2.1.14 Risks Related to Operation and Unexpected Business Interruption

The Issuer's business continuity depends on the smooth and regular operation of its facilities, ambulance equipment, and technical systems, as well as the constant readiness of medical and logistical personnel working in remote locations or sensitive operational environments. Given the nature of the services provided, any sudden interruption in operations—whether due to major technical failures in ambulance vehicles or medical equipment, computer or communications system failures, power outages, or incidents resulting from severe weather conditions or natural disasters—may impede the Issuer's ability to provide its services on time and fulfil its contractual obligations to customers.

Such an unexpected interruption may lead to a loss of customer confidence in operational reliability, especially since the business is concentrated on vital projects. The continuation of any operational disruption without prompt remediation may have broader consequences on the Issuer's financial results and competitive position in the market, causing the Issuer to suffer from loss and adversely impact its business, results of operations, financial condition, and prospects.

2.1.15 Risks Related to Non-Compliance with Quality Standards and Specifications Required by Customers

The quality of the medical and emergency services provided by the Issuer is a pivotal factor in maintaining customer confidence, especially since it enters into contracts with major entities operating in strategic sectors with rigorous operational standards. The Issuer is committed to adhering to the technical specifications, contractual requirements, and performance standards required by its customers. However, the Issuer cannot guarantee that there will be no disruption of quality, whether due to human error, equipment inadequacy, or high volume of field operations.

Failure to adhere to expected quality standards on an ongoing basis may lead to a decline in customer satisfaction, negative feedback during periodic evaluations, contractual penalties, or even the non-renewal of existing contracts. Any deterioration in service quality may damage the Issuer's reputation in the market and impair its ability to win new contracts or maintain its current contractual share. This will adversely affect the Issuer's revenues, operational results, and financial position, and sales; hence, its operational and financial results.

2.1.16 Risks Related to Potential Shari'ah Zakat Liabilities and Additional Claims

The Issuer is subject to Zakat and tax requirements applicable in the Kingdom. Any increase in Zakat and/or tax requirements applicable to the Issuer may adversely affect its profitability. The Kingdom issued the VAT Law, which came into effect on 14/04/1439H (corresponding to 01/01/2018G). This law imposes a 5% value-added tax on several products and services. On 17/09/1441H (corresponding to 10/05/2020G), in response to the economic impact of the COVID-19 pandemic, the Kingdom announced an increase in VAT to 15%, which came into effect on 10/11/1441H (corresponding to 01/07/2020G). This increase or any future increases in Zakat liabilities or applicable tax requirements could adversely affect the Issuer's profitability. The Issuer may commit errors in implementing regulatory requirements, which could lead to penalties being imposed by the Zakat, Tax, and Customs Authority (ZATCA) under the VAT Law, which in turn would have an adverse effect on the Issuer's business, results of operations, financial position and prospects.

Since its establishment, the Issuer has submitted Zakat declarations and tax returns for all financial years up to 31 December 2024G and has paid its Zakat dues. The Issuer received certificate No. 1116224964 on 25/10/1446H (corresponding to 23/04/2025G), valid to 13/11/1447H (corresponding to 30/04/2026G) for its Zakat declaration for the financial year 2024G. However, ZATCA periodically reviews and re-evaluates previous zakat assessments. The Issuer cannot guarantee that ZATCA will not review any previous entries and impose additional fees or costs on the Issuer, which will affect the Issuer's profitability and cash flows and consequently its results of operations and financial performance.

2.1.17 Risks Related to the Protection of the Issuer's Trademarks and Property Rights

The Issuer's ability to market its products and develop its business depends on the use of its name, logo and trademarks, which support its business and competitive position and give it a clear distinction in the market among customers. The Issuer has registered its trademarks with the competent authorities. (For further information, please refer to Subsection (6.9) "**Intellectual Property (Intangible Assets)**" of Section 6 "**Legal Information and Declarations of Board Members**" of this Document). Any breach of intellectual property rights or unauthorized use of the Issuer's trademarks will affect its reputation and lead to the filing of lawsuits and claims before the competent courts to protect these rights. This is a costly process that requires significant time and effort on the part of Management to follow. If the Issuer fails to effectively protect its trademark when renewing its registration certificate or tracking similar trademarks, this will negatively impact on its value; hence, its business, the results of its operations, financial position, and future prospects.

2.1.18 Risks Related to the Inadequacy of Insurance Coverage

As of the date of this Document, the Issuer holds insurance coverage for its operations through several types of insurance policies (for further information, please refer to subsection 6.10 "**Insurance**" of Section 6 "**Legal Information and Declarations of Board Members**" of this Document). However, the insurance policies held by the Issuer may not be sufficient to cover all risks to which the Issuer may be exposed, and the insurance coverage limits of those policies may not be sufficient to cover all the losses that the Issuer may incur in connection with the risks insured against, including material financial losses, personal injury claims from third parties, incidents that occur during operations, and losses incurred as a result of damage to the Issuer's property.

The Issuer may not be unable to prove its claims under its current insurance policies due to exclusions or limitations on insurance coverage, such as limiting insurance coverage to certain types of incidents. This would force the Issuer to bear the costs of any other incidents on its part. The Issuer may be affected by some risks that are not covered by insurance or that require insurance coverage of high cost or beyond the Issuer's ability to cover. It is also possible that future incidents may occur for which the Issuer has no insurance coverage or may not be covered at all. This could have a material adverse effect on the Issuer's business, financial position, results of operations, and prospects.

The value of the Issuer's claims may exceed the value and scope of coverage of its insurance policies, or the damage may not be covered. The relevant insurance company may also reject claims submitted by the Issuer. In addition, the Issuer may not be able to obtain appropriate insurance coverage due to increased premiums or lack of coverage itself (due to increased premiums, deductibles or co-insurance requirements), whether related to the Issuer's industry in particular or in general. Any of these factors could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

2.1.19 Risks Related to Working Capital Management

Liquidity risk is the possibility that the Issuer will be unable to meet its financial liabilities on their due dates. The Issuer's financial liabilities consist of trade payables, accrued amounts, other current liabilities, accrued dividends, a traded portion of lease liabilities, and zakat liabilities. The Issuer may not be able to meet its obligations on their due dates. Working capital management risks may also result from the inability to sell financial assets quickly at an amount close to their fair value. Unforeseen or sudden events requiring immediate liquidity may occur at any time, which could adversely affect the Issuer's business in a material aspect and, consequently, its operating and financial results.

2.1.20 Risks Related to Litigation and Government Fines

The Issuer may become a party to any lawsuit, whether as a plaintiff or defendant. Any adverse outcome of litigation and regulatory proceedings could adversely affect the Issuer's business, financial condition, results of operations, and prospects. The Issuer cannot accurately predict the cost of lawsuits or legal proceedings that may be filed by it or brought against it in the future, the ultimate outcome of such lawsuits, or the judgments issued therein, including compensation and penalties. These lawsuits may include, but are not limited to, matters related to zakat and tax, labor law issues, errors, complaints, and other damage resulting from negligence or fraud by persons or institutions beyond the Issuer's control. Any unfavorable outcome in such lawsuits would have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

2.1.21 Risks Related to Non-Compliance with the Capital Market Law and its Implementing Regulations

The Issuer is subject to all mandatory provisions stipulated in the Capital Market Law, the rules, regulations, and circulars issued by the Capital Market Authority, and the Companies Law issued by the Ministry of Commerce, with the exception of the guiding or non-applicable provisions. If the Issuer fails to comply with any of the rules and regulations applicable thereto, it will incur costs and penalties, such as temporary suspension of trading in shares or delisting of the Issuer's shares in the event of non-compliance. This will adversely affect the Issuer's business, results of operations, financial performance, and profitability.

2.1.22 Risks Related to Transactions with Related Parties

In the ordinary course of its business, the Issuer engages with Related Parties and has entered into several transactions with the same. As of the date of this Document, the Issuer has entered into: a lease contract with Khayrat Amariya Real Estate Company, a transaction with the same company for the provision of contracting services, and a transaction with Mehan Human Resources Company for the provision of specialized labor services. All the aforementioned entities are classified as Related Parties (for further information regarding transactions with Related Parties, please refer to Subsection 6.7 "**Material Agreements with Related Parties**" of Section 6 "**Legal Information and Declarations of Board Members**" of this Document.

Entering into contracts and transactions with Related Parties is subject to the provisions of the applicable laws and regulations. Pursuant to Articles 27 and 71 of the Companies Law, transactions in which any of the Issuer's Directors have a direct or indirect interest, must be submitted to the General Assembly for approval. Directors who have an interest in such transactions are prohibited from voting thereon, whether at the level of the Board of Directors or the Shareholders' assemblies. The Issuer has committed to obtaining the approval of the General Assembly on 18/12/1445H (corresponding to 24/06/2024G) for transactions with related parties for the fiscal year ending December 31, 2023G. The approval of transactions with related parties for the fiscal year ending December 31, 2024G was obtained by the General Assembly held on 19/12/1446H (corresponding to 15/06/2025G). If the General Assembly does not approve the renewal of contracts concluded with related parties, the Issuer will be forced to contract with other parties to perform the work currently assigned to the related parties. Furthermore, if the Issuer is unable to find suitable replacements for its current contracted related parties within a reasonable timeframe, or if the Issuer is forced to enter into alternative contracts with terms that may not be consistent with its strategic plan and objectives, this may cause the Issuer to incur additional costs in concluding these contracts. In addition, in the event that future related-party transactions are not entered into on an arm's length basis, this would have a material adverse effect on the Issuer's business, results of operations, financial position and prospects.

2.1.23 Risks Related to the Participation of Directors in Competing Business

Some of the Issuer's Directors, members of the Board's committees or senior executives may compete with the Issuer through their membership on the Board of Directors or through ownership of businesses that fall within the scope of the Issuer's business and that are similar to or directly or indirectly competitive with the Issuer's business. If a conflict of interest arises between the Issuer's business on the one hand and the business of the Board of Directors or senior executives on the other, the Issuer's business, financial position, results of operations, and prospects will be materially affected.

2.1.24 Risks Related to the Existence of Some of the Issuer's Assets on Leased Properties

As of the date of this Document, the Issuer currently leases real estate property to conduct its business. It utilizes twenty-one (21) leased properties as of the date of this Document (for further information regarding the lease agreements concluded by the Issuer, please refer to Subsection 6.8 "**Real Estate**" of Section 6 "**Legal Information and Declarations of Board Members**" of this Document. The Issuer's leases have fixed terms. If the Issuer is unable to extend the leases beyond the specified term or to renew the leases on the same current terms, this will adversely affect its results of operations, as it may be difficult for the Issuer to find alternative properties with areas commensurate with the nature of its business. Furthermore, it is worth noting that compliance with the terms of these leases or the inability to renew the same with landlords will cause the Issuer to enter into legal disputes and evacuate the leased properties, which would have a material adverse impact on the Issuer's growth plans and, consequently, its results of operations and financial performance.

It cannot be assured that these parties will live up to the Issuer's expectations. If the Issuer or its contracting parties are unable to comply with the terms of these contracts, or if any future disputes or lawsuits arise and the Issuer loses these disputes, this would have a material adverse effect on the Issuer's financial position, cash flows and operational results.

2.1.25 Risks of Failure to Register Lease Contracts Electronically

The Issuer has concluded (21) leases as a tenant, (19) of which are registered on the Ejar platform and (2) are not registered on Ejar platform. Accordingly, the Issuer has registered most of the leases it concluded on the Ejar platform, in accordance with Ministerial Resolution No. (292) dated 16/05/1438H (corresponding to 13/02/017G), which stipulates that lease agreements that are not registered on the lease service e-network are not considered valid contracts and are ineffective. The Ministries of Housing and Justice launched the digital rent network. (For further information, please refer to Subsection (6.8) "**Real Estate**" of Section 6 "**Legal Information and Declarations of Board Members**" of this Document). As the Issuer has not registered two of its lease contracts, it may be unable to protect its rights. A lease contract registered on the Ejar platform is considered an enforceable instrument, and both parties may request its direct enforcement, even by force, through the enforcement courts. This does not require filing a lawsuit if one of the parties fails to fulfill its essential obligations arising from the contract. It also avoids the risk of dismissing the Issuer's lawsuit before public courts for non-registration of the contract.

2.1.26 Risks related to Operating Systems and Information Technology

The Issuer relies on information technology systems to manage its business and facilities. This exposes the Issuer to the risks of system failure, such as system collapse, security failure, hacking of the Issuer's systems, computer viruses, natural disasters, fires, communication errors, or the lack of skilled personnel necessary to operate and manage these systems. If the Issuer fails to maintain and develop its information technology systems, or if there are any malfunctions in their functions, a major malfunction, or repeated failures occur, this would adversely affect the Issuer's business and its financial and operational results. The Issuer currently uses the "SOMAC" system as its primary accounting tool; however, its capabilities are limited, resulting in substantial reliance on manual data processing. These limitations include difficulties in preparing detailed project-level performance and profitability reports, budgeting, cost accounting, operational performance reporting, and preparing aging schedules.

The Issuer plans to implement an enterprise resource planning ("ERP") system in the second half of 2025G to automate data management, enhance information accuracy, and improve overall operational efficiency, thereby reducing the risk of errors and supporting a more reliable and productive operating environment.

2.1.27 Risks Related to Requirements of Saudization and Foreign Labor

Compliance with Saudization requirements is a regulatory requirement in the Kingdom. All companies operating in the Kingdom, including the Issuer, must employ and maintain a certain percentage of Saudi nationals amongst their workforce. According to the Saudization certificate issued by the Ministry of Human Resources and Social Development, the Saudization percentage in the Issuer and its branches as of 30/01/1447H (corresponding to 25/07/2025G) reached 31%, classified within the "medium green" zone (for more information, please refer to Subsection (6.11) "**Workforce**" of Section (6) " **Legal Information and Declarations of Board Members**" of this Document). However, if the Issuer fails to maintain these percentages, or if the Ministry of Human Resources and Social Development decides to impose more rigorous Saudization policies in the future so that it would be difficult for the Issuer to comply with the requirements of the Ministry of Human Resources and Social Development, the Issuer would be subject to penalties by government authorities, such as suspending work visa applications and transferring sponsorship for non-Saudi workers. Such penalties would have a material adverse effect on the Issuer's business, financial position, results of operations, and prospects.

2.1.28 Risks Related to Government Fees Applied to Non-Saudi Employees

The Saudi Government has approved some decisions aimed at implementing comprehensive reforms to the labor market, including imposing additional fees on non-Saudi employees employed at Saudi entities, effective from 14/04/1439H (corresponding to 01/01/2018G). The fees will be 200 Saudi riyals per month for each non-Saudi employee in 2018, increasing to 400 Saudi riyals per month in 2019G and then 600 Saudi riyals per month in 2020G. This means an increase in the governmental fees paid by the Issuer for its non-Saudi employees; hence, an increase in the Issuer's expenses in general. This would adversely affect the Issuer's business, financial performance and results of its operations.

In addition, the Government has also approved residency issuance and renewal fees for dependents and companions of non-Saudi employees (the "Dependent Fees"), effective from 03/04/1438H (corresponding to 01/07/2017G). These fees will gradually increase from 200 Saudi Riyals per month per dependent in 2017 to 400 Saudi Riyals per month per dependent in 2020G. Therefore, the increase in residency issuance and renewal fees payable by non-Saudi employees for their families results in higher living costs, leading them to seek employment in other countries with lower living costs. If this occurs, the Issuer will face difficulty retaining its non-Saudi employees. It may be enforced to bear these costs, in whole or in part, directly or indirectly by raising the wages of its non-Saudi employees. This would lead to an increase in the Issuer's costs, which would have a material adverse impact on its business, financial performance, and results of operations.

2.1.29 Risks Related to Reliance on Non-Saudi Employees

Non-Saudi employees represent approximately 69% of the total employees in the Issuer and its branches as of 30/01/1447H (corresponding to 25/07/2025G). The Issuer's business results, financial position, and operational results would be adversely affected if it is unable to retain its non-Saudi workforce or find replacements with the required skills and experience, or upon the occurrence of any change in the policies, regulations, and systems of the Ministry of Human Resources and Social Development resulting in an increase in the Saudization rate in the sector. It would be difficult for the Issuer to maintain its non-Saudi workforce. This would result in increased financial costs for the Issuer, which would negatively and materially impact on its business, profits, and results of operations.

2.1.30 Risks Related to the Issuer's Reputation

The reputation of the Issuer is one of its intangible assets, especially in light of the nature of its activity, which is based on providing medical and ambulatory services in sensitive operational locations for customers from strategic sectors. Reputation is a key factor for gaining the confidence of existing customers, attracting new ones, as well as maintaining stable relationships with regulatory authorities. The Issuer's reputation may be affected by several factors, such as financial results below expectations, involvement of the Issuer or one of its employees in claims or regulatory violations, a breach of quality and compliance standards, media spotlight on an accidental incident or individual error, or a failure to handle an operational crisis professionally. Given the sensitive nature of the Issuer's activity, any damage to its reputation—even if limited or temporary, could lead to the loss of strategic contracts, reduced growth opportunities, or questioning its operational readiness. Accordingly, damage to the Issuer's reputation is considered a material risk that will have a material adverse effect on its business, financial condition, results of operations and prospects.

2.1.31 Contract with the Company's Largest Customer

The Company is materially dependent on the renewal of its contract with Aramco[3] , which accounts for approximately 45.5% of its total revenues and therefore constitutes a cornerstone of the Company's business continuity and financial strength. The Company signed its first contract with Aramco on August 31, 2015. The contract was renewed once in January 2020 following a competitive process, with effectiveness scheduled for June of the same year; however, entry into force was deferred until June 2021 due to the exceptional circumstances of the COVID-19 pandemic. Historically, the contract was tripartite among the Company, a subcontractor, and Aramco; upon renewal, it became a bilateral agreement between the Company and Johns Hopkins Aramco Healthcare, an affiliated medical services provider. The term runs until December 2025 and is extendable for an additional two (2) Gregorian years through December 2027.

Under this contract, the Company provides Johns Hopkins Aramco Healthcare affiliated medical services provider with a range of clinic service tiers—including nursing, paramedics, ambulances, drivers, and medical supplies—from which Johns Hopkins Aramco Healthcare selects according to its needs, with each tier priced based on the nature of the services provided. Given the magnitude of the contract and its contribution to revenues, any amendment to its terms, termination, or delay by the customer in settling amounts due could have a material adverse effect on the Company's financial results, operating performance, and cash flows, and could negatively affect its future growth plans and its ability to meet obligations to shareholders and other stakeholders.

2.2 Risks Related to the Market and Sector of the Issuer

2.2.1 Risks Related to the Global Economic Stability and Supply Chain Smoothness

The Issuer's financial and operational performance is closely linked to the stability of the global economy and the efficiency of international supply chains. The global economy has recently witnessed numerous challenges and fluctuations that directly and indirectly impact on the Issuer's operations and strategic plans. The most prominent of these challenges are stringent trade policies, particularly the tariffs imposed by the United States on imports from many countries, including equipment on which the Issuer relies to perform its operations. It is worth noting that these tariffs could lead to a significant increase in the costs of equipment and spare parts needed by the Issuer, whether directly or indirectly. In addition, sudden and frequent changes in global trade policies create uncertainty that makes it difficult for the Issuer to develop long-term financial and operational plans, which could negatively impact the efficiency of resource management and capital investments.

Furthermore, the political and security instability in the Red Sea region and surrounding areas poses a significant challenge to global supply chains. Repeated attacks on commercial vessels, ongoing security threats, and geopolitical tensions in the region have led to significant disruptions to maritime shipping, impacting the regularity and cost of transporting goods through these vital waterways. These disruptions have caused significant delays in shipping schedules, significant increases in shipping and insurance costs, and difficulties in inventory and production planning, which could add additional financial burdens to the Issuer.

3 This contract constitutes the agreement initially entered into by the Company with Saudi Aramco, and upon its renewal became with Johns Hopkins Aramco Healthcare, which serves as the medical services provider to Saudi Aramco.

Under these circumstances, the Issuer may face difficulties in providing medical equipment, spare parts, or operational supplies on time or at the expected cost, which could lead to disruption or delays in service delivery or increased pressure on operational inventory. Continued uncertainty in global commodity and equipment prices could also erode profit margins, particularly if these additional costs cannot be passed on to customers due to market competition or contractual restrictions.

Given that these economic and geopolitical factors are largely beyond the Issuer's control, any further deterioration in global economic stability, escalation of trade tensions, or continuation or worsening of unrest in the Red Sea region would have a material adverse impact on the Issuer's operations, its ability to achieve its strategic objectives, financial results, financial position, and prospects.

2.2.2 Risks Related to the Economic Performance of the Kingdom

The Issuer's financial and operational performance is linked to the stability and development of the Kingdom's macroeconomic system, particularly given the Issuer's reliance on operating contracts with entities operating within the national economy, or directly or indirectly dependent on government spending levels. Some economic factors influence the working environment, such as inflation rates, GDP growth, per capita income, demand for private healthcare services, employment rates, and relevant regulatory policies. As the Kingdom's economy is highly dependent on oil-based revenues, any unfavorable fluctuations in oil prices could significantly impact government spending levels, particularly in sectors related to infrastructure and operational services. This could lead to the suspension or cancellation of projects contracted with the private sector, including companies that provide medical and operational services such as the Issuer.

Sustained economic growth in the Kingdom also depends on several other factors, such as the pace of population growth, continued government and private sector investment in strategic projects, and the success of the National Transformation Program and Saudi Vision 2030G. Any slowdown in these indicators or decline in the attractiveness of the local market could negatively impact on the volume of demand for the Issuer's services, impacting on its ability to expand, contractual pricing levels, or profit margins, posing a significant risk to the Issuer's business, financial results, and prospects.

2.2.3 Risks Related to the Competitive Environment

The Issuer carries out its business within a competitive market that is witnessing an increasing number of entities providing medical and emergency services, including local and international companies seeking to win operational contracts with government entities and major corporations, especially since demand is concentrated on sensitive projects that require specific technical specifications and competitive pricing. Although the Issuer has an operational track record with many strategic customers, it is not assured that it will maintain its market share or win new contracts on the same commercial and technical terms previously awarded.

The pricing policies adopted by competitors are a significant factor in determining the Issuer's competitiveness. The Issuer may be forced to submit lower bids to maintain its chances of winning tenders, which could impact on its profit margins. The entry of new competitors into the market or the development of more efficient operating models by existing competitors could lead to a decline in demand for the Issuer's services or deterioration of its negotiating position with customers.

If the Issuer is unable to adapt to market changes or keep pace with competing offers in terms of price, operational efficiency, or technical standards, it may lose the existing operating contracts or fail to win new projects. This would have a material adverse impact on the Issuer's business, financial results, competitive position, and prospects.

2.2.4 Risks Related to Natural Disasters

As the Issuer's business relies on operating medical and emergency services in multiple locations, including remote areas or marine and industrial operating environments, it remains exposed to the risks of natural disasters such as floods, storms, earthquakes, fires, or other uncontrolled environmental events. The occurrence of such disasters may result in direct damage to the Issuer's facilities, vehicles, or medical equipment, or may lead to disruptions in the supply and operational chain, disrupting the Issuer's ability to fulfill its contractual obligations on time. Although the Issuer seeks to obtain appropriate insurance coverage against some of these risks, it cannot guarantee the availability of adequate coverage or commercially acceptable terms for all types of potential losses. In the event of a natural disaster, the Issuer may incur significant financial costs to repair damage or replace damaged assets, in addition to the potential loss of operational contracts or a decline in business confidence.

Accordingly, the occurrence of any significant natural disaster would have a material adverse effect on the continuity of the Issuer's operations, its operating results, financial position, cash flows, and prospects.

2.2.5 Risks Related to Political and Economic Instability in the Middle East Region

The Issuer's financial and operational performance is closely linked to the stability of the political and economic situation in the Kingdom of Saudi Arabia, which in turn may be adversely affected by geopolitical and regional developments in the Middle East. Some countries in the region are experiencing political, security, or economic instability. The expansion of this unrest or its spillover to neighboring countries could impact the business climate in the Kingdom of Saudi Arabia, either directly or indirectly, through fluctuations in the prices of goods and services, restrictions on supply flows, changes in government spending priorities, or disruptions in financial markets. Therefore, any adverse change in any of these conditions would have a material adverse impact on the Issuer's business, results of operations, financial condition, and prospects.

2.2.6 Risks Related to Non-Compliance with Existing Laws and/or the Issuance of New Laws and Regulations

The Issuer is subject to the oversight of several regulatory authorities in the Kingdom of Saudi Arabia, including, but not limited to, the Ministry of Health, the Saudi Commission for Health Specialties, the Ministry of Commerce, the Zakat, Tax and Customs Authority, the Ministry of Human Resources and Social Development, and other competent authorities that oversee the professional, regulatory, and administrative aspects of the Issuer's activities. Accordingly, the Issuer is exposed to the risk of non-compliance with applicable laws or potential legislative and regulatory changes that may be imposed at any time. The regulatory environment in the Kingdom is rapidly evolving across many sectors, which may result in the issuance of new laws or amendments to existing ones, whether related to health, the environment, zakat, commercial, or labor matters. This may impose additional obligations on the Issuer or require substantial amendments to its internal systems, business model, or contractual terms, imposing unexpected financial burdens on the Issuer. Any failure to consistently comply with these regulations may result in the imposition of regulatory or penal fines or penalties by the competent regulatory authorities, which could negatively impact the Issuer's reputation and contractual relationships, and hinder its ability to expand or provide its services in new markets. Accordingly, any future regulatory changes or failure to comply with currently applicable regulations are material factors that could adversely affect the Issuer's business, results of operations, financial position, and prospects.

2.2.7 Risks Related to Taxation

The Kingdom issued the VAT Law, which came into effect on 1 January 2018G. This law imposes a 5% value-added tax on a number of products and services, as stipulated in the Law. The Kingdom's Government decided to increase the VAT from 5% to 15%, starting from July 2020G. Hence, the related businesses must be aware of the nature of VAT and the method of its application and calculation. They also must submit their tax returns to the concerned governmental entities. Accordingly, the Issuer must adapt to the changes resulting from the application of VAT, including its collection and payment, and the effect of its application on the Issuer's business. The application of VAT in the Kingdom led to an increase in the prices of most goods and services, including the Issuer's products. Further, in case of any violation or misapplication of the Tax Law from the Issuer's management side, fines and penalties will be imposed on the Issuer and its reputation will be damaged. This will lead to an increase in the operating costs and expenses, which may weaken the Issuer's competitive position and decrease the demand on its products. Accordingly, the Issuer, its financial position, the results of its operations, and prospects will be negatively affected. In addition, it cannot be guaranteed that no additional taxes will be imposed on the Issuer's income or any of its operations, which would primarily affect the Issuer's net income and its competitiveness.

2.2.8 Risks Related to Consumer Spending Due to the Bad Economic Conditions

Volatilities may affect the economic factors that lie beyond the Issuer's control, including the consumer's capability of lending, interest rates, unemployment rates, salary levels, taxation levels (such as VAT, which rose from 5% to 15%, starting from 1 July 2020G) water and electricity consumption costs, Government's subsidy removal, whether partly or wholly, for some materials, which in turn adversely affect the disposable income level and consumer spending levels (including the discretionary spending on different products), and which accordingly adversely affect the demand on the Issuer's products. Any decrease in the number of consumers or their spending levels will have a material adverse effect on the Issuer's business, results of its operations, its financial position, and prospects.

2.2.9 Risks Related to the Competition Law and its Implementing Regulations

If the Issuer occupies a dominant position in the market or is so classified by the General Authority for Competition, the Company will be subject to the terms and conditions stipulated in the Competition Law issued pursuant to Royal Decree No. (M/75), dated 29/06/1440H (corresponding to 06/03/2019G), and its Implementing Regulations issued by the General Authority for Competition pursuant to Resolution No. (337), dated 25/01/1441H (corresponding to 24/09/2019G). The Competition Law aims at protecting legitimate competition in Saudi markets, as well as establishing and strengthening market rules along with free and transparent pricing. In the event that the Group violates the provisions of the Competition Law and a judgment is issued against it in relation to the said violation, the Group may be exposed to substantial fines subject to the discretion of the

General Authority for Competition, not exceeding (10%) of the annual sales value (revenue), subject-matter of contract, or not exceeding ten million Saudi riyals in case the annual revenue could not be calculated.

In addition, the General Authority for Competition has the right to request a temporary or permanent suspension (whether partial or total) of the Issuer's activities in the event of repeated violations by the Issuer. Moreover, the litigation procedures in such cases would be lengthy and expensive for the Issuer. The occurrence of any of these risks could have a material adverse effect on the Issuer's business, financial position, results of operations and prospects.

2.2.10 Risks Related to the Issuer's Operations Compliance with Environment, Health, and Safety Laws and Regulations

The Issuer's activities comply with a group of applicable laws and regulations in KSA related to the protection of environment and public health, and the safety of employees, particularly due to the nature of its operating services introduced at industrial or marine sites or remote areas that require high levels of compliance with complex regulating criteria. Such criteria are regularly updated by the regulatory authorities in the Kingdom, including the National Center for Environmental Compliance and the Ministry of Health. Accordingly, the Issuer must develop its operating procedures and infrastructure constantly. The constant compliance with such requirements represents an operating and financial challenge, as the Issuer may incur additional expenses to monitor and apply the new regulatory amendments, retrain the technical personnel, or install equipment that meet the environment and health updated standards Moreover, any operational incident resulting from the failure of compliance, such as the mismanagement of medical waste or polluted materials or emergency failures in field vehicles, may result in regulatory fines or penalties, or even the suspension or cancellation of the Issuer's operating licenses. Accordingly, any failure to comply with environment, health, and work safety regulations constitutes a material risk on the Issuer's ability to continue to introduce its operating services as per the regulatory requirements, which may adversely affect the results of its operations, its financial position, and prospects.

2.2.11 Risks Related to Outbreaks of Infectious Diseases

Due to the nature of the Issuer's business that focuses on introducing medical services and ambulance operation in field sites, any widespread outbreak of infectious diseases, whether inside the Kingdom or at a global level, may constitute a material risk affecting the continuity of the Issuer's operations and its operational efficiency. This includes pandemics or epidemics such as Corona virus (Covid-19) or any future diseases that may require widespread medical interventions or imposing regulatory restrictions on the movement of individuals and equipment. Further, the outbreak of any infectious disease may lead to the disruption of supply chains, decrease in the number of medical professionals due to the infection or quarantine, suspension of the services of some contracts in case the industrial or marine sites are closed, or imposition of governmental restrictions that limit the Issuer's ability to move or introduce its services within the contractual time frames. The unexpected rise of demand on the Issuer's services during emergencies may exceed its operational capacity or require prompt investments in equipment and personnel, which creates additional operational and financial pressures.

Although the outbreak of diseases may, in some cases, lead to a temporary increase of demand on the Issuer's services, the overall effect of such events is linked to the organizational and economic uncertainty, the possibility of recurrence of closure or restriction measures, and the decrease of levels of general economic activity, which may have a material adverse effect on the Issuer's business, results of its operations, financial position, and prospects.

2.3 Risks Related to Securities Listed on the Main Market

2.3.1 Risks Related to Failure in Meeting Liquidity Requirements in the Main Market Following the Transfer

The Issuer must fulfill the liquidity requirements for transferring to the Main Market and ensure continued compliance with them following the transfer. The Issuer is continuously bound by liquidity requirements. This includes the requirements stipulated in Paragraph (b) of article seven (7) of the Listing Rules for Shares Subject to Transfer Requests, as well as the additional criteria related to share liquidity under the Market Rules.

It is noted that the Company currently meets these requirements: the number of public shareholders (as "public" is defined in the Glossary of the Exchange Rules) is 591, holding 39,644,777 shares, representing 51.487% of the Company's total shares. The Company also satisfies the additional liquidity criteria applicable to the shares subject to transition to the Main Market under Tier 3 of Additional Standard 1, whereby the number of public shareholders holding 1,000 shares or more is 444, with aggregate holdings of 39,610,534 shares, representing 51.442% of the Company's total shares. In addition, the number of shares held by the top fifteen (15) public shareholders is 17,964,373, representing 45.353% of total public ownership.

Any failure in meeting the liquidity requirements could result in the suspension of trading of the Issuer's Shares. In the event of failing to meet such requirements, the Issuer is required to implement the necessary corrective measures to fulfill the requirements within the deadline specified by the Market, following coordination with the CMA. In addition, the Issuer must constantly notify the Market of any change regarding the corrective measures, which might be represented in, for example, the major shareholder's sale of a portion of their shares to the Public, ensuring fulfilling the requirements. The failure to take the corrective measures has a material adverse effect on the Issuer.

2.3.2 Risks Related to Potential Fluctuations in the Price of the Shares

The price of a share issued by the Issuer may be noticeably volatile following its transfer from the Parallel Market to the Main Market, and no guarantees may be made regarding the stability of the share's market price or keeping it within a specific range. This is attributed to a number of factors that lie beyond the Issuer's control and that may have an adverse or positive effect on the share's performance, including but not limited to: the Stock Market conditions in general, the volatility of investors trust, the Issuer's financial and operational performance, and its ability to implement its announced strategies or delay in implementing such strategies. Further, the external events, such as the entry of new competitors to the Market or the announcements regarding mergers, acquisitions or strategic partnerships by the Issuer or its competitors, may lead to unexpected price volatilities.

2.3.3 Risks Related to Forward-looking Statements

This Document covers some forward-looking data and information, prepared on the basis of assumptions and futures estimates related to the Issuer's performance, its strategic plans, and operating environment. It is worth mentioning that such forward-looking data is not considered a guarantee for achieving certain results, as the Issuer's actual performance might vary significantly from the expectations or prospects stated in this Document, due to a number of internal and external factors that cannot be precisely predicted or controlled. Such factors include, but not limited to, general economic conditions and organizational developments, changes in demand on the Issuer's services, availability of specialized personnel, and the Issuer's ability to implement its strategic plans efficiently and timely, any unexpected change in such factors may lead to a deviation in the actual results from the expected ones.

Accordingly, the forward-looking data in this Document must not be interpreted as confirmation or obligation by the Issuer or any of its consultants or shareholders to achieve certain results. Investors are recommended to take such risks in their consideration while evaluating their investment decision, acknowledging that such data is subjected to a high degree of uncertainty and may be affected by factors lying beyond the Issuer's control.

2.3.4 Risks Related to the Possible Issuance of New Shares

The Issuer may issue new shares in the future within the prescribed statutory limits, whether for the purpose of increasing the capital, funding expansion plans, acquiring other assets or companies, or for other strategic purposes it may deem necessary. If additional shares are issued, while not all current shareholders exercise their subscription rights, this may lead to a relative decrease in their ownership percentage in the Issuer, which results in the reduction of their voting rights and their rights in possible profits. Accordingly, the Issuer's resolution of issuing additional shares in the future, without an equal participation of all current shareholders, may adversely affect the value of their investments and their ownership percentage. This would constitute a material risk, which must be taken in consideration by the shareholders and prospect investors, while evaluating the Issuer's investment opportunities.

2.3.5 Risks Related to Dividend Distribution to Shareholders

The Issuer's distribution of dividends will depend on several factors, including, the Issuer's financial and operational performance, availability of distributable profits, as stipulated by the Issuer's Articles of Association or other organizational directions or restrictions, in addition to the Issuer's future capital needs, the available liquidity level, its expansion plans, and general economic conditions. There is no guarantee that the Issuer will distribute dividends in any future fiscal period, whether in terms of the amount, frequency, or timing. Further, the Issuer's increase of its capital in the future may lead to a decrease of the share profitability due to the distribution of profits over a larger number of shares, which may adversely affect the return on investment of the current shareholders. The distribution of dividends resolution shall be made by the Ordinary General Assembly, as recommended by the Board of Directors, and as permitted under the Issuer's Articles of Association and any other organizational directions or restrictions. Accordingly, investors must be aware that their returns on investment in the Issuer's shares might not be realized through cash distributions, but might be mainly dependent on the share's performance in the Market. This constitutes a risk that should be taken into consideration while evaluating investment in the Issuer's shares.

2.3.6 Risks Related to Effective Control Post-Transfer by Current Shareholders

After completion of the transfer process, some or a group of the current shareholders will have the effective control over the Issuer's strategic decisions, owning collectively a large part of the Capital, which enables them to affect the resolutions that require the approval of the General Assembly of Shareholders, whether individually or together with other shareholders, including but not limited to, mergers and acquisitions, sale of assets, election of the members of the Board of Directors, increase or decrease of the Capital, issuance or non-issuance of additional shares, distribution of dividends, or any change in the Issuer. Such level of control may lead to a possible conflict of interest between such shareholders and the minority shareholders. In such case, the minority shareholders will be in an unequal situation, in terms of influencing the Issuer's direction or protecting their interests. Such control may also be used in a manner that adversely affects transparency or governance or leads to adoption of resolutions against the Issuer's overall interest or against the minority shareholders' interest. Accordingly, the continuing control of some shareholders over the material resolutions in the Issuer after listing may constitute a material risk that affects the balance of the Issuer's governance, the results of its operations, its financial position, and prospects.

2.3.7 Risks Related to the Sale of a Substantial Number of Shares on the Exchange After Transferring to the Main Market

The sale of a substantial number of shares by one or more current Shareholders, especially those holding 5% or more of the Issuer's shares, after the completion of the process of Transfer to the Main Market, may lead to a negative price pressure on the share price due to the increase of supply, which may lead to the noticeable decrease of the share price. Further, if there is a mere expectation that some major shareholders will dispose of their market share, whether based on investment or strategic considerations or based on the end of the regulatory blackout periods, concerns would be raised among the investors, driving them to make early sale decisions or hesitate to purchase, which may adversely affect the level of liquidity and trading's, and accordingly the stability of the share's market price.

If such sale coincides with a weak financial performance period or unpleasant market conditions, the adverse effects may be multiplied on the share price, which constitutes a material risk for the current or new investors, who may face significant volatilities in the market value of their investments. Accordingly, any big sale of the Issuer's shares in the market, whether it is actual or expected, especially by the major shareholders, may have a material adverse effect on the share's price in the market and the investors' directions towards it.

2.3.8 Risks Related to the Suspension of Trading or Cancellation of the Issuer's Shares Due to Failure to Publish its Financial Statements Within the Statutory Period

If the Issuer is unable to publish its financial information within the statutory period applicable to the Main Market (thirty (30) days from the end of the financial period for the interim financial statements and three (3) months from the end of the financial period for the annual financial statements), the procedures for suspending listed securities shall be applied in accordance with the Listing Rules issued by Saudi Exchange Company (Saudi Exchange), which stipulate that the Market shall suspend the trading of securities for one trading session following the expiration of the statutory period. In the event the Issuer's financial information is not published within twenty (20) trading sessions following the first suspended trading session, Saudi Exchange Company shall announce the re-suspension of the Issuer's securities until the Issuer announces its financial results. If the suspension of trading of the Issuer's shares continues for a period of six (6) months without the Issuer taking the appropriate measures to correct such suspension, the CMA may delist the Issuer's securities. The Saudi Exchange Company shall lift the suspension after one trading session following the announcement of the Issuer's financial results. However, if the Issuer delays in announcing its financial results or if it is unable to publish them within the said statutory period, this will result in the suspension or delisting of the Issuer's shares, which would have a material adverse effect on the interests of the Issuer's shareholders, the Issuer's reputation and the results of its operations.

2.3.9 Risks Related to Non-Publication of Research Related to the Issuer or Publication of Inaccurate or Inadequate Research about the Issuer

The trading price and volume of the Issuer's shares will depend in part on the research that securities or industry analysts publish about the Issuer and its business. If research analysts do not conduct or maintain adequate research coverage or if one or more of the analysts who cover the Issuer downgrades their recommendations on the Shares or publishes inaccurate research regarding the Issuer's business or research with unfavorable findings, the market price of the shares could decline. In addition, if one or more research analysts cease coverage of the Issuer or fail to publish reports on it regularly, the Issuer could lose its position and visibility in the financial markets, which, in turn, could cause the price of the shares in the Market to decline significantly.

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Purpose of Transferring to the Main Market

03

3. Purpose of Transferring to the Main Market

On 18/12/1444H (corresponding to 07/07/2023G), the Board of Directors approved on the Issuer's Transfer to the Main Market, in accordance with the provisions of the Listing Rules issued by Saudi Exchange Company, approved under CMA Board resolution No. (3-123-2017) dated 09/04/1439H (corresponding to 27/12/2017G), as amended, and in accordance with the provisions of The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law promulgated by Royal Decree No. (M/30), dated 02/06/1424H (corresponding to 31/07/2003G), as amended by CMA Board resolution No. (1-53-2015), dated 21/11/1446H (corresponding to 19/05/2025G), and any changes thereto.

The Issuer's Board of Directors considered that it is in the interest of the Issuer and its shareholders to take advantage of the options available in the Listing Rules regarding transferring from the Parallel Market to the Main Market, and the benefits offered to the Issuer and its shareholders. Since the Issuer's shares were listed in the Parallel Market on 23/12/1442H (corresponding to 02/08/2021G), the Issuer has fulfilled the statutory requirement contained in paragraph (A) of Article 46 of the Listing Rules related to the lapse of a period of two (2) calendar years from the date of listing in the Parallel Market. The Issuer has also met all other statutory requirements stipulated in the said Article, as based on the shareholders register dated 16/02/1447H (corresponding to 10/08/2025G), the Issuer has met the liquidity requirements as per paragraph (B) of Article (7) of the Listing Rules on the shares, subject-matter of the transfer application. The number of shareholders from the public category (according to the definition of the Public in the list of terms used in the market rules) is 591, holding 39,644,777 shares, representing 51.487% of the Company's total shares. The Company also satisfies the additional liquidity criteria applicable to the shares subject to transition to the Main Market under Tier 3 of Additional Standard 1, whereby the number of public shareholders holding 1,000 shares or more is 444, with aggregate holdings of 39,610,534 shares, representing 51.442% of the Company's total shares. In addition, the number of shares held by the top fifteen (15) public shareholders is 17,964,373, representing 45.353% of total public ownership. Moreover, the Issuer has met the total market value during the twelve months preceding the transfer application and has also met the governance requirements of the Main Market.

شركة المركز الكندي الطبي
Canadian Medical Center Co.

رواد طب الطوارئ منذ 2008
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About the Company

4. About the Company

4.1 Introduction

The Company is a Saudi listed joint-stock company that was converted pursuant to Ministry of Commerce Resolution No. (159), issued on 15/05/1442H (corresponding to 30 December 2020G), and registered in Commercial Registration No. (2050058605) issued on the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G). The Company has been listed on the Parallel Market since 23/12/1442H (corresponding to 02/08/2021G).

The Company was established as a branch of sole proprietorship, under Commercial Registration No. (2050058605) issued in the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G), founded by Mr. Khaled bin Mohammed bin Farhan Al Dosari. During 2016, the Company was converted into a limited liability company pursuant to the Memorandum of Association executed on 11/04/1437H (corresponding to 21/01/2016G) and under Commercial Registration No. (2050058605) issued in the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G), with capital amounting to (SAR 2,000,000) two million Saudi riyals divided into (10,000) ten thousand equal-value in-kind shares, each with the value of (SAR 200) two hundred Saudi riyals. On 07/05/1442H (corresponding to 22/12/2020G), the shareholders decided to amend the nominal value of the shareholders' shares from (SAR 200) two hundred Saudi riyals per share to (SAR 10) ten Saudi riyals per share, to increase the Company's capital to (SAR 2,666,670) two million, six hundred and sixty-six thousand, six hundred and seventy Saudi riyals, divided into (266,667) two hundred and sixty-six thousand, six hundred and sixty-seven equal shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share, by issuing (66,667) sixty-six thousand, six hundred and sixty-seven new shares with a total nominal value of (SAR 666,670) six hundred and sixty-six thousand, six hundred and seventy Saudi riyals and an issue premium of (SAR 74,333,330) seventy-four million, three hundred and thirty-three thousand, three hundred and thirty Saudi riyals, and to increase the Company's capital to (SAR 77,000,000) seventy-seven million Saudi riyals divided into (7,700,000) seven million, seven hundred thousand equal shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share, by transferring the issue premium amount of (SAR 74,333,330) seventy-four million, three hundred and thirty-three thousand, three hundred and thirty Saudi riyals from the issue premium account to the capital account. The changes were documented, and the Company was converted into a closed joint stock company pursuant to the Decision of His Excellency the Minister of Commerce No. (159) dated 15/05/1442H (corresponding to 30/12/2020G) and under Commercial Registration No. (2050058605) issued from the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G). Following the transformation, the Company's capital amounted to (SAR 77,000,000) seventy-seven million Saudi riyals, divided into (7,700,000) seven million, seven hundred thousand ordinary shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share. On 23/12/1442H (corresponding to 02/08/2021G), the Company was listed on the parallel market upon approval of the Capital Market Authority on 18/11/1442H (corresponding to 28/06/2021G). On 26/11/1444H (corresponding to 15/06/2023G), the Extraordinary General Assembly of Shareholders approved dividing the nominal value of a share from ten (SAR 10) Saudi riyals per share to one (SAR 1) Saudi riyal per share, and amending the number of shares from seven million, seven hundred thousand (7,700,000) ordinary shares to seventy-seven million (77,000,000) ordinary shares, without amending the Company's capital. On 18/12/1444H (corresponding to 06/07/2023G), the Board of Directors approved the Company's transfer to the Main Market.

4.2 Company's Vision

To become a leading healthcare company in the Kingdom of Saudi Arabia and the GCC, providing professional healthcare services to the industrial sectors in the clinic and pre-hospital, by monitoring and developing its focus on customers, updating its specialized professional educational programs, and retaining qualified medical personnel.

4.3 Company's Mission

To provide exceptional healthcare and medical services in the Kingdom, utilizing the most advanced technologies through a professional and skillful team.

4.4 Company's Strategy

The Issuer seeks continuous development and growth through increasing its business volume and providing its clients in the health sector with exceptional service. Its strategy focuses on the following:

- Enhancing geographic presence through opening new medical centers in the major cities, in addition to the emerging areas in the Kingdom.
- Improving HR competencies through hiring and supporting qualified medical and administrative talents with exceptional training programs.
- Providing specialized and comprehensive medical services, fulfilling the needs of different categories of the society.
- Ensuring financial sustainability through diversifying the income sources and enhancing operational efficiency.
- Expanding to provide home care and physical therapy services according to the best medical standards, and
- Cooperating with major global and local companies, which contributed to enhancing its market position.

4.5 Company's Core Values

- Commitment to quality and healthcare global standards
- Developing the national human resources through training programs and hiring talents
- Transparency in dealing with clients and shareholders
- Investment in modern medical technologies to improve the efficiency of operations
- Partnership and building long-term relationships with clients and shareholders
- Accountability and Commitment to providing a safe and exceptional healthcare service

4.6 Company's Strengths and Competitive Advantage

- A solid and specialized experience extending from the year 2008 in the "emergency medicine" sector and providing healthcare services and medical operation in different sectors and high-risk environments.
- Implementing major medical projects with global companies, which reflects the trust and professionalism it has, in addition to its operational readiness and efficient services.
- Effective medical expansion to cover various sectors, including:
  - Industrial sites (inside the industrial cities, factories, power plants)
  - Onshore sites (onshore drilling rigs, remote projects)
  - Offshore sites (offshore drilling rigs, ships, ports)
  - Entertainment sectors (events, parties, festivals)
- Integrated field readiness through:
  - Trained and well-equipped medical emergency teams
  - A 24/7 ambulance services fleet
  - An immediate response system for critical cases in all sites.
  - Official licensing for ambulance transportation, enabling the Issuer to provide reliable medical transportation services in all circumstances and areas
  - Certified medical examination service to the employees and workers of major companies, in accordance with the requirements of regulatory and industrial sectors
  - Qualified medical and consulting personnel, supported by an internal system for continuous training and onboarding according to the global standards
- "OGUK" certificate to the Issuer's doctors, introducing globally recognized medical certificates, especially for those working in the offshore and energy sector
- Continuous healthcare service from the site to the hospital, with rigorous follow-up of the case of each patient until full recovery
- Home Care Service: Providing qualified medical personnel to provide healthcare services at the patients' homes, including nursing, therapies, follow-up, and regular checks, ensuring privacy, comfort, and good care.

4.7 Company's Activities and Business Nature

The Issuer is engaged in the healthcare sector in the Kingdom of Saudi Arabia, and its business is categorized into two primary domains, which are the business of the medical centers, and the business of performance of contracts of medical clinics' projects. As per the Issuer's Commercial Registration within the public medical complexes, and its Articles of Association, the Issuer's activities are as follows:

1. Mining and quarrying
2. Transformational industries
3. Water supply and sewage activities, in addition to waste management and processing
4. Construction
5. Wholesale and retail, repair of engine vehicles and motorcycles
6. Transportation and Storage
7. Accommodation and Catering activities
8. Information and Communication
9. Financial activities and insurance activities
10. Real estate activities
11. Occupational, academic, and technical activities
12. Administrative services and support services
13. Education
14. General Management and defense, in addition to mandatory social security
15. Human health and social work activities
16. Arts, entertainment, and leisure
17. Other services
18. Agriculture, forestry, and fishing
19. Electricity, gas, steam, and air conditioning supply

Such activities are not carried out by the Issuer without obtaining the official licenses required by the applicable laws in the Kingdom of Saudi Arabia. The Issuer has obtained all official licenses required, which are all valid hitherto (refer to section (6.4) "**Licenses**" of this Document).

The Issuer carries out its main activities at its Head Office in the city of Dammam, while its Board of Directors acknowledges that the Issuer has no commercial activity or assets outside the Kingdom, as at this Document's date. Further, it acknowledges that there is no intention to make any material change to the nature of the Issuer's activity, and there are no new activities or products.

The Canadian Medical Center Co. is engaged in the healthcare sector in the Kingdom of Saudi Arabia, and its business is categorized into two primary domains: (i) operation of medical clinics; and (ii) execution of contracts for medical clinic projects. The table below sets out the Company's total revenues by primary activity.

Table 4.1: Total Company Revenues by Primary Activity (SAR)

#	2022G	2023G	2024G	Q1 2025G
Medical Clinics Segment	2,286,432	3,216,187	4,264,727	661,068
Medical Clinic Project Contracts Segment	78,942,958	97,126,215	106,538,152	29,428,105
Total	**81,229,390**	**100,342,402**	**110,802,879**	**30,089,173**

4.8 Head Office, Medical Centers, and Development Management Offices

The Issuer runs its operations through its Head Office in Dammam and two branches for development management in Jubail and Riyadh, in addition to three medical centers in Dammam, Al-Khobar, and Buqayq. These three medical centers provide comprehensive healthcare services through specialized clinics, including: Pediatrics, internal medicine, cardiology, ENT, ophthalmology, dentistry, general medicine, hearing and pulmonary function testing clinics, in addition to emergency and ambulance departments, radiology, laboratories, and education and training department.

Table 4.2: Head Office, Medical Centers, and Development Management Offices

SR. No.	Center	Address	Details
1	Head Office	Al-Basatin, Al-Ammar Avenue, Building No. 1 Dammam, 32235 Tel: 920017822	The Company's head office is responsible for strategic and operational oversight of all field medical projects across the Kingdom and the Company's branches, and for ensuring compliance with approved quality and safety standards. The office comprises the executive, technical, and finance departments and serves as the primary point of contact with clients and regulatory authorities.
2	Canadian Medical Center - Dammam Branch	Omar bin Al-Khattab Street, Uhud District, Dammam P.O. Box 3300 Dammam 31471 Tel: +966 13 8188320 Fax: +966 13 8188059	Pediatric Clinic, Internal Medicine, Cardiology, Ear, Nose and Throat Clinic, Eye Clinic, Dental Clinic, General Medicine, Hearing Testing Clinic, Pulmonary Function Testing Clinic, Emergency and Ambulance Department, Radiology Department, Laboratory Department.
3	Canadian Medical Center - Al-Khobar Branch	King Khalid Road, Al-Khuzama, Al-Khobar P.O. Box 20304, Al-Khobar 31952 Tel: +966 13 8352733 Fax: +966 13 8352760	Pediatric Clinic, Internal Medicine, Cardiology, Ear, Nose and Throat Clinic, Eye Clinic, Dental Clinic, General Medicine, Hearing Testing Clinic, Pulmonary Function Testing Clinic, Emergency and Ambulance Department, Radiology Department, Laboratory Department, Training and Education Department.
4	Canadian Medical Center - Buqayq Branch	Imam Omar bin Al-Khattab Street, Al-Matar, Buqayq P.O. Box 3300 Buqayq 33261 Tel: +966 13 5666999 Fax: +966 13 2521090	Pediatric Clinic, Internal Medicine Clinic, Dental Clinic, General Medicine Clinic.
5	Jubail Branch	Al-Taish Street, Jubail Industrial City, Jubail City, Eastern Province Postal Code 35811 National Address 9078 Tel: 0538307191 0550225462	An operational office dedicated to supporting and managing medical projects in the Jubail region and related areas. It exercises administrative and logistical oversight of field clinics and emergency response teams and ensures that medical services are integrated with the requirements of major industrial installations and industrial, offshore, and onshore projects, in accordance with the highest occupational health and safety standards.
6	Riyadh Branch	King Abdul Aziz Road, Al-Nuzha, Riyadh Postal Code 13243 National Address 8025 Tel: 966112202056	The office exercises comprehensive oversight of projects, events, and conferences in Riyadh and throughout the Kingdom. Its functions include managing ambulance and emergency response teams and ensuring the full readiness of dedicated medical resources for projects and for short- or long-term events and conferences. The office is also responsible for supervising ambulance transportation services nationwide through an integrated medical and logistics operating framework that ensures efficiency and prompt response.

4.9 Sustainability and Social Responsibility

The Company pays great attention to the principles of sustainability and social responsibility throughout its business, proceeding from its belief that sustainable success is not only achieved through medical excellence, but also by considering the environmental and social impact of its activities, and its continuous endeavor towards creating a long-term value for the society.

4.9.1 Sustainability at the Heart of the Company's Strategy

- The Company has embedded sustainability at the heart of its operations, adopting environmentally responsible practices aimed at:
- Protecting the natural resources through modern technologies that support the efficient use of energy and water;
- Reducing the medical waste through innovative solutions for waste management in safe and environmentally friendly manner;
- Reducing carbon emissions by improving the operational processes, and reducing fuel consumption and emissions associated with medical transportation and ambulance services

4.9.2 Transparency and Constant Communication

The Company adopts a participatory and transparent approach while interacting with the patients and the society, believing that continuous listening enhances its positive impact and ensures the sustainability of its medical and social impact. In the light of this approach, the Company attempts to be a leading model in providing integrated healthcare services and contributing to building a healthy and sustainable future.

4.9.3 Top Societal Initiatives

Attempting to enhance the health awareness and community participation, the Company launched a number of societal and awareness initiatives, most importantly:

- Participation at the World Hearing Day
- Awareness campaigns on obesity and ways of prevention
- Events of the International Women's Day
- Awareness initiatives on appropriate storage of medications
- Support programs for people with diabetes
- Providing medical services at Riyadh International Book Fair 2024G
- Early detection of breast cancer campaigns
- Initiative of World Arabic Language Day for enhancing health culture in an easy language
- Organizing a national event, introducing entertainment activities, at the Saudi National Day to enhance belongingness and team spirit inside and outside the work environment
- Launching campaigns for the companies contracting with the Company, at the World Health Day, introducing medical examinations and events for their employees
- Covering more than a sports event in different districts of the Kingdom (Riyadh, Eastern), providing an ambulance crew and an ambulance truck for avoiding injuries
- Sponsoring the Medication Safety Symposium, in cooperation with the education office at Al-Olaya, Riyadh, to raise health awareness and promote the culture of safe use of medications
- Supporting the Saudi Cancer Society within the framework of its commitment to societal responsibility, making a generous donation amounting to fifty thousand (SAR 50,000) Saudi riyals to support its humane programs and its awareness, treatment, and prevention efforts
- Participating in the Gabgah of Eastern Province Media members within the framework of community engagement and constant support for media and cultural activities, where the Canadian Medical Center was honored to provide ambulance coverage to the event, which was held at the Cultural House, ensuring the safety of attendees and supporting the event success.

4.10 Accreditations and Certificates

Since its establishment, the Company has recognized that its client's trust is the key to its sustainability. Hence, the Company focuses on quality as a core strategic pillar to achieve excellence and leadership and enhance its competitiveness. To achieve such goal, the Company adopted an integrated set of policies and procedures to control the workflow across different departments, focusing on hiring unique talents and providing services that meet the highest quality standards locally and globally. In addition, the Company adopted the most advanced methods and practices aiming at achieving continuous improvement, enhancing the clients' trust and meeting their expectations. Applying the concept of quality with its strategic and operational dimensions, the Company continues its endeavor towards development and innovation, ensuring excellence at all levels.

The Company's accreditation portfolio embodies its solid commitment to the quality standards, receiving four ISO international certifications, which are: Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), Occupational Health and Safety Management Systems (ISO 45001:2018), and Medical Devices Quality Management Systems (ISO 13485:2016). Further, the Company was accredited by the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI), achieving an exceptional rate of 96.67%, and obtained a Local Content Certificate.

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Organizational Structure and Corporate Governance

5. Organizational Structure and Corporate Governance

5.1 Background & Incorporation Date

5.1.1 History and Capital Development

The Company was established as a branch of sole proprietorship, under Commercial Registration No. (2050058605) issued in the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G), founded by Mr. Khaled bin Mohammed bin Farhan Al Dosari. During 2016, the Company was converted into a limited liability company pursuant to the Memorandum of Association executed on 11/04/1437H (corresponding to 21/01/2016G) and under Commercial Registration No. (2050058605) issued in the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G), with capital amounting to (SAR 2,000,000) two million Saudi riyals divided into (10,000) ten thousand equal-value in-kind shares, each with the value of (SAR 200) two hundred Saudi riyals. On 07/05/1442H (corresponding to 22/12/2020G), the shareholders decided to amend the nominal value of the shareholders' shares from (SAR 200) two hundred Saudi riyals per share to (SAR 10) ten Saudi riyals per share, to increase the Company's capital to (SAR 2,666,670) two million, six hundred and sixty-six thousand, six hundred and seventy Saudi riyals, divided into (266,667) two hundred and sixty-six thousand, six hundred and sixty-seven equal shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share, by issuing (66,667) sixty-six thousand, six hundred and sixty-seven new shares with a total nominal value of (SAR 666,670) six hundred and sixty-six thousand, six hundred and seventy Saudi riyals and an issue premium of (SAR 74,333,330) seventy-four million, three hundred and thirty-three thousand, three hundred and thirty Saudi riyals, and to increase the Company's capital to (SAR 77,000,000) seventy-seven million Saudi riyals divided into (7,700,000) seven million, seven hundred thousand equal shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share, by transferring the issue premium amount of (SAR 74,333,330) seventy-four million, three hundred and thirty-three thousand, three hundred and thirty Saudi riyals from the issue premium account to the capital account. The changes were documented and the Company was converted into a closed joint stock company pursuant to the Decision of His Excellency the Minister of Commerce No. (159) dated 15/05/1442H (corresponding to 30/12/2020G) and under Commercial Registration No. (2050058605) issued from the city of Dammam on 13/02/1429H (corresponding to 20/02/2008G). Following the transformation, the Company's capital amounted to (SAR 77,000,000) seventy-seven million Saudi riyals, divided into (7,700,000) seven million, seven hundred thousand ordinary shares, fully paid, with a nominal value of (SAR 10) ten Saudi riyals per share. On 23/12/1442H (corresponding to 02/08/2021G), the Company was listed on the parallel market upon approval of the Capital Market Authority on 18/11/1442H (corresponding to 28/06/2021G). On 26/11/1444H (corresponding to 15/06/2023G), the Extraordinary General Assembly of Shareholders approved dividing the nominal value of a share from ten (SAR 10) Saudi riyals per share to one (SAR 1) Saudi riyal per share, and amending the number of shares from seven million, seven hundred thousand (7,700,000) ordinary shares to seventy-seven million (77,000,000) ordinary shares, without amending the Company's capital. On 18/12/1444H (corresponding to 06/07/2023G), the Board of Directors approved the Company's transfer to the Main Market.

5.1.2 Activities of the Company

According to its Articles of Association, the Company's activities are:

1. Mining and quarrying
2. Manufacturing industries
3. Water supply, sewerage, waste management, and remediation activities
4. Construction
5. Wholesale and retail trade; repair of motor vehicles and motorcycles
6. Transportation and Storage
7. Accommodation and food services
8. Information and communication
9. Financial and insurance activities
10. Real estate activities
11. Professional, scientific, and technical activities
12. Administrative and support service activities

13. Education
14. Public administration and defense and compulsory social security
15. Human health and social work activities
16. Arts, entertainment, and recreation
17. Other service activities
18. Agriculture, forestry, and fishing
19. Electricity, gas, steam, and air conditioning supply.

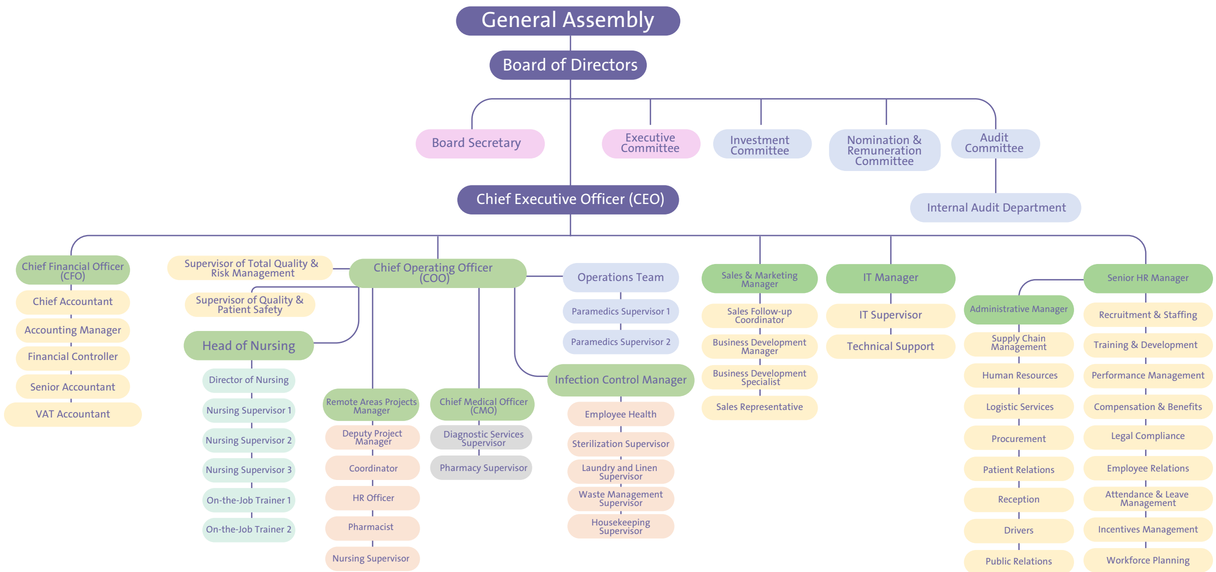
5.1.3 Term of the Company

Article 6 of the Company's Articles of Association states that the duration of the Company is ninety-nine (99) calendar years, starting from the date of entry into the commercial register as a joint stock Company. The duration of the Company may be extended by a resolution of the Extraordinary General Assembly at least one year before its expiration.

5.2 Management Structure

The Company's organizational structure consists of the General Assembly, the Board of Directors, and its sub-committees: the Audit Committee, the Nominations and Remuneration Committee, the Executive Committee, and the Investment Committee. These committees exercise the powers delegated to them by the Board of Directors. The Board of Directors is responsible for the overall guidance, supervision, and control of the Company, including the executive management team.

The following chart illustrates the Company's organizational structure as at the date of this Document:



5.3 Board of Directors and Secretary

5.3.1 Board of Directors Composition

According to its Articles of Association, the Company's Board of Directors is composed of five (5) members appointed by the Ordinary General Assembly of Shareholders. The duties and responsibilities of the Board of Directors are defined by Companies Law, the Corporate Governance Regulations, the Company's Articles of Association, and the Company's internal governance manual. The term of membership for each board member, including the Chairman, is a maximum of four (4) years. As an exception, the general conversion's assembly appoints the first Board of Directors for five (5) years.

As at the date of this Document, the Board of Directors consists of five (5) members appointed in accordance with the Transfer General Assembly meeting held on 13/05/1442H (corresponding to 28/12/2020G). The following table shows the names of the board members and other relevant information about them as at the date of this Document:

Table 5.1: Names of Board Members and Other Relevant Information as at the Date of This Document:

SN	Name	Position	Membership Type	Nationality	Appointment Date
1	Khalid bin Mohammed bin Farhan Al Dossary	Chairman	Non-executive	Saudi	13/05/1442H (corresponding to 28/12/2020G)
2	Khalifa Abdullatif Al Mulhem	Vice Chairman	Non-executive	Saudi	13/05/1442H (corresponding to 28/12/2020G)
3	Hassan Hassan Joudeh	Member	Executive	Canadian	13/05/1442H (corresponding to 28/12/2020G)
4	Hamad bin Mohammed Al-Duwaileh	Member	Independent	Saudi	13/05/1442H (corresponding to 28/12/2020G)
5	Ibrahim bin Naeem Al Naeem	Member	Independent	Saudi	13/05/1442H (corresponding to 28/12/2020G)

Source: Company

Table 5.2: Chairman of the Board, Vice Chairman, and Secretary

SN	Appointed Person's Name	Position
1	Khalid bin Mohammed bin Farhan Al Dossary	Chairman of the Board
2	Khalifa Abdullatif Al Mulhem	Vice Chairman
3	Manar Othman Al-Dukhi *	Secretary of the Board

Source: Company

* On 02/03/1445H (corresponding to 17/09/2023G), Dr. Manar bint Othman Al-Dukhi was appointed as Secretary of the Board of Directors by Board Resolution No. (19/2023), effective from 15/02/1445H (corresponding to 01/09/2023G).

Table 5.3: Shares Owned by Board Members According to Shareholders' Register on 16/02/1447H (Corresponding to 10/08/2025G)

Name	Position	Nationality	Capacity	Appointment Date	Shares Owned			
					Directly		Indirectly	
					No	%	No	%
Khalid bin Mohammed bin Farhan Al Dossary	Chairman	Saudi	Non-executive	13/05/1442H (corresponding to 28/12/2020G)	17,254,000	22.408%	N/A	N/A
Khalifa Abdullatif Al Mulhem	Vice Chairman	Saudi	Non-executive	13/05/1442H (corresponding to 28/12/2020G)	19,350,000	25.130%	13,160	0.017%
Hassan Hassan Joudeh	Member	Canadian	Executive	13/05/1442H (corresponding to 28/12/2020G)	N/A	N/A	N/A	N/A
Hamad bin Mohammed Al-Duwaileh	Member	Saudi	Independent	13/05/1442H (corresponding to 28/12/2020G)	N/A	N/A	N/A	N/A
Ibrahim bin Naeem Al Naeem	Member	Saudi	Independent	13/05/1442H (corresponding to 28/12/2020G)	N/A	N/A	N/A	N/A

Name	Position	Nationality	Capacity	Appointment Date	Shares Owned			
					Directly		Indirectly	
					No	%	No	%
Manar Othman Al-Dukhi	Secretary of the Board	Saudi	-	15/02/1442H (corresponding to 01/09/2020G)	N/A	N/A	N/A	N/A
TOTAL					**36,604,000**	**47.538%**	**13,160**	**0.017%**

Source: Company

* Mr. Khalifa Abdullatif Abdullah Al-Mulhem's indirect ownership is represented by his ownership of 64% in Khalifa Abdullatif Al Mulhem Co. Ltd., which owns 11,000 shares in the Issuer, and by his ownership of 51% in Khalifa Al-Mulhim Holding Company, which in turn owns 100% of Precast Building System Co. Ltd. (a One-Person Company), which owns 12,000 shares.

5.3.2 Responsibilities and Duties of the Board of Directors

Subject to the powers of the General Assembly under the Companies Law and its Implementing Regulations, and the Company's Articles of Association, the Board of Directors shall have the broadest authorities and powers to manage the Company in a way that achieves its objectives. The duties and terms of reference of the Board of Directors include the following:

- The broadest authorities to manage and administer the Company, act on its assets, properties, and real estate, as well as to open and close its branches.
- The right to exercise all necessary authorities and powers to manage and represent the Company in its relations with third parties, social insurance authorities, labor offices, police departments, passports offices, municipalities, regional emirates, governorates, and all other government ministries and branches, chambers of commerce and industry, the commercial registry, public and private agencies and authorities, recruitment offices, public notaries, and all public and private companies and institutions of all kinds. This includes taking all necessary actions for the aforementioned, dealing with the customs authority, finalizing all necessary documents and papers, clearing and exporting goods and materials, and approaching the Ministry of Foreign Affairs, embassies, consulates, and Saudi missions abroad, as well as foreign embassies, consulates, and public missions within the Kingdom. The Board also has the right to have the signatures of the Company officials authenticated at chambers of commerce and other authorities.
- The right to receive, deliver, sell, purchase, transfer, accept, accept donations, register, collect and pay prices, mortgage, accept mortgages, foreclose, release mortgages, place and cancel all types of liens, cede, divide, separate, merge, determine dimensions, amend land and real estate areas, issue and obtain title deeds and deeds of ownership, and to amend, cancel, issue replacements for lost or damaged ones, place and cancel various types of liens, rent, lease, collect proceeds, sell and purchase movable and immovable assets and properties on behalf of the Company, pay and receive amounts and checks, buy and sell real estate and lands on behalf of the Company, transfer ownership, accept payment, deliver the sold item, accept and grant donations, request and transfer grants, and exercise and accept the right of pre-emption, both inside and outside the Kingdom of Saudi Arabia.
- Engage in real estate development, land planning, and participate in real estate funds
- Open, manage, and close all types of accounts, including investment accounts, sign letters of credit, transfers, financial documents, withdrawals, and deposits with banks. This also includes appointing and defining the powers of authorized signatories, revoking their authority, and requesting the issuance and cancellation of ATM cards and PINs.
- Issue and sign for the issuance of bank guarantees, and sign and endorse to others all papers, documents, bills of exchange, promissory notes, checks, commercial papers, as well as all banking transactions
- Enter into loan agreements with government funding funds and institutions, regardless of their term. The Board of Directors has the right, by majority vote, to sign loan and facility resolutions or requests for the Company or for companies in which the Company participates, and to deal with financial institutions, financial brokerage firms, banks, and the Saudi Fund for Development. It also has the right to represent the Company before them to obtain financial financing in accordance with Sharia and for the benefit of the Company's business, and to rearrange and reschedule debts.
- The right to buy and sell securities and units of investment funds.
- Conduct all banking transactions necessary for the Company's activities, which include mortgaging and pledging real estate, movable property, or shares, and the right to sign on mortgages for government and private banks, industrial, real estate, agricultural, and investment development funds.

- Open branches, appoint their managers, take out commercial, industrial, agricultural, and municipal registrations, licenses, and permits, as well as amend, renew, transfer, strike off, and revoke them. This includes obtaining replacements for lost or damaged ones, or additional copies, and converting sub-registrations to main ones and main registrations to sub-registrations for institutions and companies, both inside and outside the Kingdom.
- The right to buy and sell cars, equipment, and machinery for the benefit of the Company, buy, sell, ship, renew, and transfer ownership of cars, equipment, and machinery, authorize others to drive them, and obtain, renew, amend, and cancel vehicle, equipment, and car licenses and ownerships. This includes raking out replacements for lost or damaged ones, applying for landline phones, mobile phones, and their associated services, canceling them, transferring them, accepting transfers, and receiving SIM cards and bills, both inside and outside the Kingdom.
- Contract with companies, institutions, engineering offices, contractors, and individuals, both inside and outside the Kingdom.
- Appoint and dismiss managers, employees, and workers, apply for all types of visas, recruit and contract with workers from outside the Kingdom, determine their salaries, bonuses, and loans granted to them, and obtain, renew, amend, and cancel residency permits. This includes obtaining replacements for lost or damaged ones, transferring and waiving sponsorships, changing the employer's name, and setting the Company's policies on all other matters related to the Company's employees and staff.
- Appoint and dismiss the Company's representatives, agents, and legal, financial, and administrative advisors in the Company or other companies owned by the Company inside or outside the Kingdom, or those in which it participates with others inside or outside the Kingdom.
- Carry out all necessary actions and acts and sign all types of contracts, documents, and papers, including but not limited to the right to sign contracts for establishing other companies for the Company inside or outside the Kingdom, or to partner with others in establishing other companies inside or outside the Kingdom, or to withdraw from these companies. This includes signing on articles of association, amended contracts, amending annexes to the articles of association, partners' resolutions for those companies, signing on their liquidation resolutions, selling the Company's shares in these companies or buying new shares in them, or in existing companies, or increasing or decreasing their capital whether the Company contributes to the increase or not, or amending, deleting, or adding objectives and activities for the Company, or a partner joining or leaving, or amending the legal entity, or amending the management clause or any other clause, and signing on that before a public notary or any other authority, and receiving profits.
- The right to represent the Company in partners' and shareholders' assemblies, founding, transfer, and general assemblies, and to vote on behalf of the Company on the resolutions of partners and shareholders in partners' and shareholders' assemblies, founding, transfer, and general assemblies. This also includes nominating the Company's representatives for all of the above, signing all partners' and shareholders' resolutions, and making any amendment of whatsoever nature to the articles of association of these companies. This includes signing all partners' and shareholders' resolutions and meeting minutes in these companies that are necessary to enforce these amendments, including signing before a public notary on the articles of association and supplements to the articles of association of these companies, regardless of the content of the amendment. This also includes signing the partners' resolutions regarding the appointment or dismissal of managers in these companies and taking all necessary actions and procedures to issue, amend, and receive the registrations and licenses for these companies.
- The right to prepare and submit bids, enter into tenders, provide guarantees, and sign contracts in the name and on behalf of the Company with all competent government authorities, public and private sector bodies, and third parties.
- Take all necessary actions to enforce any new law or amendment to an existing law or regulations or instructions from competent authorities.
- The Board of Directors, by a majority vote, may delegate or authorize, on its behalf and within its terms of reference, one or more of its members or a third party to directly perform a specific task or tasks for it under the articles of association, and to grant them the right to authorize or delegate and dismiss others.

5.3.3 Powers of the Chairman, Vice Chairman, Managing Director, and Secretary

- At the first meeting, the Board of Directors shall appoint a chairman and a vice chairman from among its members. It may appoint a managing director from among its members. It may also appoint a chief executive officer for the Company from among its members or others. The position of chairman of the Board of Directors may not be combined with any executive position in the Company.
- The chairman and vice chairman of the Board of Directors shall preside over the Board meetings and the general meetings. The chairman and vice chairman shall, together, perform all other duties assigned to them by the Board, and represent the Company before the court, arbitration tribunals, all competent authorities, and third parties. The chairman and vice chairman have the right to file lawsuits, hear them, plead and defend, litigate, settle, reconcile, release, drop, cede, admit, deny, request and administer oaths, accept and reject them, request precautionary attachment and travel bans and arrest, receive and accept, object to , appeal, reverse judgments, select arbitrators, certify arbitration documents, request the enforcement of judgments, collect what is obtained from the enforcement, and take all necessary actions for the aforementioned.
- Without prejudice to the powers herein, the Board shall, by a resolution, determine the terms of reference and powers of the chairman and vice chairman of the Board of Directors and their remuneration.
- The chairman and vice chairman of the Board of Directors may, within their powers, delegate or authorize, on their behalf, one or more of the Board members or a third party to perform a specific task or tasks hereunder, and to grant the attorneys the right to authorize or delegate and dismiss others.
- The vice chairman of the Board shall assume the duties of the chairman when the latter is absent.
- The managing director, if appointed, shall have the powers determined by the Board of Directors and shall implement all instructions issued by the Board. The Board, at its discretion, based on its resolution, shall determine the remuneration that the managing director receives for all additional tasks they perform as an executive and not as a Board member.
- The Board of Directors shall appoint a secretary whom it chooses from among its members or others and shall determine their remuneration.
- The tenure of the chairman, vice chairman, managing director, and secretary who is a Board member shall not exceed the term of membership of each in the Board. They may be re-elected, and the Board may, at any time, remove them or any of them without prejudice to the right of the removed person to compensation if the removal was for an unlawful cause or at an inappropriate time.

5.3.4 Board of Directors Remuneration

Remuneration may be a specific amount, an attendance allowance for meetings, in-kind benefits, or a certain percentage of the net profits (except for independent board members, whose remuneration must not be linked to a percentage of the profits. A combination of two or more of the above is permissible, in addition to travel, accommodation, and lodging expenses. The Ordinary General Assembly shall determine the amount of such remuneration, provided that the remuneration is fair, motivating, and commensurate with the member's and the Company's performance. The Board of Directors' report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all remuneration, attendance allowances, expense allowances, and other benefits that each board member received or was entitled to receive during the financial year. It must also include a statement of what the board members received in their capacity as employees or administrators, or what they received for technical, administrative, or consulting work. It must also include a statement of the number of board meetings and the number of meetings attended by each member. If the Ordinary General Assembly decides to terminate the membership of a board member who was absent for three consecutive meetings or five separate meetings during their membership term without a lawful excuse accepted by the Board of Directors, that member shall not be entitled to any remuneration for the period following the last meeting they attended, and they must return all remuneration paid to them for that period. If it is found that the remuneration paid to any of the board members was based on incorrect or misleading information, the board member must return it to the Company. The Company has the right to demand recovery of the same.

5.3.5 Attendance at Board Meetings

- The Board of Directors shall meet at least four (4) times a year upon a call from the chairman. The chairman must call the Board for a meeting where any member requests it in writing to discuss one or more topics.
- The Board shall determine the location of its meetings, and they may be held using modern technology.
- A Board meeting shall not be valid unless at least 50% of the members are present in person or by proxy.
- Board resolutions shall be carried by a majority vote of the members present in person or by proxy. In the event of a tie, the side with which the chairman of the meeting voted shall prevail.
- Board resolution shall be effective from the date of passing it unless it stipulates that it shall be effective at another time or upon the fulfillment of certain conditions.

5.3.6 Board Resolutions on Urgent Matters

- The Board may pass its resolutions on urgent matters by circulation, unless one of the members requests in writing that the Board meet to deliberate on them. These resolutions shall be passed with absolute majority approval of the Board members and shall be presented to the Board at its next meeting to be entered into the minutes of that meeting.
- The deliberations and resolutions of the Board shall be entered into minutes prepared by the secretary and signed by the chairman of the meeting, the attending members, and the secretary.
- The minutes shall be entered into a special register signed by the chairman and the secretary.
- Modern technology may be used to sign and record deliberations, resolutions, and minutes.

5.3.7 Curricula Vitae of the Board Members and Board Secretary

Table 5.4: Curricula Vitae of the Board Members and Board Secretary

Name:	Khalid bin Mohammed bin Farhan Al Dossary
Age:	54.
Nationality:	Saudi
Position:	Chairman
Year of Appointment	2020G
Academic Qualifications:	– Bachelor's in Mathematics from Imam Abdulrahman bin Faisal University in Dammam in 1995G. – Several development courses in management and languages in Japan, the United States, the United Kingdom, the United Arab Emirates, and Kuwait between 2000G and 2014G.
Current Positions:	– Board Chairman at Hasafah Real Estate Co. – Board Chairman at Canadian Medical Center Co. – Board Chairman at Learning Academy Co. – Board Chairman at Falwa Najd Real Estate Company. – Board Chairman at Khayrat Al-Ammaria Real Estate Company – Board Chairman at Leading Technology Company. – Board Chairman at Khayrat Al-Sharq Company. – Board Chairman at Mehan Human Resources Co. – Board Chairman at Cheval RealEstate
Key Previous Professional Experience:	– Chairman of the Business Youth Committee of Saudi Chambers from 2009G - 2010G. – Member of the Saudi-Canadian Business Council at the Council of Saudi Chambers from 2009G - 2011G. – Member of the Board of Directors of the Chamber of Commerce and Industry in the Eastern Region of the Kingdom of Saudi Arabia from 2010G - 2013G. – Chairman of the Board of Directors for Gulf Energy Company from 2011G - 2014G

Source: Company

Name:	Khalifa Abdullatif Al Mulhem.
Age:	74.
Nationality:	Saudi
Position:	Vice Chairman
Year of Appointment	2020G
Academic Qualifications:	Bachelor's in Business Administration from the University of Colorado in Boulder, Colorado, USA in 1978G.
Current Positions:	– Vice Chairman of the Board of Directors at Canadian Medical Center Co – Board Chairman at Advanced Petrochemical Company – Board Member at Aljazeera Support Services Company – Board Chairman at Alpha Financial in Riyadh. – Vice Chairman of the Board of Directors at Walaa Cooperative Insurance Company in Khobar
Key Previous Professional Experience:	– Board Member of the General Organization for Social Insurance in Riyadh from 2014G to 2017G. – Board Member of Al-Ittifaq Steel Product Company in Riyadh from 2012G to 2017G. – Board Member of Nama Chemicals in Jubail from 2007G to 2012G. – Board Member of Banco Saudi Español in Spain from 1990G to 1999G – Board Member of Saudi British Bank in Riyadh from 1985G to 2002G. – Board Member of National Shipping Company of Saudi Arabia in Riyadh from 2017G to 2022G. – Board Member of Bank Al Jazira in Jeddah from 2007G to 2021G. – Board Member of Saudi White Cement Co. in Riyadh from 1995G to 2021G. – Board Member of International General Insurance Co. (IGI) in Amman, Jordan from 2007G to 2019G.

Source: Company

Name:	Hassan Hassan Joudeh
Age:	76.
Nationality:	Canadian
Position:	Board Member
Year of Appointment	2020G
Academic Qualifications:	– Master's degree in Business Administration from Almeda University in Idaho, USA in 2003G. – Bachelor's degree in English Language from Riyadh University in Riyadh in 1978G. – Diploma in Business Administration and Accounting from the Royal Society in 1969G.
Current Positions:	Board Member of Canadian Medical Center Co. since 2020G
Key Previous Professional Experience:	– Procurement Manager and Deputy General Manager at Canadian Medical Center Co. in Dammam from 2008G to 2014G. – General Manager of Patient Friends Association Hospital in Gaza, Palestine from 2003G to 2007G. – Deputy General Manager and Director of the Dermatologist and Cosmetic Surgery Clinic in Riyadh from 1982G to 2000G. – Managing Director at Nadec Company in Riyadh from 1978G to 1982G.

Source: Company

Name:	Hamad Mohammed Al-Ali Al-Duwaileh
Age:	71.
Nationality:	Saudi
Position:	Board Member
Year of Appointment	2020G
Academic Qualifications:	– Master's degree in Hospital Administration from the University of Arizona in Tucson, USA in 1988G. – Bachelor's degree in Pharmacy from King Saud University in Riyadh in 1979G.
Current Positions:	– Board Member of Canadian Medical Center Co. – Board Member of Abdullatif Al Fozan Center for Autism in Khobar. – Secretary-General and Board Member of Athath Chairty – Board Member of Kanaf in Dammam. – Board Member of Ertiqa in Khobar. – Member of the Board of Trustees at Al Fozan Social Foundation in Khobar. – Senior Advisor to TVM Capital Healthcare – Senior Advisor to Eram Group.
Key Previous Professional Experience:	– Deputy Minister of the Saudi Ministry of Health from 2015G to 2019G. – Member of the Saudi Health Council in Riyadh from 2015G to 2019G. – Secretary-General and Board Member of "Etaam" n Dammam from 2011G to 2019G. – Board Member of King Faisal Specialist Hospital in Riyadh from 2015G to 2018G. – Advisor to the Minister of Health in Jeddah from 2014G to 2015G. – Executive Director at Al-Ahsa Hospital in Al-Ahsa from 2011G to 2013G. – General Manager of Health Services at Saudi Aramco Company in Dhahran from 1981G to 2009G

Source: Company

Name:	Ibrahim Naeem Ibrahim Al-Naeem.
Age:	42.
Nationality:	Saudi
Position:	Board Member
Year of Appointment	2020G
Academic Qualifications:	– Master's degree in Business Administration from the University of Denver in Colorado, USA in 2009 G. – Bachelor's degree in Financial Management from King Fahd University of Petroleum and Minerals in Dhahran in 2006 G. – A certificate of the Logistics Solutions program from the Maritime and Port Authority of Singapore Institute in Singapore in 2011 G.
Current Positions:	– Board Member of Canadian Medical Center Co. – Board Member of Gas Station Development Company (Orange) in Riyadh. – Vice Chairman of the Board of Directors of Logistics Plus in Dammam – Board Member of Educational Leader Company in Riyadh. – Vice Chairman of the Board of Directors of Across Seas for Shipping Lines Ltd. in Dammam. – Member of the Nominations and Remuneration Committee at Alpha Arabia Finance Company in Riyadh. – Board Member of Alpha Arabia Finance Company in Riyadh
Key Previous Professional Experience:	– CEO of Port Services & Storage Co. Ltd in Dammam from 2016G to 2020G – Business Development Manager at King Fahd University of Petroleum and Minerals in Dhahran from 2014G to 2016G. – Director of Investment Management at King Fahd University of Petroleum and Minerals in Dhahran from 2012G to 2014G. – Board Member of Manafea Al-Salam Medical Healthcare Company in Khobar from 2012G to 2014G. – Lecturer in the Department of Finance and Economics at King Fahd University of Petroleum and Minerals in Dhahran from 2009G to 2010G. – Teaching Assistant in the Department of Finance and Economics at King Fahd University of Petroleum and Minerals in Dhahran from 2007G to 2008G. – Financial Analyst at the Saudi Arabian Monetary Authority in Riyadh from 2006G to 2007G.

Source: Company

Name:	Manar Othman Al-Dukhi
Age:	40.
Nationality:	Saudi
Position:	Secretary of the Board
Year of Appointment	2023G
Academic Qualifications:	– PhD in Management and Planning from Imam Mohammad ibn Saud Islamic University in 2020G – Master's degree in Management and Planning from Imam Mohammad ibn Saud Islamic University in 2012G. – Bachelor's degree in Fundamentals of Religion from Imam Mohammad ibn Saud Islamic University in 2009G.
Current Positions:	– Disclosure and Governance Officer at Canadian Medical Center Co. – Board and Committees Secretary at Canadian Medical Center Co. – Investor Relations Manager at Canadian Medical Center Co. – Consultant in Strategic Planning and Governance – Disclosure and Governance Officer at Learning Academy Co. – Board and Committees Secretary at Learning Academy Co. – Investor Relations Manager at Learning Academy Co. – Quality Controller / Education and Training Evaluation Commission
Professional Experience	– Consultant in Governance and Board/Committees Secretariat with MEM Law from 2022G to 2023G. – Consultant in Strategic Planning and Governance / Studio Alwaleed since 2019G. – Quality Controller / Education and Training Evaluation Commission since 2022G - present. – Head of Department / Imam Mohammad ibn Saud Islamic University - one year between 2012G and 2020G. – Lecturer / Imam Mohammad ibn Saud Islamic University from 2012G to 2020G. – Designing and delivering training courses / various beneficiary entities since 2019G.

Source: Company

5.4 Board Committees

The Board of Directors is concerned with forming committees to improve the Company's management, as each committee has its own Charter that defines clear rules for its roles, powers, and responsibilities. The committees hold regular meetings to perform their duties. The Board has formed all the committees required by law and has added to them. These committees consist of the Audit Committee, the Nominations and Remuneration Committee, the Executive Committee, and the Investment Committee.

Below is a summary of the structure of the committees above:

5.4.1 Audit Committee

5.4.1.1 Formation of the Audit Committee

The Audit Committee is made up of four (4) members. As at the date of this Document, two (2) of them were appointed by a Board resolution on 19/06/1442H (corresponding to 01/02/2021G), one (1) of them, Mr. Hammoud bin Saud Al-Harbi, was appointed by a Board resolution on 26/03/1446H (corresponding to 29/09/2024G), and one of them, Mr. Saad Al-Jammaz, was appointed by a Board resolution on 17/09/1445H (corresponding to 27/03/2024G). The Company also prepared the Audit Committee's Charter, which the Company adopted by a General Assembly resolution on 26/03/1446H (corresponding to 29/09/2024G). The following table shows the names of the current Audit Committee members:

Table 5.5: Audit Committee Members as at the Date of This Document

SN	Name	Position	Capacity
1	Mr. Ibrahim Naeem Al-Naeem	Chairman	Independent
2	Mr. Hamoud bin Saud Al-Harbi.	Member	Independent
3	Hamoud bin Saud Al-Harbi	Member	Independent
4	Mr. Saad bin Abdulrahman Al-Jamaaz.	Member	Independent

Source: Company

5.4.1.2 Responsibilities of the Audit Committee

The Audit Committee is responsible for overseeing the Company's business and verifying its sound and integrous financial reports, financial statements, and internal control systems. The Committee's duties specifically include:

A. Financial Reports:

- Studying the Company's preliminary and annual financial statements before presenting them to the Board of Directors and providing an opinion and recommendation on them to ensure their integrity, fairness, and transparency.
- Providing a professional opinion, at the request of the Board, on whether the Board of Directors' report and the Company's financial statements are fair, balanced, and understandable, and include the information that allows shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.
- Studying any important or unusual matters in the financial reports.
- Carefully investigating any matters raised for explanation by the Chief Financial Officer or whoever assumes their duties, the Company's Compliance Officer, or the auditor.
- Verifying the accounting estimates in the material matters in the financial reports
- Studying the accounting policies adopted by the Company and providing an opinion and recommendation to the Board regarding them.

B. Supervision of Internal Audit and Internal Control Mechanisms:

- Studying and reviewing the Company's internal financial control and risk management systems.
- Examining internal audit reports and following up on the implementation of corrective actions for the remarks therein.
- Controlling and supervising the performance and activities of the Internal Auditor and the Internal Audit Department in the Company to verify the availability of necessary resources and their effectiveness in performing the work and tasks assigned to them. If the Company does not have an Internal Auditor, the Committee must give recommendations to the Board on the need for their appointment.
- Recommending to the Board of Directors the appointment of the Manager of the Internal Audit Unit or Department, or the Internal Auditor, and proposing their remuneration.
- The Committee shall meet periodically with the Company's Internal Auditor during the year.

C. Supervision of the External Audit Process:

- Recommending to the Board the nomination and dismissal of auditors, determining their fees, and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
- Verifying the auditor's independence, objectivity, and fairness, and the effectiveness of the audit work, taking into account relevant rules and standards.
- Reviewing and providing its opinion about the Company's auditor's plan and work, and verifying that they do not provide technical, administrative, or consulting services beyond the audit scope.
- Answering the Company's auditor's inquiries.
- Studying the auditor's report and his remarks on the financial statements and following up on the actions taken regarding them.
- The Committee shall meet periodically with the Company's Auditor during the year.

D. Ensuring Compliance

- Reviewing the results of reports from regulatory authorities and verifying that the Company has taken the necessary actions regarding them.
- Verifying the Company's compliance with relevant laws, regulations, policies, and instructions
- Reviewing proposed contracts and transactions that the Company intends to conduct with related parties and providing its opinion on them to the Board.
- Reporting to the Board any matters it deems necessary to take action on and giving its recommendations on the actions that should be taken.
- Other duties, including but not limited to:
- The Committee may meet members of the executive management, the Chief Financial Officer, internal auditors, and auditors in separate sessions to discuss any matters that are worthy of discussion from the perspective of the Committee or other parties.

- Establishing a mechanism that allows Company staff to confidentially give remarks on any violations in financial or other reports. The Committee must verify the implementation of this mechanism by conducting an independent investigation appropriate to the size of the error or violation and adopting suitable follow-up procedures.
- The Committee shall make the necessary recommendations to the Board as it sees fit to accomplish its duties and responsibilities, which includes reviewing the best methods within the Company's framework to obtain the necessary assistance.
- Board members have the right to view the Committee's minutes and resolutions at any time.
- The Committee shall file an annual report to the Board containing a comprehensive summary of its work, performance, key achievements, and how it performed its terms of reference and tasks.
- The Committee has the right to access the Company's records and documents, request any notes or statements from Board members or executive management, and request the Board of Directors to convene the Company's General Assembly if the Board obstructs its work or if the Company suffers severe damage or losses.
- Investigating any activity that falls within its powers or any topic specifically requested by the Board of Directors.
- Seeking legal and technical advice from any external party or any consulting body when necessary to assist the Committee in performing its duties.
- The Committee shall conduct an annual review of the Audit Committee Charter and its effectiveness and recommend any necessary changes to the Board, based on the mechanism mentioned at the beginning of this guide.
- Inviting relevant employees of the Company to attend Committee meetings to discuss matters where required.

5.4.2 Nominations and Remuneration Committee

5.4.2.1 Formation of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee is formed of three (3) members. As at the date of this Document, two (2) members were appointed by a Board resolution on 09/07/1441H (corresponding to 21/02/2021G), and one (1) member, Mr. Abdullatif bin Khalifa Al Mulhem, was appointed on 20/11/1445H (corresponding to 28/05/2024G). The Company also prepared the Nominations and Remuneration Committee's Charter, which the Company adopted by a General Assembly resolution on 26/03/1446H (corresponding to 29/09/2024G). The following table shows the names of the Nominations and Remuneration Committee members:

Table 5.6: Nominations and Remuneration Committee Members as at the Date of This Document.

SN	Name	Position	Capacity
1	Mr. Hamad bin Mohammed Al-Duwaileh	Chairman	Independent
2	Mr. Khalid bin Mohammed bin Farhan Al Dossary	Member	Non-executive
3	Mr. Khalifa Abdullatif Al Mulhem	Member	Independent

Source: Company

5.4.2.2 Responsibilities of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for:

- Preparing a clear policy for the remuneration of Board Members, sub-committees of the Board, and executive management, and submitting it to the Board of Directors for consideration in preparation for its adoption by the General Assembly. This policy must adhere to performance-related criteria, be disclosed, and its implementation verified, provided that:
  - It aligns with the Company's strategy and objectives.
  - Remuneration is provided to encourage Board Members and executive management to make the Company successful and grow it in the long term, for example, by linking the variable portion of remuneration to long-term performance.
  - It is consistent with the Company's size, nature, and risk level.
  - Remuneration should be determined based on the level of the position, the duties and responsibilities assigned to the occupant, academic qualifications, professional experience, skills, and performance level.
  - It takes into account the practices of other companies in determining remuneration while avoiding any unjustified increase in remuneration and compensation that may result.

  - It aims to attract and retain professional talent and motivate them without being excessive.
  - It includes Cases of withholding or reclaiming remuneration if it is found to have been decided based on inaccurate information provided by a Board Member or executive management, in order to prevent the exploitation of one's professional position to obtain undeserved remuneration.
  - It regulates the granting of Company shares to Board Members and executive management, whether through a new issuance or shares purchased by the Company, in a manner that does not conflict with the provisions of the Articles of Association and the resolutions of the General Assembly and the Board of Directors.
- It sets out the relationship between the granted remuneration and the remuneration policy in effect and states any significant deviation from this policy.
- It conducts a periodic review of the remuneration policy and evaluating its effectiveness in achieving the desired objectives.
- It identifies the weaknesses and strengths of the Board and proposes solutions to address them in a manner consistent with the Company's best interest, by:
- Proposing the necessary mechanisms for the annual evaluation of the performance of the Board, its members, its committees, and executive management, through appropriate performance measurement indicators linked to the achievement of the Company's strategic objectives, the quality of risk management, and the adequacy of internal control systems.
- It assists the Board in its responsibility to make the necessary arrangements to obtain an evaluation from a competent external party regarding its performance every three years and to supervise the evaluation process.
- Recommending to the Board the remuneration for Board members, its sub-committees, and senior executives in the Company in accordance with the approved policy.
- Reviewing the compensation plan and the incentive policies and plans related to employees.
- Proposing clear policies and criteria for membership on the Board and executive management.
- Recommending to the Board the nomination and re-nomination of its Members in accordance with the approved policies and criteria, while taking care not to nominate any person who has previously been convicted of a crime involving a breach of trust.
- Preparing a description of the capabilities and qualifications required for membership on the Board of Directors and for holding executive management positions.
- Determining the time that a Board Member should dedicate to the work of the Board.
- Reviewing the structure of the Board, committees, and executive management and providing recommendations regarding size, composition, and other recommended changes.
- Defining the roles and responsibilities of executive members, non-executive members, independent members, and senior executives.
- Annually verifying the independence of the independent members and verifying that there are no conflicts of interest between the chairman of the Board and the members of the Board, the CEO, and other key management positions, and whether the member holds a directorship in another company.
- Providing an appropriate level of training and orientation for new members of the Board and committees about the Company's tasks and achievements to enable them to perform their duties with the required efficiency.
- Developing the necessary mechanisms for each of the members of the Board and executive management to receive continuous training programs and courses to develop their skills and knowledge in fields related to the Company's activities.
- Assisting the Board in its responsibility to make the necessary arrangements to obtain an evaluation from a competent external party regarding its performance every three years and supervising the evaluation processes.
- Creating a job description for executive members, non-executive members, independent members, and senior executives.
- Providing the Board of Directors and executive management with sufficient information and external advice to ensure that informed decisions are made about salaries.
- The committee shall conduct an annual review of the Committee's Charter and its effectiveness and recommend any necessary changes to the Board.

For performing its duties, the Committee has the right to:

- Obtain any required information from any employee in the Company's executive management that enables it to perform its duties and responsibilities.
- Seek legal and technical advice from within the Company or from any external party or any other independent consulting body whenever necessary to assist the Committee in performing its duties, provided that this is included in the minutes of the committee meeting, with the name of the expert and their relationship with the Company or executive management mentioned. The Company shall bear any costs required for the committee to perform its work.
- View all data, information, and records related to remuneration and compensation in the Company and review the succession planning reports for executives.
- Invite appropriate individuals with sufficient expertise to attend committee meetings if it deems their attendance at those meetings necessary.

5.4.3 Investment Committee

5.4.3.1 Formation of the Investment Committee

The Investment Committee is formed of three (3) members appointed by a Board resolution on 29/05/1446H (corresponding to 01/12/2024G). The following table shows the names of the Investment Committee members:

Table 5.7: Investment Committee Members as at the Date of This Document

SN	Name	Position	Capacity
1	Mr. Khalid bin Mohammed bin Farhan Al Dossary	Chairman	Non-executive
2	Dr. Abdullah bin Suleiman Al-Jarish	Member	Independent
3	Mr. Ibrahim Naeem Al-Naeem	Member	Independent

Source: Company

5.4.3.2 Duties and Responsibilities of the Investment Committee

The Committee exercises all terms of reference delegated to it by the Board and maintains direct communication channels with it. It is not entitled to amend any resolution of the Board. The Committee's terms of reference include the following:

- Working with the executive management and executive committees to develop the Company's investment strategy and policy in a manner that is consistent with the Company's objectives, nature of its work, activities, and the risks it is exposed to, and making recommendations on them.
- Periodically reviewing the investment strategy and policy to ensure that they are suitable for market changes and relevant regulations and rules and making recommendations on them.
- Supervising the Company's investment activities and establishing appropriate procedures for measuring and evaluating investment performance.
- Studying and evaluating investment opportunities, analyzing their risks, and ensuring their compliance with relevant laws, regulations, and instructions, and making recommendations on them.
- Periodically reviewing the Company's investment performance evaluation and workflow according to the approved plans and submitting recommendations to the Board.
- Preparing reports and making the necessary recommendations to the Board as it sees fit to accomplish its duties and responsibilities.
- Executing all or any other duties and responsibilities assigned by the Board.

For performing its duties, the Committee has the right to:

Obtain any required information from any employee in the Company's executive management that enables it to perform its duties and responsibilities. Seek legal and technical advice from within the Company or from any third party or any other independent consulting body where necessary to assist the Committee in performing its duties. This must be entered into the minutes of the Committee meeting, with the name of the expert and their relationship with the Company or executive management mentioned. The Company shall bear any costs necessary for the Committee to perform its work. The Committee is entitled to access all data, information, records, and reports related to the Committee's work. Invite appropriate individuals with sufficient expertise to attend Committee meetings if it deems their attendance at those meetings is necessary. The Committee shall also conduct an annual review of its Charter and its effectiveness and recommend any necessary changes to the Board.

5.4.4 Executive Committee

5.4.4.1 Formation of the Executive Committee

The Executive Committee is formed of four (4) members who were appointed by a Board resolution on 06/01/1443H (corresponding to 14/08/2021G). The Company also prepared the Executive Committee's Charter, which the Company adopted by a Board resolution on 26/03/1446H (corresponding to 29/09/2024G). The following table shows the names of the Executive Committee members:

Table 5.8: Executive Committee Members as at the Date of This Document

SN	Name	Position	Capacity
1	Mr. Khalid bin Mohammed bin Farhan Al Dossary	Chairman	Non-executive
2	HE. Mr. Hamad bin Mohammed Al-Duwaileh	Member	Independent
3	Mr. Abdullah bin Saad Al-Otaibi.	Member	Executive
4	Mr. Khalifa Abdullatif Al Mulhem	Member	Independent

Source: Company

5.4.4.2 Duties and Responsibilities of the Executive Committee

The Committee's terms of reference and responsibilities include:

- Participating in and supervising the development of the Company's strategic plan and evaluating the proposals submitted by the executive management regarding the Company's vision, mission, strategic pillars, and strategic and financial goals and initiatives, and submitting them to the Board for approval.
- Ensuring the implementation of the Company's overall strategy and its effectiveness in achieving the desired goals.
- Supervising the preparation of the Company's annual budget, reviewing the proposals submitted by the executive management, and submitting recommendations to the Board for the approval of the annual budget.
- Reviewing financial and strategic performance reports for following up on the implementation of strategic plans and initiatives and submitting the Committee's recommendations to the Board.
- Examining strategic and important issues and projects with a financial impact and submitting them to the Board for approval.
- Approving policies for the nomination of board members and managers of subsidiaries and sister companies, including the mechanisms for selecting board members and managers for those companies, and submitting the recommendations related to the appointment of board members and managers of subsidiaries and sister companies to the Board for approval.
- Reviewing the Company's performance based on the executive management's report in light of the defined goals, measuring performance by results and analysis, studying the key influencers, indicators, and developments related to its business, and guiding management accordingly.
- Exercising all or any other duties or responsibilities assigned to it by the Board of Directors.
- The Committee shall conduct an annual review of the Committee's Charter and its effectiveness and recommend any necessary changes to the Board.

For performing its duties, the Committee has the right to:

- Obtain any required information from any employee in the Company's executive management that enables it to perform its duties and responsibilities.
- Seek legal and technical advice from within the Company or from any external party or any other independent consulting body whenever necessary to assist the Committee in performing its duties, provided that this is included in the minutes of the committee meeting, with the name of the expert and their relationship with the Company or executive management mentioned. The Company shall bear any costs required for the committee to perform its work.
- The Committee is entitled to access all data, information, and records related to the Committee's work.
- Invite appropriate individuals with sufficient expertise to attend committee meetings if it deems their attendance at those meetings necessary.

5.5 Executive Management

5.5.1 Members of the Executive Management

The executive management team comprises qualified and experienced members who possess the necessary knowledge and expertise to manage the Company's business in line with the objectives and directives of the Board of Directors and shareholders. The Company's executive management team, as at the date of this Document, consists of seven (7) members as shown in the following table:

Table 5.9: Executive Committee Members as at the Date of This Document:

SN	Name	Position	Nationality	Age	Date of Joining the Company	Direct Shareholding	Indirect Shareholding
1	Mr. Abdullah bin Saad Al-Otaibi.	Chief Executive Officer	Saudi	37.	01/05/2023G	N/A	N/A
2	Mr. Sayed bin Saeed Al-Basat	Chief Financial Officer	Lebanese	43.	22/01/2019G	N/A	N/A
3	Mr. Hassan Hassan Joudeh	Chief Operating Officer	Canadian	76.	01/06/2008G	N/A	N/A
4	Dr. Mufrej Misfer Al-Dossary	Information Technology Manager	Saudi	40.	12/11/2023G	N/A	N/A
5	Mr. Mohammed Khalid Al-Dossary	Sales and Marketing Manager	Saudi	29.	2023G	N/A	N/A
6	Ms. Sarah Al-Husseini	Senior Human Resources Manager	Saudi	33.	2024G	N/A	N/A
7	Mr. Ammar Mohammed Al-Dossary	Center Manager-Dammam & Khobar Branch	Saudi	42.	2017G	N/A	N/A

5.5.1.1 Executive Management Members' CV Summary

Below is a summary of the experience, qualifications, current and previous positions for each of the senior executives above:

Table 5.10: Curricula Vitae of the Executive Management Members as at the Date of This Document:

Name	Mr. Abdullah bin Saad Al-Otaibi.
Age	37.
Nationality	Saudi
Position	Chief Executive Officer
Appointment Date	23/01/2025G
Academic Qualifications:	– Higher Diploma in Business Administration from Kent University in the United States – Other professional certifications from several institutions, including the Riyadh Chamber of Commerce, the Institute of Banking, and New Horizons Institutes.
Current Positions:	– CEO of Canadian Medical Center Co. – Co-founder and Chairman of the Board of Directors of Anan Al Sahab for O&M Company - Private Sector.
Key Previous Professional Experience:	– Held several leadership positions within the Company, starting from Business Development Manager to CEO. – Has over 18 years of experience, having worked in vital sectors such as banking, oil and gas, and petrochemicals, and held prominent leadership positions, including Business Development Manager, Middle East Sales Manager, and Regional Manager.

Source: Company

Name	Mr. Hassan Hassan Joudeh
Age	76.
Nationality	Canadian
Position	Chief Operating Officer
Appointment Date	28/12/2020G
Academic Qualifications:	– Master's degree in Business Administration from Almeda University in Idaho, USA, in 2003G. – Bachelor's degree in English Language from Riyadh University in Riyadh in 1978G.
Current Positions:	COO of Canadian Medical Center Co.
Key Previous Professional Experience:	– Procurement Manager and Deputy General Manager at Canadian Medical Center Co. in Dammam from 2008G to 2014G. – General Manager of Patient Friends Association Hospital in Gaza, Palestine from 2003G to 2007G. – Deputy General Manager and Director of the Dermatologist and Cosmetic Surgery Clinic in Riyadh from 1982G to 2000G. – Managing Director at Nadec Company in Riyadh from 1978G to 1982G.

Source: Company

Name	Mr. Sayed bin Saeed Al-Basat
Age	43.
Nationality	Lebanese
Position	Chief Financial Officer
Appointment Date	24/01/2019G
Academic Qualifications:	Bachelor's in Accounting from Beirut Arab University, Lebanon.
Current Positions:	CFO of Canadian Medical Center Co.
Key Previous Professional Experience:	– Director of Procedures and Internal Control - Al-Jabr Holding Company. – Assistant Financial Manager - Specialized Care Hospital Company – Auditor - Ernst & Young Company.

Source: Company

Name	Mr. Mohammed Khalid Al-Dossary
Age	29.
Nationality	Saudi
Position	Sales and Marketing Manager
Appointment Date	2023G
Academic Qualifications:	Bachelor's in Business Administration from Brighton University, United Kingdom.
Current Positions:	– Sales and Marketing Manager at Canadian Medical Center Co. – Co-founder, CEO, and Board Member of Anan Al Sahab for O&M Company - Private Sector.
Key Previous Professional Experience:	The Learning Academy, January 2020G to January 2022G, Eastern Province - Dammam - Saudi Arabia.

Source: Company

Name	Dr. Mufrej Misfer Al-Dosary
Age	40.
Nationality	Saudi
Position	Information Technology Manager
Appointment Date	12/11/2023G
Academic Qualifications:	PhD in Information Systems and Business Analytics. Ivy College of Business - Iowa State University, USA, 2023G
Current Positions:	Information Technology Manager for Canadian Medical Center Co.
Key Previous Professional Experience:	– Information Technology Consultant with The Learning Academy Company, August 2020G - present. – Project Manager at Elm Company, October 2014G to September 2018G. – Managed major government projects from planning to delivery, prepared plans and budgets, coordinated internal and external teams, and achieved customer satisfaction while contributing to expanding relationships and increasing revenues. – Systems Test Engineer at Elm Company, January 2014G to October 2014G.

Source: Company

Name	Ms. Sarah Al-Husseini
Age	33.
Nationality	Saudi
Position	Senior Human Resources Manager
Appointment Date	2024G
Academic Qualifications:	Bachelor’s in Accounting, Dammam University, Saudi Arabia.
Current Positions:	Senior Human Resources Manager for Canadian Medical Center Co.
Key Previous Professional Experience:	– Organizational and Leadership Development Specialist at Autoworld. – Organizational Development Specialist at Autoworld KSA. – Senior Human Resources Specialist at Mediterranean Shipping Company. – Senior Human Resources Officer at Hammad Al-Rakeeb and Sons Trading Company – Human Resources Officer at Hammad Al-Rakeeb and Sons Trading Company – Accountant at Water Technology.

Source: Company

Name	Mr. Ammar Mohammed Al-Dossary
Age	42.
Nationality	Saudi
Position	Center Manager-Dammam & Khobar Branch
Appointment Date	2017 G
Academic Qualifications:	Diploma in Computer Science - Programming Technology, College of Computer and Information Sciences, King Saud University.
Current Positions:	– Administrative Manager - Canadian Medical Center Co. (Khobar Branch). – Center Manager - Dammam Branch, Canadian Medical Center Co..
Key Previous Professional Experience:	– 18 years of experience in management and marketing. – Administrative Manager for Canadian Medical Center Co.. – Administrative Manager for Khairat Al Sharq Company. – Manager of Canadian Language Center. – Public Relations Manager for Maskani Real Estate Limited.

Source: Company

5.6 Corporate Governance

The Company issued its own Governance Charter, which was adopted on 11/07/1442H (corresponding to 23/02/2021G) by the Extraordinary General Assembly. Below is a summary of all the internal governance regulations as at the date of this Document:

a. The Audit Committee's Charter was adopted by the Board of Directors on 06/01/1443H (corresponding to 14/08/2021G). The Company then took a corrective action by having the Audit Committee's Charter adopted by the General Assembly as the competent authority. The Extraordinary General Assembly approved the amendment to the Audit Committee's Charter on 18/12/1445H (corresponding to 24/06/2024G).

b. The Dividend Distribution Policy was adopted by the Board of Directors on 06/01/1443H (corresponding to 14/08/2021G).

c. The Insider Trading Policy was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G).

d. The Board Membership Policy and Standards were adopted by the Board of Directors on 18/12/1445H (corresponding to 24/06/2024G).

e. The Remuneration Policy, which includes the remuneration of Board members, committees, and senior executives, was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G) and on 18/12/1445H (corresponding to 24/06/2024G). The Company took a corrective action by having the Remuneration Policy for Board members, committees, and senior executives adopted by the General Assembly as the competent authority. The Extraordinary General Assembly approved the amendment of the Remuneration Policy.

f. The Risk Management Policy was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G).

g. The Conflict of Interest Policy, which includes professional conduct rules and ethical values, was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G).

h. The Compliance Policy was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G).

i. The Social Responsibility Policy was adopted by the General Assembly on 18/12/1445H (corresponding to 24/06/2024G).

j. The Disclosure Policy was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G).

k. The Whistleblowing Policy was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G).

l. The Powers and Delegation Policy was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G).

m. The Stakeholder Policy was adopted by the Board of Directors on 12/06/1445H (corresponding to 25/12/2023G).

n. The Nominations and Remuneration Committee's Charter was adopted by the Board of Directors on 06/01/1443H (corresponding to 18/08/2021G) and 18/12/1445H (corresponding to 24/06/2024G). The Company took a corrective action by having the Nominations and Remuneration Committee's Charter adopted by the General Assembly as the competent authority for adoption. The Extraordinary General Assembly approved the amendment of the Nominations and Remuneration Committee's Charter.

o. The Executive Committee's Charter was adopted by the Board of Directors on 26/03/1446H (corresponding to 29/09/2024G).

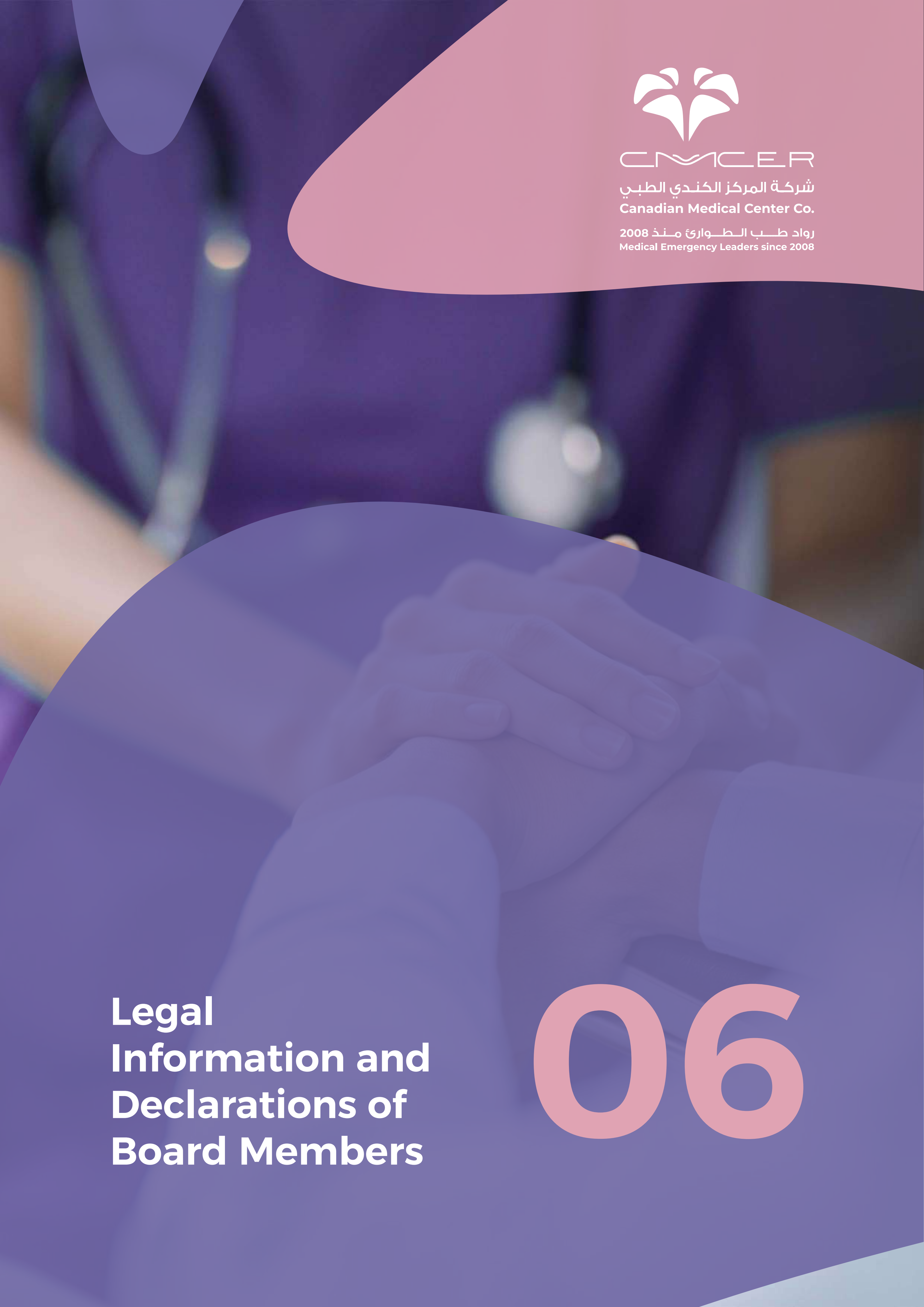
p. The Authority Matrix was adopted by the Board of Directors on 13/04/1443H (corresponding to 18/11/2021G).

q. The Competition Controls and Standards Charter was adopted by the General Assembly on 19/12/1446H (corresponding to 15/06/2025G).

r. The Investment Committee's Charter was adopted by the Board of Directors on 17/09/1446H (corresponding to 17/03/2025G).

s. The Professional Conduct and Ethical Values Policy was adopted by the Board of Directors on 30/10/1446H (corresponding to 28/04/2025G).

t. The Performance Management and Remuneration Charter for Canadian Center Personnel was adopted by the Board of Directors on 30/10/1446H (corresponding to 28/04/2025G).



شركة المركز الكندي الطبي
Canadian Medical Center Co.
رواد طب الطوارئ منذ 2008
Medical Emergency Leaders since 2008

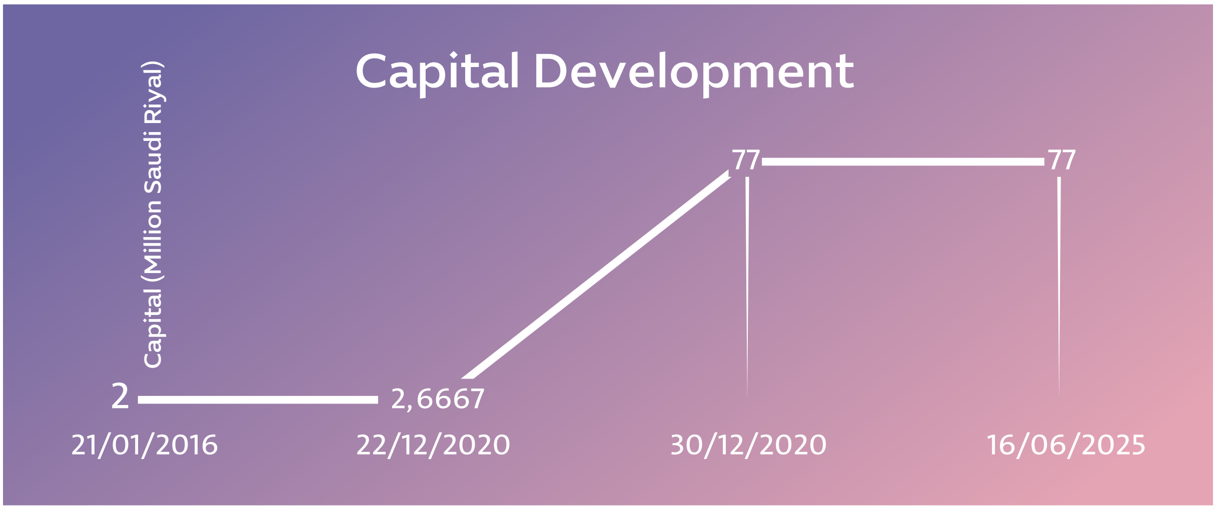
Legal Information and Declarations of Board Members

06

6. Legal Information and Declarations of Board Members

6.1 History and Capital Development

The Company was incorporated as a sole proprietorship branch under Commercial Registration No. (2050058605), issued in Dammam on 13/02/1429 H (corresponding to 20/02/2008 G), founded by Mr. Khaled bin Mohammed bin Farhan Al Dosari. In 2016, the Company was converted to a limited liability company under a Memorandum of Association signed on 11/04/1437 H (corresponding to 21/01/2016 G), Commercial Registration No. (2050058605) issued in Dammam on 13/02/1429 H (corresponding to 20/02/2008 G). The Company's capital at the time was (SAR 2,000,000) two million Saudi Riyal, divided into (10,000) ten thousand in-kind shares of equal value, with each share valued at (SAR 200) two hundred Saudi Riyal. On 07/05/1442 H (corresponding to 22/12/2020 G), the partners resolved to amend the nominal value of the partners' shares from (SAR 200) two hundred Saudi Riyal per share to (SAR 10) ten Saudi Riyal per share. They also resolved to increase the Company's capital to two (SAR 2,666,670) million, six hundred and sixty-six thousand, six hundred and seventy Saudi Riyal, divided into (266,667) two hundred and sixty-six thousand, six hundred and sixty-seven equally-valued, fully paid-up shares, with a nominal value of (SAR 10) ten Saudi Riyal per share. This was achieved by issuing (66,667) sixty-six thousand, six hundred and sixty-seven new shares with a total nominal value of (SAR 666,670) six hundred and sixty-six thousand, six hundred and seventy Saudi Riyal and a share premium of (SAR 74,333,330) seventy-four million, three hundred and thirty-three thousand, three hundred and thirty Saudi Riyal. The Company's capital was further increased to (SAR 77,00,000) seventy-seven million Saudi Riyal, divided into (7,700,000) seven million, seven hundred thousand equally valued, fully paid-up shares with a nominal value of (SAR 10) ten Saudi Riyal per share. This was done by transferring the share premium amount of (SAR 74,333,330) seventy-four million, three hundred and thirty-three thousand, three hundred and thirty Saudi Riyal from the share premium account to the capital account. The changes and the transfer of the Company into a closed joint stock Company were approved by the Minister of Commerce's Decision No. (159), dated 15/05/1442 H (corresponding to 30/12/2020 G), under Commercial Registration No. (2050058605) issued in Dammam on 13/02/1429 H (corresponding to 20/02/2008 G). After the transfer, the Company's capital was (SAR 77,000,000) seventy-seven million Saudi Riyal, divided into (7,700,000) seven million, seven hundred thousand fully paid-up ordinary shares, with a nominal value of (SAR 10) ten Saudi Riyal per share. On 23/12/1442 H (corresponding to 02/08/2021 G), the Canadian Medical Center Company was listed on the parallel market after the approval of the Capital Market Authority on 18/11/1442 H (corresponding to 28/06/2021 G) for the Company's application for registering its shares for direct listing. On 26/11/1444 H (corresponding to 15/06/2023 G), the Extraordinary General Assembly of Shareholders approved the share split, changing the nominal value of a share from (SAR 10) ten Saudi Riyal per stock to (SAR 1) one Saudi Riyal per share. The number of shares was also adjusted from seven million, seven hundred thousand (7,700,000) ordinary shares to seventy-seven million (77,000,000) ordinary shares, without any change to the Company's capital. On 18/12/1444 H (corresponding to 06/07/2023 G), the Board of Directors approved the Company's transition to the Main Market.



6.2 Objectives

According to its Articles of Association, the Company's activities are:

1. Mining and quarrying
2. Manufacturing industries
3. Water supply, sewerage, waste management, and remediation activities
4. Construction
5. Wholesale and retail trade; repair of motor vehicles and motorcycles
6. Transportation and Storage
7. Accommodation and food services
8. Information and communication
9. Financial and insurance activities
10. Real estate activities
11. Professional, scientific, and technical activities
12. Administrative and support service activities
13. Education
14. Public administration and defense and compulsory social security
15. Human health and social work activities
16. Arts, entertainment, and recreation
17. Other service activities
18. Agriculture, forestry, and fishing
19. Electricity, gas, steam, and air conditioning supply.

6.3 Branches

The Company has five (5) branches in the Kingdom. The following table shows the details of the Company's registered branches as at the date of this Document:

Table 6.1: Company Branches as at the Date of This Document.

SN	Location	Commercial Registration No	Commercial Registration Date	Commercial Registration Expiry Date	Description
1	Abqaiq	2059004078	08/06/1442H (corresponding to 05/03/2020G)	11/07/1448H (corresponding to 20/12/2026G)	Branch of the Canadian Medical Center Co.
2	Khobar	2051056715	15/05/1442H (corresponding to 16/03/2014G)	06/06/1448H (corresponding to 14/11/2026G)	Branch of the Canadian Medical Center Co.
3	Jubail	2055026411	22/04/1439H (corresponding to 09/01/2018G)	09/07/1450H (corresponding to 16/01/2029G)	Branch of the Canadian Medical Center Co.
4	Dammam	2050116858	03/11/1439H (corresponding to 16/07/2018G)	14/11/1447H (corresponding to 01/05/2026G)	Branch of the Canadian Medical Center Co.
5	Riyadh	1009042659	18/11/1445H (corresponding to 26/05/2024G)	18/11/1448H (corresponding to 25/04/2027G)	Branch of the Canadian Medical Center Co.

Source: Company

6.4 Licenses

A. Company

The Company has obtained all essential licenses from the competent authorities to be able to carry out its business. The following is a summary of the essential licenses issued to the Company in the Kingdom:

Table 6.2: Licenses Issued to the Company as at the Date of This Document:

SN	Type	Purpose	No.	Issuance Date	Expiry Date	Issuer
1	Commercial Register	Entry into the commercial register	2050058605	13/02/1429H (corresponding to 20/02/2008G)	19/05/1448H (corresponding to 30/10/2026G)	Ministry of Commerce
2	Final license to open a private health institution	The Company's compliance with the Ministry of Health requirements	3810301201210045	18/05/1436H (corresponding to 09/03/2015G)	18/05/1447H (corresponding to 09 /11/2025G)	Ministry of Health
3	Chamber of Commerce	The Company's commitment to subscribe to the Chamber of Commerce as per the law requirements	92206	23/02/1429H (corresponding to 01/03/2008G)	19/05/1448H (corresponding to 30/10/2026G)	Asharqia Chamber
4	Certificate of General Organization for Social Insurance	The Company's compliance with the requirements of the General Organization for Social Insurance	97527862	23/12/1446H (corresponding to 19/06/2025G)	26/03/1447H (corresponding to 18/09/2025G)	General Organization for Social Insurance
5	Saudization Certificate	The Company's compliance with the requirements of the Ministry of Human Resources and Social Development	523422-40597208	23/12/1446H (corresponding to 19/06/2025G)	01/05/1447H (corresponding to 23/10/2025G)	Ministry of Human Resources and Social Development
6	Zakat Certificate	The Company's compliance with the requirements of the Zakat, Tax and Customs Authority	1116224964	25/10/1426H (corresponding to 23/04/2025G)	13/11/1447H (corresponding to 30/04/2026G)	Zakat, Tax and Customs Authority
7	VAT Registration Certificate	The Company's compliance with the requirements of the Zakat, Tax and Customs Authority	100171000129713	03/03/1439H (corresponding to to 21/11/2017G)	-	Zakat, Tax and Customs Authority
8	Civil Defense Permit	The Company's compliance with Civil Defense requirements	46-001163886-3	24/10/1446H (corresponding to 22 /04/2025G)	02/08/1447H (corresponding to 21/01/2026G)	General Directorate of Civil Defense
9	Wage Protection Commitment Certificate	The Company's compliance with the controls of the Wage Protection Program	34695-921605-94562	30/01/1447H (25/07/2025G)	01/03/1447H (24/08/2025G)	Ministry of Human Resources and Social Development
10	Commercial Activity License	The Company's compliance with the requirements of the Riyadh Municipality	3909117367	-	02/08/1447H (corresponding to 21/01/2026G)	Eastern Region Municipality

Source: Company

B. Branches

The Company has obtained all essential licenses from the competent authorities to be able to carry out its business. The following is a summary of the essential licenses issued to the Company's branches:

Table 6.3: Licenses Issued to the Company's Branches as at the Date of This Document:

SN	Type	Purpose	No.	Issuance Date	Expiry Date	Issuer
Company Branch (Khobar)						
1	Commercial Register	Entry into the commercial register	2051056715	15/05/1435H (corresponding to 16/03/2014G)	06/06/1448H (corresponding to 14/11/2026G)	Ministry of Commerce
2	Final license to open a private health institution	The Company's compliance with the Ministry of Health requirements	3810501201210016	01/05/1435H (corresponding to 02/03/2014G)	01/05/1448H (corresponding to 10/10/2026G)	Ministry of Health
3	Certificate of General Organization for Social Insurance	The Company's compliance with the requirements of the General Organization for Social Insurance	97529519	23/12/1446H (corresponding to 19/06/2025G)	26/03/1447H (corresponding to 18/09/2025G)	General Organization for Social Insurance
4	Civil Defense Permit	The Company's compliance with Civil Defense requirements	8-00024160-46	07/07/1446H (corresponding to 15/01/2025G)	06/07/1447H (corresponding to 14/01/2026G)	General Directorate of Civil Defense
5	Wage Protection Commitment Certificate	The Company's compliance with the controls of the Wage Protection Program	34695-921605-94562	30/01/1447H (25/07/2025G)	01/03/1447H (24/08/2025G)	Ministry of Human Resources and Social Development
6	Commercial Activity License	The Company's compliance with the requirements of the Riyadh Municipality	41063421983	-	06/07/1447H (corresponding to 17/03/2026G)	Eastern Region Municipality
7	Saudization Certificate	The Company's compliance with the requirements of the Ministry of Human Resources and Social Development	644713-18683592	18/10/1446H (corresponding to 16/04/2025G)	01/05/1447H (corresponding to 23/10/2025G)	Ministry of Human Resources and Social Development
8	Zakat Certificate	The Company's compliance with the requirements of the Zakat, Tax and Customs Authority	1116224964	25/10/1426H (corresponding to 23/04/2025G)	13/11/1447H (corresponding to 30/04/2026G)	Zakat, Tax and Customs Authority
Company Branch (Abqaiq)						
1	Commercial Register	Entry into the commercial register	2059004078	08/06/1436H (corresponding to to 07/03/2017G)	11/07/1448H (corresponding to 20/12/2026G)	Ministry of Commerce
2	Certificate of General Organization for Social Insurance	The Company's compliance with the requirements of the General Organization for Social Insurance	97529238	23/12/1446H (corresponding to 19/06/2025G)	26/03/1447H (corresponding to 18/09/2025G)	General Organization for Social Insurance
3	Civil Defense Permit	The Company's compliance with Civil Defense requirements	1-000357968-40	14/11/1426H (corresponding to 17 / 07/2019G)	14/11/1411H (corresponding to 05/07/2020G)	General Directorate of Civil Defense
4	Initial Approval License	The Company's compliance with the Ministry of Health requirements	3800021791	05/08/1442H (corresponding to 18/03/2021G)	08/09/1445H (corresponding to 18/03/2024G)	Ministry of Health

SN	Type	Purpose	No.	Issuance Date	Expiry Date	Issuer
5	Commercial Activity License	The Company's compliance with the requirements of the Riyadh Municipality	502794	13/09/1439H (corresponding to 29/05/2018G)	12/09/1440H (corresponding to 17/05/2019G)	Eastern Region Municipality
6	Saudization Certificate	The Company's compliance with the requirements of the Ministry of Human Resources and Social Development	200043-12833893	18/10/1446H (corresponding to 16/04/2025G)	01/05/1447H (corresponding to 23/10/2025G)	Ministry of Human Resources and Social Development
7	Wage Protection Commitment Certificate	The Company's compliance with the controls of the Wage Protection Program	34695-921605-94562	30/01/1447H (25/07/2025G)	01/03/1447H (24/08/2025G)	Ministry of Human Resources and Social Development
8	Zakat Certificate	The Company's compliance with the requirements of the Zakat, Tax and Customs Authority	1116224964	25/10/1426H (corresponding to 23/04/2025G)	13/11/1447H (corresponding to 30/04/2026G)	Zakat, Tax and Customs Authority
Company Branch (Dammam)						
1	Commercial Register	Entry into the commercial register	2050116858	03/11/1439H (corresponding to 16/07/2018G)	14/11/1447H (corresponding to 01/05/2026G)	Ministry of Commerce
2	Zakat Certificate	The Company's compliance with the requirements of the Zakat, Tax, and Customs Authority	1116224964	25/10/1426H (corresponding to 23/04/2025G)	13/11/1447H (corresponding to 30/04/2026G)	Zakat, Tax and Customs Authority
Company Branch (Jubail)						
1	Commercial Register	Entry into the commercial register	2055026411	22/04/1439H (corresponding to 09/01/2018G)	09/07/1450H (corresponding to 16/01/2029G)	Ministry of Commerce
2	Certificate of General Organization for Social Insurance	The Company's compliance with the requirements of the General Organization for Social Insurance	97528983	23/12/1446H (corresponding to 19/06/2025G)	26/03/1447H (corresponding to 18/09/2025G)	General Organization for Social Insurance
3	Saudization Certificate	The Company's compliance with the requirements of the Ministry of Human Resources and Social Development	101082-13613609	18/10/1446H (corresponding to 16/04/2025G)	01/05/1447H (corresponding to 23/10/2025G)	Ministry of Human Resources and Social Development
4	Wage Protection Commitment Certificate	The Company's compliance with the controls of the Wage Protection Program	34695-921605-94562	30/01/1447H (25/07/2025G)	01/03/1447H (24/08/2025G)	Ministry of Human Resources and Social Development
5	Zakat Certificate	The Company's compliance with the requirements of the Zakat, Tax, and Customs Authority	1116224964	25/10/1426H (corresponding to 23/04/2025G)	13/11/1447H (corresponding to 30/04/2026G)	Zakat, Tax and Customs Authority
Company Branch (Riyadh)						
1	Commercial Register	Entry into the commercial register	1009042659	18/11/1445H (corresponding to 26/05/2024G)	18/11/1448H (corresponding to 25/04/2027G)	Ministry of Commerce

SN	Type	Purpose	No.	Issuance Date	Expiry Date	Issuer
2	Civil Defense Permit	The Company's compliance with Civil Defense requirements	46-001833421-1	24/09/1446H (corresponding to 24/03/2025G)	24/09/1447H (corresponding to 13/03/2026G)	General Directorate of Civil Defense
3	Final license to open a private health institution	Company's compliance with Ministry of Health requirements	1400069716	21/11/1446H (corresponding to 19/05/2025G)	17/01/1452H (corresponding to 19/05/2030G)	Ministry of Health
4	Commercial Activity License	Company's compliance with the requirements of the Riyadh Municipality	460417161414	-	25/09/1447H (corresponding to 14/03/2026G)	Riyadh Municipality

Source: Company

6.5 Key Agreements

The Company and its branches have concluded a number of key agreements and contracts with various parties. This section provides a summary of the agreements and contracts that the Board of Directors believes are material to the Company's business or may affect investors' decisions regarding the shares. The summary of agreements and contracts below does not include all terms and conditions and should not be considered a substitute for the terms and conditions in those agreements. The following table shows the key agreements concluded by the Company and its branches:

Table 6.4: Material Agreements Concluded by the Company as at the Date of This Document.

Labor Service Agreement (Business Sector)	
Parties	Mueen Recruitment Company and the Company
Description	An agreement between Mueen Recruitment Company and the Company to obtain specialized labor services for the Company.
Commencement	18/02/1446H (corresponding to 22/08/2024G)
Value	The updated agreement is based on the supply of 200 specialized workers of different nationalities, with a different monthly cost for each nationality and a different job title.
Expiration	The agreement is valid for two calendar years from the date of receipt of the worker/s.
Payment Mechanism	The agreement does not include a payment mechanism.
Waiver	The Agreement does not include waiver clauses.
Disputes	Disputes shall be settled amicably within thirty days of their occurrence. If an amicable settlement is not possible, the courts of Riyadh are competent to hear the claims.
Applicable Law	KSA laws

Source: Company

Labor Service Agreement (Medical Sector)	
Parties	Maharah Human Resources Company and the Company
Description	An agreement between Maharah Human Resources Company and the Company to obtain specialized labor services for the Company.
Commencement	20/05/1442H (corresponding to 04/01/2021G)
Value	The updated agreement is based on the supply of 100 specialized workers of different nationalities, with a different monthly cost for each nationality and a different job title.
Expiration	The agreement is valid for two calendar years from the date of receipt of the worker/s. Additionally, the agreement is still valid until this date.
Payment Mechanism	The agreement does not include a payment mechanism.
Waiver	The Agreement does not include waiver clauses.
Disputes	Disputes shall be settled amicably within thirty days of their occurrence. If an amicable settlement is not possible, the courts of Riyadh are competent to hear the claims.
Applicable Law	KSA laws

Source: Company

Labor Service Agreement for the Business Sector (Companies)	
Parties	Mehan Human Resources Company ("First Party") and Canadian Medical Center Co. ("Second Party").
Description	An agreement between Mehan Human Resources Company and Canadian Medical Center Co. to obtain specialized labor services.
Commencement	27/08/1444H (corresponding to 19/03/2023G)
Value	The value of the Agreement varies depending on the requested service and the customer's needs.
Expiration	19/09/1446H (corresponding to 19/03/2025G) or upon the expiry of the employment contracts of the workers supplied to the second party, this agreement shall remain in full force and effect as the date hereof.
Payment Mechanism	The Second Party shall pay the First Party's dues based on the monthly invoices approved by the First Party, no later than the 22nd day of the calendar month. It shall also pay the First Party's dues based on approved government invoices within a maximum of 5 days from the date they are sent to the Second Party. All payments shall be made through the First Party's bank account.
Waiver	The agreement does not include a waiver clause.
Disputes	In the event a dispute arises between the Parties over the interpretation or implementation of the clauses of this agreement or its annexes, it shall be settled amicably within thirty (30) days. If that is not possible, the dispute shall be referred to the competent court in Dammam to decide on the dispute. The Second Party shall bear the fees of the First Party's law firm if the First Party wins the case.
Applicable Law	KSA laws

Source: Company

Labor Service Agreement for Others (Business Sector)	
Parties	Saudi Manpower Solutions Co. (SMASCO) and the Company.
Description	An agreement between SMASCO and the Company to obtain specialized labor services for the Company.
Commencement	01/08/1442H (corresponding to 14/03/2021G)
Value	The agreement does not include the number of workers required, their nationalities, specific job titles, or their monthly costs. It rather refers to price quotations.
Expiration	This Agreement remains in effect for human resources supply orders approved by the supplier.
Payment Mechanism	The agreement does not include a payment mechanism.
Waiver	The Agreement does not include waiver clauses.
Disputes	The Parties shall resort to amicable solutions through the competent department of the supplier. If the Parties fail to reach a solution, it shall be referred to the executive management at the supplier. If the Parties do not reach a solution, it shall be referred to the competent court in Riyadh
Applicable Law	KSA laws

Source: Company

Ambulance Vehicle Supply Agreement	
Parties	The Company and Fakhamat Al-Tatweer Industry Company.
Description	An agreement to purchase ambulance vehicles
Commencement	24/07/1446H (corresponding to 03/02/2025G)
Value	(11,787,500) eleven million, seven hundred eighty-seven thousand, and five hundred Saudi Riyal
Expiration	The agreement does not address this clause.
Payment Mechanism	The agreement does not address this clause.
Waiver	The Agreement does not address this clause.
Disputes	The Agreement does not address this clause.
Applicable Law	The Agreement does not address this clause.

Source: Company

Medical Service Agreement	
Parties	The Company and Johns Hopkins Aramco Healthcare Company ("Client").
Description	An Agreement between the Company and the Client in which the Company provides its medical services to the Client.
Commencement	06/07/1441H (corresponding to 01/03/2020G).
Value	(4,209,930) Four million, two hundred nine thousand, nine hundred and thirty Saudi Riyals per month, exclusive of VAT. The value may differ if the requirements in the Agreement are increased or decreased.
Expiration	This Agreement shall continue for five (5) calendar years. The Client is entitled to extend it for two (2) calendar years by providing a written notice thirty days before the expiry date.
Payment Mechanism	The Client shall make payments by bank transfer within ten (10) days from the commencement date of the Agreement. Aside from the requirements under Schedule (C), the Company shall issue an invoice before the 10th day of each calendar month, and the Client shall pay it within thirty (30) days of receiving the invoice.
Waiver	The Company is not entitled to assign this Agreement, as a whole or in part, without prior written consent from the client, while the Client is entitled to waive their rights and obligations to their subsidiaries.
Disputes	When a dispute arises between the parties, it shall be resolved amicably between them. If an amicable settlement is not possible, the dispute shall be referred to an arbitration tribunal consisting of three arbitrators. Each Party shall appoint one arbitrator, and the arbitrators shall appoint the presiding arbitrator within 14 days of the appointment of the third arbitrator. If this is not possible, the third arbitrator shall be appointed by the International Chamber of Commerce, and the ICC Rules of Arbitration shall govern the dispute.
Applicable Law	KSA laws

Source: Company

Service Delivery Main Agreement	
Parties	The Company and Advanced Energy System Company (ADES) ("Client").
Description	An Agreement between the Company and the Client under which the Company provides its services to the Client.
Commencement	08/06/1444H (corresponding to 01/01/2023G).
Value	The value varies depending on the location of service provision. If the service is provided at an onshore drilling rig, the value is (20,000) twenty thousand Riyal per month, exclusive of VAT. However, if the work is at an offshore drilling rig, the value is (29,000) twenty-nine thousand Riyal per rig, exclusive of VAT.
Expiration	This Agreement shall continue until it is terminated by the Client by providing written notice (30) days prior to the termination date.
Payment Mechanism	The Client shall make payment within (60) days of receiving the invoice. The Annex to the Agreement stipulates that payment shall be made within (90) days of delivering the invoice to the Client.
Waiver	The Company is entitled to waive this Agreement only with prior written consent of the Client, while the Client is entitled to waive its rights and obligations to a third party.
Disputes	In the event of any dispute arising between the Parties to the Agreement, it shall be referred to an arbitration tribunal consisting of three arbitrators in London and in accordance with the Rules of the London Court of International Arbitration.
Applicable Law	KSA laws

Source: Company

Medical Service Agreement	
Parties	The Company and KCA Company ("Client").
Description	Provision of full medical services in drilling areas
Commencement	28/04/1446H (corresponding to 01/11/2024G).
Value	(27,500.0) Twenty-seven thousand and five hundred Saudi Riyal per month.
Expiration	One (1) year as of the commencement date of the Agreement, unless the Parties agree in writing to extend the same, or in the event one of the Parties breaches any of its essential obligations.
Payment Mechanism	The Client shall make payment within (45) days of receiving the invoice by bank transfer to the Company's account.
Waiver	The Company is not entitled to waive any of its obligations or duties without the prior written consent of the Client.
Disputes	In the event any dispute arises over the Agreement or its performance, an attempt shall be made to resolve it through an official notice and negotiations between representatives. If an agreement is not reached within (49) days, either Party will be entitled to go to final and binding arbitration in accordance with the Rules of the London Court of International Arbitration. Arbitration shall be conducted in English and based in London, United Kingdom.
Applicable Law	English Law, excluding conflict of laws rules

Source: Company

Medical Service Agreement	
Parties	The Company and Webuild Company ("Client").
Description	An Agreement between the Company and the Client in which the Company provides its medical services to the Client.
Commencement	04/08/1445H (corresponding to 13/02/2024G).
Value	(11,255,376.00) eleven million, two hundred fifty-five thousand, three hundred and seventy-six Saudi Riyal, exclusive of VAT.
Expiration	The Agreement shall expire 12 calendar months after the commencement date. And the agreement was renewed based on the purchase orders from the client.
Payment Mechanism	The Company shall issue an invoice at the end of each month, provided that the Client's representative approves the invoice within (10) days, and the amount is paid within (30) days from the date of the Company's or the representative's approval of the invoice, by bank transfer.
Waiver	The Company is not entitled to waive any part of this Agreement without the prior written consent of the Client.
Disputes	The dispute shall be settled amicably. If an amicable settlement is not possible, the dispute shall be settled by arbitration in accordance with the Arbitration Rules of the International Chamber of Commerce through a single arbitrator appointed according to the Rules' mechanism. The language of arbitration shall be English and the seat of arbitration in Geneva, Switzerland.
Applicable Law	KSA laws

Source: Company

Subcontract Agreement	
Parties	The Company and Nesma & Partners Company ("Client").
Description	An Agreement between the Company and the Client in which the Company provides specialized labor for the Client.
Commencement	18/01/1445H (corresponding to 05/08/2023G).
Value	A table has been added showing the prices of each service. The value varies depending on the requested service and the Client's needs.
Expiration	The Agreement shall expire one calendar year after the commencement date. The Agreement was renewed to expire on 17/02/1448H (corresponding to 04/08/2026G).
Payment Mechanism	The Company shall issue an invoice at the end of each month.
Waiver	The Company is not entitled to waive any of its obligations or duties without the prior written consent of the Client.
Disputes	Where a dispute arises between the Parties, it shall be resolved amicably through a meeting of the executive management of the Parties to resolve the dispute. If an amicable settlement is not possible within 45 days, the dispute shall be referred to the competent court in the Eastern Province, Kingdom of Saudi Arabia.
Applicable Law	KSA laws

Source: Company

Service Purchase Agreement	
Parties	The Company and Arabian Drilling Company ("Client").
Description	An Agreement between the Company and the Client in which the Company provides its services to the Client.
Commencement	22/09/1445H (corresponding to 01/04/2024G).
Value	(38,650.00) Thirty-eight thousand, six hundred and fifty Saudi Riyal per month, exclusive of VAT.
Expiration	The Agreement is valid for one year from the date of signing. It shall expire on 02/10/1446H (corresponding to 31/03/2025G). The Agreement was renewed for a further term of (1) year.
Payment Mechanism	The Client shall make payment within (30) days of receiving the invoice.
Waiver	The Company is not entitled to waive any of its duties without the prior written consent of the Client.
Disputes	In the event of any dispute arising between the Parties to the Agreement, it shall be resolved amicably. If an amicable settlement is not possible, the dispute shall be referred to the competent court in Dammam, Kingdom of Saudi Arabia.
Applicable Law	KSA laws

Source: Company

Medical Service Agreement	
Parties	The Company and Neom Company ("Client").
Description	Preliminary discussions related to healthcare services in remote areas of the "Project".
Commencement	07/08/1446H (corresponding to 06/02/2025G).
Value	(30,752,761) Thirty million, seven hundred fifty-two thousand, seven hundred and sixty-one Saudi Riyal
Expiration	12 months as of the commencement date of the Agreement
Payment Mechanism	The Client shall make payment within (30) days of receiving the invoice by bank transfer to the Company's account.
Waiver	The Company is not entitled to waive any of its obligations or duties without the prior written consent of the Client.
Disputes	In the event of any dispute or conflict related to this Agreement, the Parties shall seek to resolve it amicably. If that is not possible, they shall go to the competent judicial authorities in the Kingdom of Saudi Arabia.
Applicable Law	KSA laws

Source: Company

Medical Service Agreement	
Parties	The Company and Ministry of National Guard – Health Affairs ("Client").
Description	Provision of medical staff recruitment services
Commencement	09/09/1446H (corresponding to 19/03/2025G)
Value	(22,821,750.00) Twenty-two million, eight hundred twenty-one thousand, seven hundred and fifty Saudi Riyal, inclusive of VAT
Expiration	(365) days from the date of signing the Agreement.
Payment Mechanism	The Client shall make payment within (30) days of receiving the invoice by bank transfer to the Company's account.
Waiver	The Company is not entitled to waive any of its obligations or duties without the prior written consent of the Client.
Disputes	In the event of any dispute or conflict related to this Agreement, the Parties shall seek to resolve it amicably. If that is not possible, they shall go to the competent judicial authorities in the Kingdom of Saudi Arabia.
Applicable Law	KSA laws

Source: Company

Annex to Medical Service Agreement	
Parties	The Company and Johns Hopkins Aramco Healthcare Company ("Client").
Description	A purchase order from the Client
Commencement	01/11/1444H (corresponding to 21/05/2023G).
Value	(5,167,050.00) five million, one hundred sixty-seven thousand, and fifty Saudi Riyal, exclusive of VAT.
Expiration	It shall expire by the expiration of the Main Agreement.
Payment Mechanism	The Client shall make payment within (30) days of receiving the invoice by bank transfer to the Company's account.
Waiver	The Company is not entitled to waive any of its obligations or duties without the prior written consent of the Client.
Disputes	The dispute shall be settled by an arbitration tribunal comprising three arbitrators. Each Party shall appoint one arbitrator, and the arbitrators shall appoint the presiding arbitrator within 14 days of the appointment of the third arbitrator. If this is not possible, the third arbitrator shall be appointed by the International Chamber of Commerce. The ICC Rules of Arbitration shall govern the dispute.
Applicable Law	KSA laws

Source: Company

6.6 Financing Agreements

As at the date of this Document, the Company has no financing agreements.

6.7 Material Agreements with Related Parties

The Company deals with shareholders and senior management in the context of its ordinary transactions. The Company has concluded an agreement to provide and obtain services. These transactions are carried out in accordance with the specific terms with related parties. The following is a statement of the most prominent material agreements with related parties that the Company concluded during the fiscal years ending on 31 December 2022G, 2023G, and 2024G, and Q1 2025G:

Table 6.5: Material Agreements with Related Parties Concluded by the Company as at the Date of This Document During the Fiscal Years Ending on 31 December 2022G, 2023G, 2024G, and the First Quarter of 2025G:

Related Party	Nature of Relationship	Nature of Transaction	Transaction Amount in 2022G (SAR)	Transaction Amount in 2023G (SAR)	Transaction Amount in 2024G (SAR)	Transaction Amount in Q1 2025G (SAR)
Khayrat Amariya Real Estate	Indirect interest with the Chairman of the Board, Khalid bin Mohammed bin Farhan Al-Dossary	Lease agreement	N/A	N/A	(3,088,800) Three million, eighty-eight thousand, and eight hundred Saudi Riyal	N/A
		Contract Agreement	N/A	N/A	(1,876,300) One million, eight hundred and seventy-six thousand, and three hundred Saudi Riyals	N/A
Mehan Human Resources Company	Indirect interest with Board Chairman, Khalid bin Mohammed bin Farhan Al-Dossary, and Board Member Khalifa bin Abdullatif Al-Mulhem	Agreement to obtain specialized labor services	N/A	(1,264,725) One million, two hundred and sixty-four thousand, seven hundred and twenty-five Saudi Riyals	(3,233,565) Three million, two hundred and thirty-three thousand, five hundred and sixty-five Saudi Riyal	N/A

Source: Company

6.8 Real Estate

A. Real Estate Owned by Company

As at the date of this Document, the Company does not own any real estate registered under its ownership.

B. Real Estate Owned by Company

The Company has twenty-one (21) lease agreements concluded with a number of lessors. The Board of Directors affirms that all lease agreements are in effect as at the date of this Document. The table below shows the details of the Company-leased properties:

Table 6.6: Company-Leased Properties as at the Date of This Document.

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Khayrat Amariya Real Estate
Location	Dammam
Type of Property Use	Commercial
Lease Term and Renewal Mechanism	The term of this agreement is 1,094 days, commencing on 24/11/1445H (corresponding to 01/06/2024G) and ending on 25/12/1448H (corresponding to 31/05/2027G). The lease term ends upon its expiration. If the Parties wish to renew, a new agreement will be written and agreed upon by them.
Annual Rent (SAR)	(1,029,600) one million, twenty-nine thousand, and six hundred Saudi Riyal
Termination	Rescission: – The aggrieved party is entitled to rescind the agreement if the other party breaches any of its obligations under this agreement. – In the event of the lessee's insolvency, if an individual, or bankruptcy, if a commercial entity, or liquidation for any reason This Agreement shall be discharged in the following events: – The agreement expires. – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred.
Waiver	The agreement does not include a waiver clause.
Disputes	In the event of a dispute between the Parties over the interpretation or implementation of this Agreement or any of its clauses, the Parties may resolve it amicably within (5) five days of the dispute or through a certified authority in the Kingdom of Saudi Arabia.
Applicable Law	KSA laws

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Ibrahim Abdullah Fahd Al-Lahaidan
Location	Riyadh
Type of Property Use	Family residence
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on 06/01/1447H (corresponding to 01/07/2025G) and ending on 15/01/1448H (corresponding to 30/06/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(46,000) Forty-six thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Ibrahim Abdullah Fahd Al-Lahaidan
Location	Riyadh
Type of Property Use	Family residence
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on 06/01/1447H (corresponding to 01/07/2025G) and ending on 15/01/1448H (corresponding to 30/06/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(41,000) Forty-one thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Ibrahim Abdullah Fahd Al-Lahaidan
Location	Riyadh
Type of Property Use	Family residence
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on 06/01/1447H (corresponding to 01/07/2025G) and ending on 15/01/1448H (corresponding to 30/06/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(46,000) Forty-six thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Abdullah Ahmed Mohammed Al-Nu’man
Location	Jeddah
Type of Property Use	Family residence
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on 07/12/1446H (corresponding to 03/06/2025G) and ending on 16/12/1447H (corresponding to 02/06/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(33,000) Thirty-three thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Fahd bin Farih bin Mohammed Al-Jahni
Location	Al Madinah Al Munawwarah
Type of Property Use	Individual housing
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on 06/01/1447H (corresponding to 01/07/2025G) and ending on 15/01/1448H (corresponding to 30/06/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(22,000) Twenty-two thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Hussein Abdullah Hussein Al-Qattan
Location	Qatif
Type of Property Use	Family residence
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on28/02/1446H (corresponding to 01/09/2024G) and ending on 08/03/1447H (corresponding to 31/08/2025G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(21,000) Twenty-one thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Mohammed Omar Ahmed Bashmil
Location	Riyadh
Type of Property Use	Residential - Commercial
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on 15/09/1446H (corresponding to 15/03/2024G) and ending on 25/09/1447H (corresponding to 14/03/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(27,000) Twenty-seven thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Muslih Abdul Rahman Mohammed Al-Qarni
Location	Khobar
Type of Property Use	Family residence
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on 11/11/1446H (corresponding to 09/05/2025G) and ending on 21/11/1447H (corresponding to 08/05/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(32,000) Thirty-two thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Adel Muqbil Abdul Aziz Al-Dhaker
Location	Khobar
Type of Property Use	Commercial-medical center
Lease Term and Renewal Mechanism	The Agreement is effective upon signing. Its term is fifteen (15) calendar years, commencing on 04/08/1434H (corresponding to 13/06/2013G) and ending on 19/01/1450H (corresponding to 12/06/2028G). The Agreement shall be automatically renewed on the same terms and conditions unless one Party notifies the other in writing of its unwillingness to renew, provided that the notification is given at least (30) thirty days before the expiry date of the Agreement by a letter delivered by hand or by registered mail with a return receipt to the permanent address of each Party.
Annual Rent (SAR)	The annual rental value of this Agreement is (380,000) three hundred and eighty thousand Saudi Riyal for the first five years, payable in advance every six months by a certified check. The rental value after the fifth year, as of the signing of the Agreement shall be (450,000) four hundred and fifty thousand Saudi Riyal , payable in advance every year. The rental value after the tenth year as of the signing of the Agreement shall be (540,000) five hundred and forty thousand Saudi Riyal, payable in advance every year.
Termination	The Agreement does not provide for termination events.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Khaled Hamad Halil Al-Otaibi
Location	Riyadh
Type of Property Use	Commercial
Lease Term and Renewal Mechanism	The term of this agreement is 1095 days, commencing on 20/07/1445H (corresponding to 01/02/2024G) and ending on 23/08/1448H (corresponding to 31/01/2027G). The lease term ends upon its expiration. If the Parties wish to renew, a new agreement will be written and agreed upon by them.
Annual Rent (SAR)	(500,000) only five hundred thousand Saudi Riyal
Termination	Rescission: – The aggrieved party is entitled to rescind the agreement if the other party breaches any of its obligations under this Agreement. – In the event of the lessee's insolvency, if an individual, or bankruptcy, if a commercial entity, or liquidation for any reason This Agreement shall be discharged in the following events: – The agreement expires. – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Mohammed Mazid Thamer Al-Otaibi
Location	Riyadh
Type of Property Use	Family residence
Lease Term and Renewal Mechanism	The term of this Agreement is (353) three hundred and sixty-four days, commencing on 22/01/1446H (corresponding to 28/07/2024G) and ending on 21/01/1447H (corresponding to 16/07/2025G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(26,000) Twenty-six thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Abdulrahman Mohammed Suleiman Al-Sultan
Location	Buraidah
Type of Property Use	Family residence
Lease Term and Renewal Mechanism	The term of this Agreement is (182) three hundred and sixty-four days, commencing on 26/12/1446H (corresponding to 22/06/2025G) and ending on 01/07/1447H (corresponding to 21/12/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(20,000) Twenty thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property – This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Ibrahim bin Saleh bin Shihab Al-Dossary
Location	Abqaiq
Type of Property Use	Commercial-medical center
Lease Term and Renewal Mechanism	The Agreement is valid from 21/03/1446H (corresponding to 24/09/2024G) until 04/05/1450H (corresponding to 23/09/2028G). The lease term ends upon the expiration of the Agreement. If the Parties wish to renew, a new agreement will be drawn up and agreed upon by the Parties.
Annual Rent (SAR)	(150,000) Only one hundred and fifty thousand Saudi Riyal
Termination	1. It is established that the property is at risk of collapse by a report from the Civil Defense or a party authorized by the competent government authority. 2. Government resolutions require amendments to building regulations, which results in the inability to use the leased units 3. The State acquires the property or part of it, making it impossible to use the leased units. 4. In the event of a force majeure

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Abdullah Abdulrahman bin Sulaiman Al-Dhalan
Location	Duba
Type of Property Use	Individual housing
Lease Term and Renewal Mechanism	The term of this Agreement is (364) three hundred and sixty-four days, commencing on 24/11/1446H (corresponding to 22/05/2025G) and ending on 04/12/1447H (corresponding to 21/05/2026G). The lease term ends upon its expiration. If the Parties wish to renew, it will be done via the network.
Annual Rent (SAR)	(260,000) Twenty-six hundred thousand Saudi Riyal
Termination	Rescission: – If the lessee is late in paying the due rental by (30) thirty or (60) sixty days after the granted payment time limit – The aggrieved party is entitled to rescind the Agreement based on a judgment made by the competent judicial authority, if the lessor or the lessee breaches any of their obligations under this Agreement within (30) thirty days from the date of their breach of the obligation. This Agreement shall be discharged in the following events: – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred. – The lessee makes changes that endanger the safety of the property This Agreement shall be discharged in the following events: – The agreement expires, as per the expiry date in the Agreement. – The Parties agree to terminate the agreement through the network. – A judicial judgment is made by the competent authority.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Ibrahim bin Mohammed bin Jaafar
Location	Dammam
Type of Property Use	Commercial-medical center
Lease Term and Renewal Mechanism	It is agreed that the term of the Agreement shall be (20) twenty years, commencing on 01/01/1429H (corresponding to 10/01/2008G).
Annual Rent (SAR)	(350,000) Three hundred and fifty thousand Saudi Riyal for each of the first ten years, starting from 01/01/1429H until 29/12/1438H, and (380,000) three hundred and eighty thousand Saudi Riyal for each of the following ten years, from 01/01/1439H until 30/12/1448H The Company shall pay the annual rent at the beginning of every six months.
Termination	The Agreement does not provide for termination events.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Sulaiman bin Mohammed bin Sulaiman Al-Farhan
Location	Jubail
Type of Property Use	Commercial
Lease Term and Renewal Mechanism	The term of this agreement is 364 days, commencing on03/11/1446H (corresponding to 01/05/2025G) and ending on 13/11/1447H (corresponding to 30/04/2026G). The lease term ends upon its expiration. If the Parties wish to renew, a new agreement will be drawn up and agreed upon by them.
Annual Rent (SAR)	(97,750) Ninety-seven thousand seven hundred and fifty Saudi Riyal
Termination	Rescission: – The aggrieved party is entitled to rescind the agreement if the other party breaches any of its obligations under this Agreement. – In the event of the lessee's insolvency, if an individual, or bankruptcy, if a commercial entity, or liquidation for any reason This Agreement shall be discharged in the following events: – The agreement expires. – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Moutasem Saud Marshoud Al-Rumaiah
Location	Tabuk
Type of Property Use	Commercial
Lease Term and Renewal Mechanism	The term of this agreement is 364 days, commencing on 12/11/1446H (corresponding to 10/05/2025G) and ending on 22/11/1447H (corresponding to 09/05/2026G) The lease term ends upon its expiration. If the Parties wish to renew, a new agreement will be drawn up and agreed upon by them.
Annual Rent (SAR)	(109,500) one hundred nine thousand and five hundred Saudi Riyal
Termination	Rescission: – The aggrieved party is entitled to rescind the agreement if the other party breaches any of its obligations under this Agreement. – In the event of the lessee's insolvency, if an individual, or bankruptcy, if a commercial entity, or liquidation for any reason This Agreement shall be discharged in the following events: – The agreement expires. – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Khayrat Amariya Real Estate
Location	Dammam
Type of Property Use	Commercial
Lease Term and Renewal Mechanism	The term of this agreement is 1095 days, commencing on 19/12/1446H (corresponding to 15/06/2025G) and ending on 21/01/1450H (corresponding to 14/06/2028G). The lease term ends upon its expiration. If the Parties wish to renew, a new agreement will be drawn up and agreed upon by them.
Annual Rent (SAR)	(138,000) One hundred thirty-eight thousand Saudi Riyal
Termination	Rescission: – The aggrieved party is entitled to rescind the agreement if the other party breaches any of its obligations under this Agreement. – In the event of the lessee's insolvency, if an individual, or bankruptcy, if a commercial entity, or liquidation for any reason This Agreement shall be discharged in the following events: – The agreement expires. – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Marwan Youssef Hassan Al-Deeb
Location	Yanbu
Type of Property Use	Individual housing
Lease Term and Renewal Mechanism	The term of this agreement is 1824 days, commencing on 05/12/1442H (corresponding to 15/07/2021G) and ending on 28/01/1448H (corresponding to 13/07/2026G). The lease term ends upon its expiration. If the Parties wish to renew, a new agreement will be drawn up and agreed upon by them.
Annual Rent (SAR)	(40,000) Only forty thousand Saudi Riyal
Termination	Rescission: – The aggrieved party is entitled to rescind the agreement if the other party breaches any of its obligations under this Agreement. – In the event of the lessee's insolvency, if an individual, or bankruptcy, if a commercial entity, or liquidation for any reason This Agreement shall be discharged in the following events: – The agreement expires. – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred.

Source: Company

Lease Agreement	
Lessee	Canadian Medical Center Co.
Lessor	Mr. Waheeb Hamza Abdulmuti Issa
Location	Yanbu
Type of Property Use	Individual housing
Lease Term and Renewal Mechanism	The term of this agreement is 1824 days, commencing on 05/12/1442H (corresponding to 15/07/2021G) and ending on 28/01/1448H (corresponding to 13/07/2026G). The lease term ends upon its expiration. If the Parties wish to renew, a new agreement will be drawn up and agreed upon by them.
Annual Rent (SAR)	(40,000) only forty thousand Saudi Riyal
Termination	Rescission: – The aggrieved party is entitled to rescind the agreement if the other party breaches any of its obligations under this Agreement. – In the event of the lessee's insolvency, if an individual, or bankruptcy, if a commercial entity, or liquidation for any reason This Agreement shall be discharged in the following events: – The agreement expires. – It is proven that the property is at risk of collapse by a certified report from a competent government authority. – Government resolutions require amendments to building regulations, which results in the inability to use the leased units – The State acquires the property or part of it, making it impossible to use the leased units. – A force majeure event is proven to have occurred.

Source: Company

6.9 Intellectual Property (Intangible Assets)

The Company registered one (1) trademark as at the date of this Document. The Company's business, reputation, and the preservation of its work quality rely heavily on its trademarks and intellectual property rights. The Company's success and its ability to compete depend on its ability to protect its intellectual property, including its trademarks. (For more details, please refer to Section 2.1.17 "**Risks Related to the Protection of the Issuer's Trademarks and Property Rights**" of this Document).

Except for the foregoing, the Board of Directors confirms that the Company does not own any other trademarks, patents, or intellectual property rights inside or outside the Kingdom as at the date of this Document. The table below shows the main details of the trademark registered by the Company:

Table 6.7: Trademarks Registered in the Name of the Company as at the Date of This Document:

Registration No:	Owner's Name	Category	Protection Expiry Date	Country of Registration	Trademark
1442019878	Company	(44)	25/06/1452H (corresponding to 23/10/2030G)	Kingdom of Saudi Arabia	CMCER

Source: Company

6.10 Insurance

The Company maintains insurance policies that cover various types of risks associated with its business. The following table shows the main details of the insurance policies for the Company and its branches:

Table 6.8: Insurance Policies for the Company and its Branches as at the Date of This Document

Type	Company	Doc No.	Insurance Company	Term	Annual Subscription
All Risks Property Insurance (Material Damage)	Canadian Medical Center Co.	P.- 03- 2024- 2- 205- 065602	National Insurance Company	12 months, starting from 23/08/1445H (corresponding to 04/03/2024G) and ending on 03/09/1446H (corresponding to 03/03/2025G) And it was renewed to end on 15/09/1447H, (corresponding to 04/03/2026G.)	Premium price SAR 4,992.26.
Comprehensive General Liability Insurance Policy – Medgulf Insurance	Canadian Medical Center Co.	GCL-5807086-2023	Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (Medgulf)	12 months, starting from 08/03/1446H (corresponding to 11/09/2024G) and ending on 18/03/1447H (corresponding to 10/09/2025G)	The Policy does not stipulate the premium amount.
Board of Directors Insurance	Canadian Medical Center Co.	60CHB1 0036/ 24-01	Chubb Arabia Cooperative Insurance Company	12 months, starting from 22/03/1446H (corresponding to 25/09/2024G) and ending on 02/04/1447H (corresponding to 24/09/2025G)	Premium price SAR 55.200.
Medical Insurance for Main Registration	Canadian Medical Center Co.	41356479	Tawuniya	12 months, starting from 21/04/1446H (corresponding to 24/10/2024G) and ending on 01/05/1447H (corresponding to 23/10/2025G)	Premium price SAR 1,419,469.11
Insurance for the Company's Branch	Canadian Medical Center Co.	41356939	Tawuniya	12 months, starting from 21/04/1446H (corresponding to 24/10/2024G) and ending on 01/05/1447H (corresponding to 23/10/2025G)	Premium price SAR 455,181.10.
Insurance for the Company's Branch	Canadian Medical Center Co.	41356940	Tawuniya	12 months, starting from 21/04/1446H (corresponding to 24/10/2024G) and ending on 01/05/1447H (corresponding to 23/10/2025G)	Premium price SAR 1,683.50.
Insurance for the Company's Branch	Canadian Medical Center Co.	41356941	Tawuniya	12 months, starting from 21/04/1446H (corresponding to 24/10/2024G) and ending on 01/05/1447H (corresponding to 23/10/2025G)	Premium price SAR 6,733.98.

Source: Company

6.11 Workforce

As at the date of this Document, the Company and its branches have (562) employee, including (493) four hundred and ninety-three employees at the Company's headquarters, with a Saudization rate of (31%). Accordingly, the Company is classified in the (Medium Green) category, according to the Saudization Certificate issued by the Ministry of Human Resources and Social Development on 23/12/1446H (corresponding to 19/06/2025G). The Company's branch in Jubail has (2) two employees affiliated with the commercial registration of the branch at (31%) Saudization rate. Accordingly, the Company is classified as being in the (Medium Green) category, according to the Saudization Certificate issued by the Ministry of Human Resources and Social Development on 18/10/1446H (corresponding to 16/04/2025G). The Company's branch in Abqaiq has (9) nine employees affiliated with the commercial registration of the branch at (31%) Saudization rate. Accordingly, the Company is classified as being in the (Medium Green) category, according to the Saudization Certificate issued by the Ministry of Human Resources and Social Development on 18/10/1446H (corresponding to 16/04/2025G). As at the date of this Document, the Company's branch in Khobar has (58) fifty-eight employees affiliated with the commercial registration of the branch at (31%) Saudization rate. Accordingly, the Company is classified as being in the (Medium Green) category, according to the Saudization Certificate issued by the Ministry of Human Resources and Social Development on 18/10/1446H (corresponding to 16/04/2025G).

Thus, the Company complies with the regulatory requirements and its designated category.

The Saudization program "Nitaqat" was approved by His Excellency Minister of Human Resources and Social Development (formerly the Minister of Labor) by Resolution No. (4040), dated 12/10/1432H (corresponding to 10/09/2011G), based on Cabinet Resolution No. (50), dated 21/05/1415H (corresponding to 27/10/1994G). The "Nitaqat" program was implemented on 12/10/1432H (corresponding to 10/09/2011G). The Ministry of Human Resources and Social Development began implementing the "Nitaqat" program to encourage institutions and provide incentives for them to hire Saudi citizens. Through the program, the performance of any company is evaluated based on specific categories (Nitaqat), which are the Platinum Category, the Green Category (divided into sub-categories: A, Low, Medium, and High), and the Yellow and Red Categories. Companies in the Platinum or Green Categories are considered to have met the Saudization requirements and are, thus, entitled to several privileges, which include obtaining and renewing work visas or otherwise changing the professions of foreign workers (except for the professions reserved exclusively for Saudi citizens). Establishments classified in the Yellow and Red Categories (based on their degree of non-compliance with the specified requirements) are considered to have violated the Saudization requirements and may be subject to certain punitive measures, including the limitation of their ability to renew foreign employees' work visas entirely or preventing foreign employees from obtaining or renewing work visas entirely.

6.12 Litigation and Judicial Claims

As at the date of this Document, the Company has pending cases or judicial claims.

6.13 Declarations of Legal Information

The Board of Members declare:

1. The Transfer is without prejudice to any of the agreements to which the Company is a party.
2. All legal material information related to the Company is disclosed in this Transfer Document.
3. Except for what has been disclosed, the Company is committed to the requirements of the Corporate Governance Regulations and the disclosure requirements in the Corporate Governance Regulations, the Companies Law, and the implementing regulatory controls and procedures of the Companies Law for listed joint stock companies.
4. The Company is not subject to any lawsuits or legal proceedings that may, severally or collectively, affect the Company's business or financial position.
5. The Company's Board Members are not subject to any lawsuits or legal proceedings that may, severally or collectively, affect the Company's business or financial position.
6. There has been no interruption in the Company's business that could have or has had a significant impact on its financial position during the last twelve (12) months.
7. Except as stated in Subsection 6.7 "**Material Agreements with Related Parties**" of Section 6 "**Legal Information and Declarations of Board Members**" in this Document, the Board Members or any of their relatives do not have any shares or interests of any kind in the Company.

شركة المركز الكندي الطبي
Canadian Medical Center Co.

رواد طب الطوارئ منذ 2008
Medical Emergency Leaders since 2008

Financial Information and Management Discussion and Analysis

07

7. Financial Information and Management Discussion and Analysis

7.1 Introduction

The Management Discussion and Analysis (MD&A) of the financial position and results of operations of Canadian General Medical Center Complex Company (the "Company") and its financial position for the years ended 31 December 2022G, 2023G and 2024G and for the three-month periods ended 31 March 2024G and 2025G have been prepared. This section and the accompanying notes have been prepared based on the audited financial statements for the years ended 31 December 2022G, 2023G and 2024G, and the unaudited financial statements for the three-month period ended 31 March 2025G (which include the financial information for the comparative three-month period ended 31 March 2024G), which were prepared by the Company's management and audited in accordance with the International Standards on Auditing adopted in the Kingdom of Saudi Arabia by Dr. Mohamed Al-Amri & Co. - BDO (Chartered Accountants). The Company has applied the International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Neither Dr. Mohamed Al-Amri & Co. - BDO (Chartered Accountants), nor any of their subsidiaries, nor any of their employees, nor any of their relatives, own any shares or stakes of any kind in the Company that might affect their independence as of the date of issuance of the independent auditor's report on the financial statements. As of the date of this Document, Dr. Mohamed Al-Amri & Co. - BDO (Chartered Accountants) have given their written consent to refer in the prospectus to their role as the auditor of the Company's accounts for the financial years ended 31 December 2022G, 2023G and 2024G and for the three-month period ended 31 March 2024G and 2025G and have not withdrawn such consent.

The above financial statements are an integral part of this Document and should be read in conjunction with these statements and their supplementary explanations. These financial statements can be found in Section 8 "**Auditor's Report**" hereof.

Unless otherwise stated, all amounts in this Section have been rounded to the nearest thousand Saudi Riyals; and figures and percentages have been rounded to the nearest decimal place. Therefore, the sum of these numbers may differ from what is shown in the tables. Consequently, all ratios, indicators, annual expenditures and Compound Annual Growth Rates (CAGRs) are based on rounded figures.

Financial information for the year ended 31 December 2023G and 2024G was extracted from the Company's audited financial statements for the year ended 31 December 2024G. The financial information for the year ended 31 December 2022G was extracted from the financial statements for the comparative year presented in the Company's audited financial statements for the year ended 31 December 2023G. Financial information for the three-month period ended 31 March 2024G and 2025G was extracted from the unaudited financial statements for the three-month period ended 31 March 2025G.

This Section may contain hypothetical statements relating to the Company's future prospects, based on management's plans and expectations regarding the Company's growth, results of operations and financial position, as well as the risks and uncertainties associated therewith. The Company's actual results may differ materially from those anticipated as a result of numerous factors, risks and future events, including those discussed in this Section of the Document or elsewhere, particularly Section 2 "**Risk Factors**" hereof.

7.2 Directors' Acknowledgment concerning the Financial Statements

The Directors acknowledge the following:

1. The financial information contained in this Section has been extracted without material modifications from the Company's financial statements for the financial year ended 31 December 2023G, which include the financial information for the year ended 31 December 2022G, and from the financial statements for the financial year ended 31 December 2024G, and from the unaudited financial statements for the three-month period ended 31 March 2025G, which include the financial information for the three-month period ended 31 March 2024G, prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) approved in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
2. The Company has sufficient working capital for a period of at least 12 months immediately following the date of publication of the Transfer Document.
3. There are no qualified opinion in the auditor's report on the financial statements for any of the three financial years immediately preceding the submission date of the Transfer Application.
4. There have been no structural changes in the Issuer during the Group's financial years ended on 31 December 2022G, 2023G and 2024G and for the periods ended on 31 March 2024G and 2025G during the three (3) financial years immediately preceding the Transfer Application and offering of shares mentioned in this Document in addition to the period covered in the report of the chartered accountants until the date of approval of this Document.
5. There is no intention to make any fundamental changes in the nature of the Company's activities.
6. The Company's operations have not been interrupted in a manner that could significantly affect or has actually affected its financial position during the past twelve months.
7. All material facts relating to the Company and its financial performance have been disclosed in this Document, and that there are no other facts the omission of which would make any statement contained therein misleading.
8. The Company did not provide any commissions, discounts, brokerage fees or any non-cash compensation during the three years immediately preceding the date of submitting the application for registration and offering of securities.
9. The Company's capital is not covered by an option right.
10. There are no other loans or debts, including overdrafts from bank accounts, obligations under acceptance and acceptance credit, or hire purchase obligations, or any debt instruments issued and outstanding, approved and not issued, and no term loans, distinguishing between loans and debts covered by a personal guarantee or not covered by a personal guarantee, or secured by a mortgage or not secured by a mortgage, or any loans, mortgages or charges attached to its properties as of the date of this Document and as of 31 March 2025G.
11. There are no significant fixed assets to be purchased or leased by the Company as of the date of this Document and as of 31 March 2025G, except for what was disclosed in the section related to contingent liabilities and expenses in the Company's statement of financial position.

7.3 About the Company

Canadian General Medical Center Complex Company ("the Company") was established as a branch of a sole proprietorship registered in Dammam, Kingdom of Saudi Arabia under Commercial Registration No. 2050058605 dated 13 Safar 1429H (corresponding to 20 February 2008G).

During 2020G, the Company increased its capital in several stages from 2 million Saudi riyals to 77 million Saudi riyals, in addition to the entry of new partners/shareholders. Subsequently, the Company's shareholders decided to convert the Company from a limited liability company to a Saudi joint stock company with the same commercial registration number. The Company obtained ministerial approval for the aforementioned conversion on 15 Jumada Al-Awwal 1442H, corresponding to 30 December 2020G.

During 2023G, the Company's Board of Directors decided, in its meeting held on 06 July 2023G, to approve the Company's transfer from the Parallel Market (Nomu) to the Main Market, subject to regulatory approvals. The Company has also appointed a financial advisor for the purpose of the said transfer.

The main activities of the Company are managing health centers and trading in hospital tools and equipment and ambulances under License No. 10045 dated 18 Jumada Al-Awwal 1436H (corresponding to 9 March 2015G). The Company's registered office address is located in Dammam, Saudi Arabia.

The financial statements include the assets, liabilities and financial results of the Company and its subsidiaries as follows:

Table 7.1: Company Branches

City	Commercial Registration Date (Gregorian)	Commercial Registration Date (Hijri)	Commercial Registration Number
Dammam	16 July 2018G	3 Dhu al-Qi'dah 1439H	2050116858
Jubail	09 January 2018G	22 Rabi' al-Thani 1439H	2055026411
Abqaiq	07 March 2017G	08 Jumada al-Thani 1438H	2059004078
Khobar	16 March 2014G	15 Jumada al-Awwal 1435H	2051056715
Riyadh	26 May 2024G	18 Dhu al-Qi'dah 1445H	1009042659

Source: Unaudited financial statements for the three-month period ended 31 March 2025G

7.4 Summary of Accounting Policies

- **Basis of Preparation of the Financial Statements**

Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis of Measurement

These financial statements have been prepared using the accrual basis of accounting under the historical cost convention, except for employee benefit obligations which are measured at present value using the projected unit credit method and investments at fair value through profit or loss which are measured at fair value.

Functional and Presentation Currency

These financial statements are presented in Saudi Riyals, which is also the Company's functional currency. Unless otherwise stated, all amounts are rounded to the nearest Saudi Riyal.

Financial Year

The Company's financial year begins on January 1 and ends on 31 December of each year.

Standards, Interpretations and Amendments to Existing Standards:

Standards and Amendments Issued and Effective as of January 1, 2024G:

There are several other new amendments to the standards, listed below, effective during the year, but they do not have a material impact on the Company's financial statements.

Amendments to the Standards	Description	Effective from or after
IFRS 16	Amendments - Lease Liability in a Sale and Leaseback	January 1, 2024G
IAS 1	Amendments - Classification of Liabilities as Current or Non-current	January 1, 2024G
IAS 1	Amendments - Non-current Liabilities with Covenants	January 1, 2024G
IAS 7	Amendments - Supplier Finance Arrangements	January 1, 2024G

New Standards, Amendments and Revised IFRSs Issued but Not Yet Effective:

The Company has not early adopted new and revised International Financial Reporting Standards and amendments that have been issued but are not yet effective. These standards will be applied by the Company when they become effective.

Amendments to the Standards	Description	Effective from or after
IAS 21	Amendment - Lack of Exchangeability	January 1, 2025G
IFRS 9	Amendments - Classification and Measurement of Financial Instruments	January 1, 2026G
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027G
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027G

- **Significant Accounting Policies**

  The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Classification of Assets and Liabilities as Current and Non-current

An asset is classified as current when:

- The asset is expected to be realized, or is intended to be sold or consumed, within its normal operating cycle;
- The asset is primarily held for trading purposes;
- The asset is anticipated to be realized within twelve months after the reporting period; or
- The asset is cash or a cash equivalent, unless usage of the asset is restricted for at least twelve months after the reporting period.

All other assets are classified as non-current ones.

Liabilities are classified as current if:

- The liability is anticipated to be settled within its normal operating cycle;
- The liability is primarily held for trading purposes;
- The liability is due for settlement within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for a minimum of twelve months after the reporting period.

The Company classifies all other liabilities as non-current ones.

Fair Value Measurement

The Company measures financial instruments such as derivatives at fair value at each reporting date.

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 assumption 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 Company should have the ability to access the main market or the most beneficial market. The fair value of assets and liabilities is measured using the assumptions that market participants would use when pricing the assets and liabilities, assuming that they act in their best economic interest.

When measuring the fair value of non-financial assets, consideration is given to the ability of financial market participants to generate economic benefits from the assets, either through their optimal and maximum use or through selling them to other market participants who would use them in their highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, as described below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in an active market for identical assets or liabilities.

Level 2: Measurement methods for which the lowest level input that is significant to the fair value measurement is, directly or indirectly, observable.

Level 3: Measurement methods for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and/or accumulated impairment losses, if any. Capital work in progress is not depreciated. Cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of property and equipment are replaced at specific intervals, the Company recognizes these parts as individual assets with specific useful lives and depreciation. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated using the straight-line method over the estimated productive life of the assets as follows:

Asset	Years
Machinery and Equipment	4-8 years
Vehicles	4 years
Furniture, Fixtures and Office Equipment	4-8 years
Improvements to Leased Premises	10 years or the lease term, whichever is shorter

Items of property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from their use or sale. Any gain or loss arising from the disposal of the asset is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss when the asset is derecognized. The residual value, useful lives and methods of depreciation of property and equipment are reviewed at the end of each financial year, and adjustments are made on a prospective basis, if necessary.

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 recognized as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs are the interest and other costs incurred by an entity in connection with borrowing funds.

Rents

The Company assesses whether a contract is, or contains, a lease at contract inception. The Company recognizes a right-of-use asset and a corresponding lease liability in respect of all lease agreements in which it is a lessee, except for short-term leases (defined as leases with a term of 12 months or less) and low-value leases. For these leases, the Company recognizes lease payments as an operating expense on a straight-line basis or another systematic basis if that basis is more representative of the lessee's benefit pattern. At the lease commencement date, the lease liability is measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability include:

- Fixed lease payments (including fixed payments), less any lease incentives,
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- The amount the lessee is expected to pay under residual value guarantees,
- The exercise price of the call options, if the lessee is reasonably certain to exercise the options, and
- Pay penalties for terminating the lease, if the lease reflects the exercise of the option to terminate the lease.

The lease liability is presented separately in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and decreasing the carrying amount to reflect the lease payments.

If there is a change in the Company's estimate of the amount expected to be paid under a residual value guarantee, if the Company changes its obligations assessing whether to exercise a purchase, extension or termination option, or if there is a revised fixed lease payment, the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate. 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 is reduced to zero.

Right-of-use Assets

The Company recognizes right-of-use assets at the lease commencement date (i.e., the date the underlying asset becomes available for use). Right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful lives. If a lease transfers ownership of a specific asset or the cost of a right-of-use asset that reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the asset's useful life. Depreciation begins on the lease commencement date.

Right-of-use assets are presented as a separate item in the statement of financial position.

The Company applies IAS (36) "Impairment of Assets" to determine whether there is any impairment in the value of right-of-use assets.

Inventory

The inventory includes ambulances, medicines and other consumables used in medical services. Inventory is stated at the lower of cost or net realizable value. Inventory is valued on the weighted average cost basis. A provision is made when necessary for obsolete or slow-moving inventory. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Any reduction in the net realizable value is recognized as an expense in the period in which the reduction occurs.

Foreign Currencies

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the spot exchange rate of its functional currency on the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rate of the functional currency at the reporting date.

Differences arising from the settlement or translation of monetary items are recognized in the statement of profit or loss, except for monetary items that are identified as part of the hedge of the Company's net investment in a foreign operation. They are recognized in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date the fair value was determined. The gain or loss arising from the translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss arising from the change in the fair value of the item (i.e., translation differences on items for which fair value gains or losses were recognized in other comprehensive income, are recognized in other comprehensive income and items for which fair value gains or losses are recognized in profit or loss, are recognized in profit or loss).

Impairment of Non-financial Assets

At the reporting date, the Company assesses whether there is any indication that the asset's value may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount of an asset is the higher of the fair value of the asset or cash-generating unit less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset generates cash flows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the carrying amount of the asset is reduced to its recoverable amount. When assessing the benefit value, the estimated future cash flows are discounted to their present value using a pre-Zakat discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions are identified, an appropriate valuation model is used.

The Company relies on detailed budgets and estimates to calculate impairment losses, which are prepared separately for each cash-generating unit within the Company to allocate individual assets accordingly. These budgets and detailed estimates usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after year five. Impairment losses from continuing operations are recognized in profit or loss as an expense appropriate to the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years. Such reversal is recognized in profit or loss.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified at initial recognition as being subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. In the case of assets not at fair value through profit or loss, all financial assets are recognized upon initial recognition at fair value plus transaction costs attributable to the acquisition of the financial asset.

Subsequent Measurement

Subsequent measurement of financial assets depends on their classification as follows:

- **Financial assets at amortized cost**

After initial measurement, such financial assets are measured at amortized cost using the effective interest rate method and are subject to impairment. Gains or losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

- **Debt instruments at fair value through other comprehensive income**

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or adjustments are recognized in the statement of profit or loss and accounted for in the same way as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative change in fair value recognized in other comprehensive income is reclassified to profit or loss.

The Company does not have any debt instruments at fair value through other comprehensive income.

- Financial assets at fair value through profit or loss

  Financial assets at fair value through profit or loss are carried in the statement of financial position at their fair value, with net changes in fair value recorded in the statement of profit or loss.

- Derecognition of financial assets

  A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized in the first instance (i.e., it is removed from the entity's statement of financial position):

  - When the rights to receive cash flows from the asset expire; or
  - If the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company transfers its rights to receive cash flows from an asset or enters into a pass-through arrangement, it evaluates whether and to what extent it has retained the risks and rewards of ownership. When the Company neither transfers nor retains substantially all the risks and rewards of the asset, nor transfers control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the Company also recognizes related liabilities. The transferred assets and associated liabilities are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

The Company recognizes a provision for expected credit losses for all debt instruments not carried at fair value through profit or loss. The provision for expected credit losses is recognized in two stages. For a credit exposure that has not experienced a significant increase in credit risk since initial recognition, expected credit losses are recognized for the credit risk resulting from a possible default within 12 months (12-month expected credit losses). For a credit exposure that has experienced a significant increase in credit risk since initial recognition, a provision must be recognized for expected credit losses over the remaining life of the exposure, regardless of the timing of the default (lifetime expected credit losses).

For trade receivables and cash at banks, the Company applies a simplified approach to calculating expected credit losses. Therefore, the Company used a provision matrix based on its historical experience with credit losses, adjusted for future factors specific to the debtors and the economic environment.

Financial Liabilities

Initial Recognition and Measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, as loans and trade payables, or as financial derivatives used as effective hedging instruments to cover risks.

All financial liabilities are initially recognized at fair value and, in the case of loans, borrowings and trade payables, net of directly attributable transaction costs.

Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Gains or losses arising from these liabilities are recognized in profit or loss.

  The Company does not have financial liabilities at fair value through profit or loss.

- **Loans and assumptions**

  After initial recognition, loans and borrowings are measured at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss when the liabilities are derecognized, as well as through the effective interest rate amortization process.

- **Removal of financial obligations**

  Financial obligations are removed when the obligation is paid, cancelled, or the obligation under the contract expires.

Clearing of Financial Instruments

If there is a legally guaranteed right to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously, financial assets and liabilities are offset, with the net amount appearing in the statement of financial position.

Cash and the Like

Cash and cash equivalents in the statement of financial position consist of cash at banks, cash on hand, and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. In cases where the Company expects to recover some or all of the provisions, for example under an insurance contract, then the recoveries are recognized as a separate asset when the recovery is virtually certain. Expenses relating to a provision are presented in the statement of profit or loss only after deducting any recoveries.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where 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.

Employee Benefit Obligations

Short-term Employee Benefits

The cost of short-term employee benefits (accrued within 12 months after the end of service, such as paid leave, tickets, bonuses, and non-cash benefits such as medical care) is recognized in relation to employee services up to the end of the reporting financial period and is measured at the undiscounted amounts expected to be paid when the obligations are settled.

The Company's net obligation in respect of employee termination benefits is calculated by estimating the amount of future benefits earned by employees in the current and prior periods and deducting such amount. Employee end-of-service liabilities are calculated annually by a qualified actuary using the projected unit credit method. Remeasurements of employee benefit obligations, which include actuarial gains and losses, are recognized directly in other comprehensive income. The net interest is calculated by applying the discount rate to the employee's end-of-service liabilities or assets. Net interest expense and other expenses related to employee termination are recognized in the statement of profit or loss and other comprehensive income.

Actuarial Reserves

Actuarial reserves represent the cumulative gains or (losses) from remeasurement arising from experience adjustments and changes in the actuarial assumptions used to estimate the employees' end-of-service benefit obligation at the end of each financial position date.

Revenues

Revenues represent the fair value of the consideration received or due for the sold goods, less the returned items or services provided. The Company has evaluated the revenues contracts according to specific criteria, making sure that it is a main party to such contracts. Revenues are mainly derived from the sale of ambulance trucks and provision of medical services to the customers.

The Company fulfills the obligations of performance and recognizes the revenues over a period of time, in case of fulfilling one of the following criteria:

a. The customer obtains and makes use of the benefits at the same time such benefits are provided by the Company.
b. If the Company's performance creates or enhances an asset controlled by the customer at the same time such asset is created or enhanced.
c. If the corporate performance does not create an asset that has an alternative use for the Company, and the Company has an enforceable right to receive a payment for the completed performance to date.

As to the performance obligations, in case one of the above-mentioned conditions is not met, the revenues are to be recognized at a certain point of time where performance obligation is fulfilled.

Medical Services

The Company has contracts with customers to provide various medical services, including supply of medicines, drugs, workforce (doctors, nurses, and medical crew), medical equipment and consumables, etc. The price of each service is mentioned separately in the contract. The Company issues invoices to the customer monthly, based on the services provided, upon the customer's approval. The sales of medicines, drugs, medical equipment, and consumables usually include one performance obligation, which is to be met upon the goods ownership is transferred to customers. Such transfer is usually done upon delivery/dispense of medicines, drugs, medical equipment and consumables. Revenues of some medical services, including workforce services, are calculated over a period of time.

Sale of Ambulance Trucks

The Company realizes the revenues when the truck's ownership is transferred to the customer, which is usually done upon delivery.

Patients' Services

These revenues form a part of no significance of the Company's revenues. The revenues of patients' services are realized upon providing the patient with the services, less any expected discounts or deductions at time of service delivery. The revenues of outpatient clinics are realized at the time of delivering such clinics' services. The Company does not realize revenues from the inpatients.

There is no material variable consideration in the revenues' contracts. Moreover, no financing element is considered existent, as sales are made under credit conditions for less than 12 months.

Expenses

All operating expenses are distributed on a fixed basis over the cost of revenues and general, administrative, sale, and marketing expenses by using fixed distribution factors, determined in line with the Company's activities.

Dividends

Dividends are recognized as liabilities in the period they are agreed on by the Company's Shareholders. Interim dividends are approved by the Board of Directors, according to the powers granted by the General Assembly.

Earnings per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the Company's profit or loss for the year by the weighted average of the number of outstanding ordinary shares maintained during the period. The diluted earnings for share are calculated by adjusting the Company's profit or loss for the year and the weighted average of the outstanding ordinary shares for the effects of all expected diluted ordinary shares.

Zakat and Taxation

Zakat

The Company is subject to Zakat in accordance with the regulations of ZATCA in the Kingdom of Saudi Arabia. Any differences between the provisions and final assessment upon approving the final assessment after closing the provision.

Withholding Tax

The Company deducts tax on some transactions with parties not residing in the Kingdom of Saudi Arabia, subject to the Saudi Income Tax Law.

- **Significant accounting judgments, estimates and assumptions**

  The preparation of the consolidated financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and associated disclosure of possible liabilities at the financial statements' preparation date. Uncertainty on such assumptions and estimates may lead to making material adjustments to the book value of affected assets or liabilities in future years. Main assumptions related to future and other main sources for uncertainty on estimates at the financial statements' preparation date, involving significant risks due to the material adjustments on the book value of assets and liabilities during the subsequent fiscal periods, are indicated below. For the purpose of such assumptions and estimates, the Company relied on the factors available at the financial statements' preparation date. However, the current circumstances and assumptions around future developments may change due to the market changes or the circumstances arising beyond the Company's control. Such changes in assumptions are reflected when they occur.

A. Provision for expected credit loss on trade receivables

By applying the IFRS 9, the Company uses the matrix of previsions for calculating the expected credit loss on trade receivables. The matrix of provisions depends initially on the Company's historical payment failure rates. The Company will check the matrix to adjust the historical credit loss experience with the forward-looking information. At each reporting date, the observed historical payment failure rates are updated and the changes in forward-looking estimates are analyzed.

The analysis of the link between the observed historical payment failure rates and the expected economic circumstances and expected credit losses is very important. The amount of expected credit losses is sensitive to the changes in the circumstances and expected economic circumstances. The Company's historical credit loss experience and its expectations for the economic circumstances may not represent the actual failure by the customer in the future.

B. Zakat Assessments

Provision for Zakat is set by the Company, in accordance with the requirements of ZATCA. Such provision is subject to change based on the final assessments received by ZATCA. The Company establishes the obligations of any expected Zakat based on the Management's best estimates on whether additional Zakat amounts will be required to be paid or not. The final result of any additional amount estimated by ZATCA depends on the final result of the appeal that may be submitted by the Company. While the final result of Zakat for such matters differs from the amounts initially recorded, such differences may affect the profit or loss statement in which such final determination is made.

C. Provision for obligations of employee benefits

The cost of benefits related to the employee's end of service is determined by using actuarial valuations. The actuarial valuation requires setting different assumptions, which may differ from the actual developments in the future. These include the discount rate, future salary increases, and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each annual reporting date.

7.5 Results of Operations for the financial years ended 31 December 2022G, 2023G, and 2024G

7.5.1 Statement of profit and loss and other comprehensive income

Table 7.2: Statement of Profit and Loss and Other Comprehensive Income for the Financial Years Ended 31 December 2022G, 2023G, and 2024G

SAR'000s	Financial Year 2022G Audited	Financial Year 2023G Audited	Financial Year 2024G Audited	Variance 2022G - 2023G	Variance 2023G - 2024G	CAGR 2022G - 2024G
Revenue	81,229	100,342	110,803	23.5%	10.4%	16.8%
Cost of Revenue	(56,257)	(68,802)	(82,357)	22.3%	19.7%	21.0%
Gross Profit	**24,972**	**31,541**	**28,446**	**26.3%**	**(9.8%)**	**6.7%**
General and administrative expenses	(7,115)	(7,329)	(12,602)	3.0%	72.0%	33.1%
Selling and marketing expenses	-	(1,846)	(3,801)	NA	105.9%	NA
Expected credit loss on trade receivables	(600)	(6,470)	(378)	978.3%	(94.2%)	(20.7%)
Operating Profit	**17,257**	**15,896**	**11,665**	**(7.9%)**	**(26.6%)**	**(17.8%)**
Fair value changes of investments at FVTPL	227	-	74	(100.0%)	NA	(42.9%)
Finance Cost	(727)	(657)	(748)	(9.5%)	13.7%	1.4%
Other income, net	1,214	2,623	1,902	116.1%	(27.5%)	25.2%
Net Profit before Zakat	17,972	17,862	12,894	(0.6%)	(27.8%)	(15.3%)
Zakat	(2,318)	(2,152)	(2,625)	(7.2%)	22.0%	6.4%
Net Profit for the year	**15,654**	**15,710**	**10,269**	**0.4%**	**(34.6%)**	**(19.0%)**
Other Comprehensive Income:						
Items that will not be re-classified to profit or loss in the subsequent periods:						
(Loss)/ gain from re-measurement of employees' end of service benefits	6	658	(1,298)	11681.7%	(297.2%)	NA
Total comprehensive income	**15,660**	**16,369**	**8,971**	**4.5%**	**(45.2%)**	**(24.3%)**
(%) of revenues					**Percentage point**	
Gross Profit margin	30.7%	31.4%	25.7%	0.7	(5.8)	(5.1)
General and administrative expenses	8.8%	7.3%	11.4%	(1.5)	4.1	2.6
Selling and marketing expenses	NA	1.8%	3.4%	1.8	1.6	3.4
Operating Profit	21.2%	15.8%	10.5%	(5.4)	(5.3)	(10.7)
Finance Cost	0.9%	0.7%	0.7%	(0.2)	0.0	(0.2)
Other income, net	1.5%	2.6%	1.7%	1.1	(0.9)	0.2
Net Profit for the year	19.3%	15.7%	9.3%	(3.6)	(6.4)	(10.0)
Profit before interests, taxes, depreciation and amortization*	20.401	17,632	15,699	(13.6%)	(11.0%)	(12.3%)
Profit margin before interests, taxes, depreciation and amortization	25.1%	17.6%	14.2%	(7.5)	(3.4)	(10.9)

Source: Audited financial statements for the financial years ended 31 December 2023G and 2024G, and Management Information

* Profit before interests, taxes, depreciation and amortization = operating profit + depreciation and amortization

Revenue

The Company's activities in the Kingdom of Saudi Arabia include the provision of medical personnel and equipment to its customers and the management of healthcare centers.

The Company's revenues are generated by (1) corporate customers, i.e., the provision of medical services and equipment and the establishment of dedicated medical centers at contracting or excavation sites for customers classified as projects, and (2) individual customers, i.e., the Company's private clinics serving individuals and its customers' employees.

Revenues increased by SAR 19.1 million from SAR 81.2 million in the financial year 2022G to SAR 100.3 million in the financial year 2023G, mainly as a result of an increase in revenues from corporate customers of SAR 18.2 million, resulting from the addition of 31 new customers under other projects.

Revenues increased to SAR 110.8 million in the financial year 2024, primarily due to an increase in revenue from corporate customers of SAR 9.4 million, in line with the addition of 26 new customers under projects such as the Petroleum Projects-Technical's projects worth SAR 5.0 million, Webuild Company SPA's projects worth SAR 2.4 million, and others.

Cost of Revenues

The cost of revenue mainly consists of the cost of: (1) salaries, wages, and its equivalents, which constitute 77% of total cost of revenue, and (2) medical equipment purchases, which constitute 9% of total cost of revenue during the financial year ending 2024G, among other matters.

Cost of revenue increased from SAR 56.3 million in financial year 2022G to SAR 68.8 million in financial year 2023G, mainly due to an increase in salaries, wages, and their equivalents by SAR 7.2 million and medical equipment purchases by SAR 3.6 million. This was partially offset by a decrease in property and equipment depreciation by SAR 1.0 million during the period.

Cost of revenue increased to SAR 82.4 million in financial year 2024G, mainly due to an increase in the number of employees and their associated costs by SAR 12.8 million, in line with an increase in average monthly salaries by SAR 356 to maintain competitiveness in the market.

Gross Profit

Gross profit increased from SAR 25.0 million and an estimated margin of 30.7% in financial year 2022G to SAR 31.5 million and an estimated margin of 31.4% in financial year 2023G, in line with the Company's operational growth during the period, in addition to a decrease in the cost of revenue margin due to increased staff costs in line with the overall increase in headcount, along with stable contract pricing.

Gross profit then decreased to SAR 28.4 million and an estimated margin of 25.7% in financial year 2024G, as a result of a greater increase in cost of revenue than in revenue, mainly as a result of the increase in headcount and other related costs.

General and Administrative Expenses

General and administrative expenses mainly consist of employee salaries and benefits (55% of the total during the financial year ending 2024G), professional and consulting fees (12%), license costs (5%), and others.

General and administrative expenses increased from SAR 7.1 million in the financial year 2022G to SAR 7.3 million in the financial year 2023G, driven by an increase in the average monthly salary per employee (by SAR 949), as the CEO's salary was increased and an internal auditor was appointed. This was offset by departures and an increase in total expenses, in line with the increase in the Company's operations.

General and administrative expenses increased to SAR 12.6 million in the financial year 2024G, mainly due to (1) an increase in employee costs of SAR 2.2 million, in line with an increase in average monthly salaries of SAR 5.2 thousand due to the appointment of a Chief Operating Officer, a Human Resources Manager, a Tender Manager, an Information Technology Manager, and a Procurement Manager; (2) an increase in professional fees of SAR 987 thousand due to the appointment of a new legal counsel with higher fees and an increase in auditor fees; and (3) an additional provision for advance payments to suppliers related to balances more than one year old. These balances relate to general operating purchases, as well as one medical device, and management is expected to receive these purchases in the future.

Selling and Marketing Expenses

Selling and marketing expenses were recognized in the financial year 2023G and consisted mainly of employee salaries and benefits, conference costs, and other expenses.

In the financial year 2023G, the Company established the Selling and Marketing Department to secure agreements with new customers, particularly contracting companies in NEOM. In previous years, Management did not see the need to establish a marketing department. However, during the financial year 2023G, the Company established this Department as Management worked to expand its customer base, sign agreements with new construction companies, and make its clinics profitable.

It consists of nine employees in the financial year 2024G, focusing on expanding the Company's customer base and attracting new customers to reduce customer concentration.

Selling and marketing expenses increased from SAR 1.8 million in financial year 2023G to SAR 3.8 million in financial year 2024G, in line with an increase in staff costs of SAR 1.5 million resulting from a SAR 2.5 thousand increase in average monthly salaries after hiring a sales manager with a higher base salary. This was in addition to an increase in depreciation expense on right-of-use assets of SAR 775 thousand due to an increase in leased properties. This was partially offset by a SAR 545 thousand decrease in conference expenses due to exceptional marketing campaigns held during the financial year 2023G.

Expected Credit Loss on Trade Receivables

Expected credit losses on trade receivables increased from SAR 600 thousand in the financial year 2022 to SAR 6. 5 million in the financial year 2023, then decreased to 378 thousand Saudi riyals in the financial year 2024 as a result of the provision made in the financial year 2023 against Johns Hopkins Aramco Healthcare Company's invoice amounting to SR 7.2 million, which was more than a year old. These services relate to physicians and nurses provided during June 2021, when the Company was still working with the previous contractor. Johns Hopkins Aramco Healthcare Company claims that the relevant amount was settled with the previous contractor, but the Company has not received the balance due.

Operating profit

Operating profit decreased from SAR 17.3 million in financial year 2022G to SAR 15.9 million in financial year 2023G due to an increase in the provision for expected credit losses on trade receivables and selling and marketing expenses, partially offset by an increase in gross profit. Operating profit decreased to SAR 11.7 million in financial year 2024G, in line with an increase in general and administrative expenses and selling and marketing expenses due to the Company's operational expansion and expansion plan, along with a decrease in gross profit due to higher employee costs. Such a decrease was partially offset by a decrease in expected credit losses on trade receivables.

Change in fair value of investments at fair value through profit or loss

The Company invested in a local open-ended investment fund (totaling 5.6 million units at an acquisition cost of SAR 59.0 million). In the financial year 2022G, the Company sold all of its investments for SAR 59.6 million, generating a profit of SAR 227 thousands.

During financial year 2024G, the Company invested in a local discretionary investment portfolio management agreement for SAR 35 million, resulting in a profit of SAR 74 thousands during the same period.

Finance Costs

Finance costs mainly consist of financing costs related to lease obligations (68% of the total) and finance costs related to employees' benefit (32%) during the financial year ending 2024G.

Finance costs decreased from SAR 727 thousand in financial year 2022G to SAR 657 thousand in financial year 2023G due to a decrease in (1) finance costs related to lease obligations due to an exceptional adjustment in financial year 2022G, and (2) as a result of the settlement of the Murabaha loan entirely during the same period. Such decrease was offset by an increase in finance costs related to employees' benefit resulting from an increase in headcount and interest rates.

Finance costs increased to SAR 748 thousand in the financial year 2024G, due to an increase in interest on lease liabilities, in line with the increase in right-of-use assets. This was partially offset by a decrease in interest on end-of-service benefits liabilities, in line with the lower interest rate used in the valuation of end-of-service benefits, according to the actuarial study.

Other Income, Net

Other income relates, inter alia, to Islamic Murabaha profits and gains or losses on the disposal of property, plant, and equipment.

Other income increased from SAR 1.2 million in financial year 2022G to SAR 2.6 million in financial year 2023G, due to an increase in Islamic Murabaha profits of SAR 1.4 million, due to (1) investment in Murabaha deposits maturing within 2-3 months during the entire financial year 2023G period and (2) an increase in interest rates to an average of 5.5%.

Other income decreased to SAR 1.9 million in the financial year 2024G, due to a decrease in profit from Murabaha due to its maturity and non-renewal as of 2 December 2024G, in addition to a decrease in other items resulting from the reclassification of training certificate revenue to clinic revenue.

Zakat

The provision for zakat is made in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia on an accrual basis. Zakat is paid for the year at a rate of 2.5% of the approximate zakat base and the adjusted net income of Saudi partners.

Net Profit for the Year

Average net income reached SAR 15.7 million during the financial years 2022G and 2023G, with a decrease in net profit margin from 19.3% to 15.7% due to the recording of a provision for impairment of credit assets and an increase in selling and marketing expenses, which led to a margin decline.

Net income then decreased to SAR 10.3 million in financial year 2024G, with a margin of approximately 9.3%. This was due to an increase in general and administrative expenses and selling and marketing expenses due to the Company's operational expansion plans, in addition to a decrease in gross profit due to an increase in headcount and other related costs. Other income also declined in line with a decline in Murabaha profits.

7.5.1.1 Revenue

Table 7.3: Revenues for Financial Years Ending on 31 December 2022G, 2023G and 2024G

Thousand Saudi Riyals	FY 2022G Audited	FY 2023G Audited	FY 2024G Audited	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2023G-2024G
Corporate customers- Medical Clinic Projects contracts	78,943	97,126	106,538	23.0%	9.7%	16.2%
Individual Customers- Medical Clinic	2,286	3,216	4,265	40.7%	32.6%	36.6%
Total	**81,229**	**100,342**	**110,803**	**23.5%**	**10.4%**	**16.8%**
Cash Revenues	99	71	65	(28.7%)	(7.2%)	(18.7%)
Credit Revenues	81,130	100,272	110,738	23.6%	10.4%	16.8%
Total	**81,229**	**100,342**	**110,803**	**23.5%**	**10.4%**	**16.8%**

Source: Audited Financial Statements for the Years Ended 31 December 2023G and 2024G

The Company's revenues are generated from two main types of customers: (1) corporate customers, contributing approximately 96.2% of total revenues, and (2) individual customers, contributing approximately 3.8% of total revenues.

Revenues- Corporate Customers

Table 7.4: Revenues Generated by Corporate Customers for Financial Years Ended 31 December 2022G, 2023G and 2024G

Thousand Saudi Riyals	FY 2022G Management Information	FY 2023G Management Information	FY 2024G Management Information	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2023G - 2024G
Johns Hopkins Aramco Healthcare Company	47,890	51,445	51,993	7.4%	1.1%	4.2%
Advanced Energy System Company (ADES)	9,192	12,952	8,550	40.9%	(34.0%)	(3.6%)
Petroleum Projects-Technical Company	_	_	5,012	Not applicable	Not applicable	Not applicable
Shelf Company	3,924	4,467	3,484	13.9%	(22.0%)	(5.8%)
KCA_Detogh Gulf Drilling Company	2,914	2,978	3,259	2.2%	9.4%	5.8%
Other projects	15,023	25,282	34,240	68.3%	35.4%	51.0%
Total	**78,943**	**97,126**	**106,538**	**23.0%**	**9.7%**	**16.2%**
Key Performance Indicators						
No. of clinics	74	79	97	6.8%	22.8%	14.5%
No. of physicians	17	26	28	52.9%	7.7%	28.3%
No. of nurses	140	194	251	38.6%	29.4%	33.9%
No. of drivers	81	93	118	14.8%	26.9%	20.7%
No. of employees in the Engagement Office	77	121	95	57.1%	(21.5%)	11.1%

Source: Management information

The top five customers account for 67.9% of revenues generated by corporate customers in the financial year 2024G.

Johns Hopkins Aramco Healthcare Company (which contributes approximately 46.9% of total revenues and 48.8% of total corporate customers revenues as of the financial year 2024) is one of the key customers. Its contract expires in the financial year 2025 and is automatically renewable for two years. Contracts for the other 10 major projects expire in the financial year 2025.

The other projects include contracts with corporate customers in the drilling, oil, and contracting industries. Under these agreements, the Company provides medical services tailored to each customer's needs. These services include establishing clinics at drilling rigs and project sites, providing ambulances and medical equipment, and conducting medical examinations for on-site workers at the Company's multi-specialty clinics.

It is worth noting that these customers automatically renew their contracts with the Company, except in cases where they are acquired by another company having existing agreements with different service providers.

Corporate customer revenues increased from SAR 78.9 million in the financial year 2022 to SAR 97.1 million in the financial year 2023. This was attributed to (1) the addition of 31 new projects, mainly related to contracts signed with construction companies in NEOM; (2) increased revenue from ongoing projects resulting from the sale of one-time ambulances and increased medical screening services; and (3) higher revenue generated by Johns Hopkins Aramco Healthcare Company due to the addition of three clinics during the middle of the financial year 2022, in addition to an exceptional request from Johns Hopkins Aramco Healthcare Company worth SAR 1.7 million. This was offset by the expiration of nine contracts acquired by other companies.

Revenues generated by corporate companies increased from SAR 97.1 million in financial year 2023G G to SAR 106.5 million in financial year 2024G. Such increase was mainly due to the addition of 26 contracts totaling SAR 11.5 million. They are driven by existing projects in NEOM, where the company provides medical services including physicians and paramedics at onshore and offshore clinics.

Revenues- Clinics

Table 7.5: The Company's revenue by clinics according to the location for the financial years ended 31 December 2022G, 2023G, and 2024G

Thousand Saudi Riyals	FY 2022G Management information	FY 2023G Management information	FY 2024G Management information	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2022G - 2024G
Revenues						
Dammam clinics	1,173	1,771	1,823	51.0%	2.9%	24.7%
Khobar Clinics	1,114	1,445	1,392	29.7%	(3.7%)	11.8%
Training Certificates	_	-	669	Not applicable	Not applicable	Not applicable
Home Care	_	-	381	Not applicable	Not applicable	Not applicable
Total Revenue	**2,286**	**3,216**	**4,265**	**40.7%**	**32.6%**	**36.6%**
As a percent of total revenues by clinics					**Percentage point**	
Dammam clinics	51.3%	55.1%	42.7%	3.8	(12.3)	(8.6)
Khobar Clinics	48.7%	44.9%	32.6%	(3.8)	(12.3)	(16.1)
Key Performance Indicators						
Number of Dammam clinics	11	13	10	18.2%	(23.1%)	(4.7%)
Number of Al Khobar clinics	7	4	3	(42.9%)	(25.0%)	(34.5%)
Average revenues generated by Dammam clinics	106.6	136.3	182.3	22.7%	39.3%	30.8%
Average revenues generated by Al Khobar clinics	159.1	361.2	464.0	127.0%	28.4%	70.8%
Headcount in Dammam branch	39	44	46	12.8%	4.5%	8.6%
Headcount in Al Khobar branch	24	21	5	(12.5%)	(76.2%)	(54.4%)

Source: Management information

The clinics located in Dammam and Khobar, totaling 13 clinics as of financial year 2024G, are established for two key purposes: (1) supporting projects by providing medical examinations for employees, upon the request of certain customers, and (2) facilitating the issuance of licenses for physicians and nurses assigned to various projects.

The number of clinics in Khobar declined to 4 in financial year 2023G and 3 in financial year 2024G compared to 7 in financial year 2022G as a strategy to reduce costs allocated to the Khobar clinics, which were incurring losses. During financial year 2025G, Al Khobar clinics were closed for renovations to comply with the requirements of the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI). The branch continues to provide support and medical services to the project sector. It is expected to reopen the clinics during the second half of 2025G.

Currently, the Company does not aim to generate profit from the clinics, but rather considers them a support function. It is worth noting that the support provided by the clinics for projects through medical examinations is taken into account in project pricing. However, the associated costs are borne by the clinics themselves, resulting in negative profitability for these clinics. However, the Company is currently evaluating and studying strategies aimed at achieving future profitability for the clinics.

Revenues increased from SAR 2.3 million in the financial year 2022G to SAR 3.2 million in the financial year 2023G as a result of pressure on physicians to have new individual customers and increase clinic revenue.

Revenues increased from SAR 3.2 million in the financial year 2023G to SAR 4.3 million in the financial year 2024G. This is attributed to the reclassification of training certificates provided by Comprehensive Healthcare Company to third parties from "Other Revenues" to "Clinics" provision after the Company had obtained a license from the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI) during the financial year 2024G to provide training courses and issue certificates to participants. New home care services were also launched, offering home medical services, medical examinations, and temporary nurses to individual customers. The total number of nurses working in home care services is six.

The Company's main strategy for clinics in the future is to (1) hire well-known physicians and (2) allocate appropriate revenues to the clinics.

Revenues generated by the clinics and allocated to related projects such as Advanced Energy System Company (ADES), Shelf Company, and KCA_Deutag Gulf Drilling Company amounted to approximately SAR 9.3 million in financial year 2023 and SAR 4.9 million in financial year 2024. The decrease in financial year 2024 is attributed to a general decline in the number of medical examinations during the same period.

7.5.1.2 Cost of Revenues

Table 7.6: Cost of revenues for the financial years ended on 31 December 2022G, 2023G and 2024G

Thousand Saudi Riyals	FY 2022G Audited	FY 2023G Audited	FY 2024G Audited	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2022G - 2024G
Staff and other related costs	43,705	50,954	63,728	16.6%	25.1%	20.8%
Purchases of medical supplies and others	7,115	10,688	7,202	50.2%	(32.6%)	0.6%
Government fees	3,437	4,263	4,844	24.0%	13.6%	18.7%
Depreciation of property and equipment	1,681	664	1,774	(60.5%)	167.3%	2.7%
Rent	325	702	916	116.1%	30.6%	68.0%
Depreciation of right-of-use assets	949	582	829	(38.6%)	42.5%	(6.5%)
Travel	239	210	217	(12.0%)	3.3%	(4.7%)
Training	148	307	124	107.8%	(59.6%)	(8.4%)
Other	393	1,833	2,011	366.7%	9.7%	126.3%
Total	57,991	70,203	81,645	21.1%	16.3%	18.7%
Net change in inventory	(1,734)	(1,402)	711	(19.2%)	(150.7%)	Not applicable
Total	**56,257**	**68,802**	**82,357**	**22.3%**	**19.7%**	**21.0%**
% of revenues					**Percentage point**	
Staff and other related costs	53.8%	50.8%	57.5%	(3.0)	6.7	3.7
Purchases of medical supplies and others	8.8%	10.7%	6.5%	1.9	(4.2)	(2.3)
Government fees	4.2%	4.2%	4.4%	0.0	0.1	0.1
Depreciation of property and equipment	2.1%	0.7%	1.6%	(1.4)	0.9	(0.5)
Rental cost	0.4%	0.7%	0.8%	0.3	0.1	0.4
Depreciation of right-of-use assets	1.2%	0.6%	0.7%	(0.6)	0.2	(0.4)
Travel expenses	0.3%	0.2%	0.2%	(0.1)	(0.0)	(0.1)
Training costs	0.2%	0.3%	0.1%	0.1	(0.2)	(0.1)
Other	0.5%	1.8%	1.8%	1.3	(0.0)	1.3
Total	**69.3%**	**68.6%**	**74.3%**	**(0.7)**	**5.8**	**5.1**
Key Performance Indicators						
Number of employees at the year end	401	542	583	35.2%	7.6%	20.6%
Average number of employees	401	472	570	17.9%	20.8%	19.3%
Average number of outsourced employees	88	105	111	19.3%	5.7%	12.3%
Average total number of employees:	**489**	**577**	**681**	**18.1%**	**18.0%**	**18.1%**
Average monthly basic salary per employee (Saudi Riyals)	8,523	8,447	8,803	(9.0%)	4.2%	1.6%
Average monthly basic salary per outsourced employee (Saudi Riyals)	9,182	9,825	8,769	7.0%	(10.7%)	(2.3%)

Source: Audited Financial Statements for the Years Ended 31 December 2023G and 2024G and management information

Staff and Other Related Costs

The balance of staff and other related costs relates to the medical staff responsible for providing professional services to the company's customers, including physicians, nurses, and drivers.

The balance increased from SAR 43.7 million in financial year 2022G to SAR 51.0 million in financial year 2023G due to an overall increase in the average headcount by 89 employees. Despite the stability in the average monthly basic salary per employee during the same period, the increase in physicians' and nurses' salaries was offset by the hiring of drivers at lower salaries.

Staff and other related costs increased to SAR 63.7 million in financial year 2024G, in line with the increase in average monthly salaries from SAR 8,400 to SAR 8,800, in order to maintain competitiveness in the market.

The margin for staff and other related costs also increased from approximately 51% in financial year 2023G to approximately 58% in financial year 2024G, due to an increase in staff costs not charged to the Company's rates.

Medical Supplies and Other Purchases

Medical supplies and other purchases relate to the purchase of materials used by the Company in its core business operations, including medical instruments and supplies, medicines, and ambulances.

Medical supplies and other purchases increased from SAR 7.1 million in the financial year 2022G to SAR 10.7 million in the financial year 2023G, in line with the overall growth in business operations during the period, as well as an increase in ambulance purchases for exceptional sales orders.

Purchases of medical supplies and others decreased to SAR 7.2 million in the financial year 2024G, despite operational growth. The company shifted its strategy from selling ambulances to selling or renting them to customers, with drivers offered as an additional option at an additional cost. Under the rent option, the Company records the ambulances under the provision of assets and properties, and depreciates them instead of recording them as purchases.

Government fees

Government fees are mainly associated with employee residency permits and Ministry of Health licensing fees for the Company's operations in the Kingdom of Saudi Arabia.

Government fees increased from SAR 3.4 million in the financial year 2022G to SAR 4.3 million in the financial year 2023G and SAR 4.8 million in the financial year 2024G, in line with the increase in residency permit fees and the increase in headcount.

Depreciation of Property and Equipment

The property and equipment depreciation balance mainly relates to the depreciation of vehicles, machinery, and equipment used for operational purposes.

The balance decreased from SAR 1.7 million in financial year 2022G to SAR 664,000 in financial year 2023G due to the reclassification of previous depreciation in financial year 2022G.

Depreciation then increased to SAR 1.8 million in the financial year 2024G, in line with an increase in assets and property.

Rental Costs

Rental costs include the rent of homes in Yanbu for assigned employees, homes in Dammam, Riyadh, Khobar, Medina, and Jeddah, as well as leases of clinics and offices that extend for periods not exceeding one year, such as the Tabuk and Jubail offices.

Balance increased from SAR 325 thousand in financial year 2022G to SAR 702 thousand in financial year 2023G and SAR 916 thousand in financial year 2024G, in line with the increase in headcounts and accommodation needs.

Depreciation of Right-of-Use Assets

Depreciation of right-of-use assets relates to the premises rented in Dammam, Khobar, and Abqaiq for clinics and main offices.

The balance decreased from SAR 949,000 in financial year 2022G to SAR 582,000 in financial year 2023G due to an adjustment that reduced right-of-use assets by SAR 228,000 during the period.

The balance then increased from SAR 582,000 in financial year 2023G to SAR 829,000 in financial year 2024G, in line with the increase in right-of-use assets.

Travel

It relates to employee travel expenses for business trips, averaging SAR 222,000 over the historical period.

Training

It relates to the costs of training programs provided to the Company's medical staff by external parties.

The training costs increased from SAR 148,000 in the financial year 2022G to SAR 307,000 in the financial year 2023G, in line with the increase in the number of employees. Training costs then decreased to SAR 124,000 in financial year 2024G, following the Company's acquisition of a certification by the Saudi Central Board for Accreditation of Healthcare Institutions, which increased reliance on accredited internal training programs and reduced the need for external training.

Others

The balance of other costs includes transportation, stationery, services, and miscellaneous fees, among other charges.

The balance increased from SAR 393,000 in financial year 2022G to SAR 1.8 million in the financial year 2023G and then to SAR 2.0 million in the financial year 2024G due to an increase in miscellaneous costs related to projects, ambulance rentals, and training costs.

Net change in inventory

The balance relates to changes in inventory levels between periods. Fluctuations during the historical period under study are largely attributable to the volume of purchases and the corresponding use of available materials and items.

7.5.1.3 Gross Profit

Table 7.7: The Company's gross profit for the financial years ended on 31 December 2022G, 2023G and 2024G

Thousand Saudi Riyals	FY 2022G Management Information	FY 2023G Management Information	FY 2024G Management Information	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2022G - 2024G
Revenues						
Corporate customers- Medical Clinic Projects Agreement	78,943	97,126	106,538	23.0%	9.7%	16.2%
Individual customers- Medical Clinic	2,286	3,216	4,265	40.7%	32.6%	36.6%
Revenues	**81,229**	**100,342**	**110,803**	**23.5%**	**10.4%**	**16.8%**
Cost of revenue generated by corporate customers	(47,703)	(58,249)	(68,843)	22.1%	18.2%	20.1%
Cost of Revenue generated by clinics	(8,554)	(10,553)	(13,514)	23.4%	28.1%	25.7%
Total revenue cost	**(56,257)**	**(68,802)**	**(82,356)**	**22.3%**	**19.7%**	**21.0%**
Gross profit by corporate customers	31,240	38,877	37,695	24.4%	(3.0%)	9.8%
Gross profit by clinics	(6,268)	(7,337)	(9,249)	17.1%	26.1%	21.5%
Gross Profit	**24,972**	**31,540**	**28,446**	**26.3%**	**(9.8%)**	**6.7%**
Profit margin by corporate customers	39.6%	40.0%	35.4%	0.5	(4.6)	(4.2)
Profit margin by clinics	(274.1%)	(228.1%)	(216.9%)	46.0	11.3	57.2
Gross Profit Margin	30.7%	31.4%	25.7%	0.7	(5.8)	(5.1)

Source: Management information

* The corporate clients category includes, but is not limited to, the following clients: Arabian Drilling Company, Al Ayuni Investment Company, We Build Company, Johns Hopkins Aramco Healthcare.

Gross profit increased to SR 31.5 million in financial year 2023 G (with profit margin 31.4%) compared to SR 25.0 million in financial year 2022 G (with profit margin 30.7%). This is attributed to an increase in project gross profit of SR 7.6 million in line with an increase in project revenues of SR 18.2 million, along with an increase in sold quantities. Profit margin increased within the same period from 30.7% to 31.4% driven by the significant increase in selling one-time ambulances of high profitability, along with increased medical examination services. However, this improvement was partially offset by a decline in the profits of Johns Hopkins Aramco Healthcare Company as a result of the increase in revenue cost. Such an increase resulted from two main factors: (1) the new agreement, which entails additional requirements and conditions that adversely affect profitability, such as the appointment of additional employees to enable the main employees from taking weekends and (2) high costs associated with maintaining competitive salaries for physicians and nurses.

The total gross profit was decreased from SR 31.5 million in the financial year 2023G with a profit margin of 31.4% to SR 28.4 million in the financial year 2024G with a profit margin of 25.7%. Despite the revenue increase, profitability decreased in the financial year 2024G as a result of the increase in the staff costs in line with the gradual increase in salaries with the aim to maintain competitiveness in the market, which was not included in contract pricing.

7.5.1.4 General and Administrative Expenses

Table 7.8: General and administrative expenses for the financial years ended on 31 December 2022G, 2023G and 2024G

Thousand Saudi Riyals	FY 2022G Audited	FY 2023G Audited	FY 2024G Audited	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2022G - 2024G
Staff cost	4,432	4,659	6,895	5.1%	48.0%	24.7%
Professional fees	473	500	1,486	5.6%	197.5%	77.3%
Government fees	244	189	574	(22.6%)	203.6%	53.3%
Decline in advances to suppliers	_	-	545	Not applicable	Not applicable	Not applicable
Benefits	352	448	441	27.4%	(1.6%)	12.0%
Depreciation of right-of-use assets	275	238	426	(13.6%)	79.2%	24.5%
Remunerations and allowances of Board of Directors	289	388	287	34.3%	(26.1%)	(0.3%)
Depreciation of property and equipment	239	247	212	3.3%	(14.3%)	(5.9%)
Lease	149	70	59	(52.9%)	(15.1%)	(36.7%)
Others	663	590	1,677	(10.9%)	184.1%	59.1%
Total	**7,115**	**7,329**	**12,602**	**3.0%**	**72.0%**	**33.1%**
% of revenues				**Percentage point**		
Staff cost	5.5%	4.6%	6.2%	(0.8)	1.6	0.8
Professional fees	0.6%	0.5%	1.3%	(0.1)	0.8	0.8
Government fees	0.3%	0.2%	0.5%	(0.1)	0.3	0.2
Decline in advances to suppliers	0.0%	0.0%	0.5%	-	0.5	0.5
Benefits	0.4%	0.4%	0.4%	0.0	-	-
Depreciation of right-of-use assets	0.3%	0.2%	0.4%	(0.1)	0.1	-
Remuneration and allowances of the Board of Directors	0.4%	0.4%	0.3%	0.0	(0.1)	(0.1)
Depreciation of property and equipment	0.3%	0.2%	0.2%	(0.0)	(0.1)	(0.1)
Rent	0.2%	0.1%	0.1%	(0.1)	-	(0.1)
Others	0.8%	0.6%	1.5%	(0.2)	0.9	0.7
Total	**8.8%**	**7.3%**	**11.4%**	**(1.5)**	**4.1**	**2.6**
Key Performance Indicators						
Average number of employees	36	35	34	(2.8%)	(2.9%)	(2.8%)
Average monthly basic salary per employee (Saudi Riyals)	8,460	9,408	14,654	11.2%	55.8%	31.6%

Source: Audited Financial Statements for the Years Ended 31 December 2023G and 2024G and management information

Staff cost

Staff costs mainly relate to base salaries and allowances, representing 54.7% of total general and administrative expenses in financial year 2024G.

Staff costs increased from SAR 4.4 million in financial year 2022G to SAR 4.7 million in financial year 2023G due to an increase in the average monthly basic salary of SAR 949, despite a decrease in the number of employees resulting from an increase in the CEO's salary bonus and the appointment of an internal auditor, partially offset by the departure of some employees.

Employee costs increased to SAR 6.9 million in the financial year 2024G, representing an increase of 1.6 percentage points as a percentage of revenue. This increase is attributed to an increase in the average monthly basic salary of SAR 5.2 thousand, in line with the appointment of a new Chief Operating Officer, as well as the appointment of new department managers, such as the Tendering Manager, Human Resources Manager, Procurement Manager, and Information Technology Manager.

Professional fees

Professional fees are related to audit, legal, and consulting fees incurred by the Company and represent 11.8% of total general and administrative expenses during the financial year 2024G.

Professional fees maintained a stable level during the financial years 2022G and 2023G, averaging SAR 490,000.

Professional fees increased from SAR 500 thousand in the financial year 2023G to SAR 1.5 million in the financial year 2024G, due to the appointment of a new legal advisor and an increase in auditor fees.

Government fees

License fees include commercial registration fees, physician permits, and government fees.

License fees decreased from SAR 244 thousand in the financial year 2022G to SAR 189 thousand in the financial year 2023G due to changes in the allocation of expenses between cost of revenue and general and administrative expenses. The amount then increased to SAR 574 thousand in the financial year 2024G, in line with the increase in the number of employees. This was in addition to recording an expense invoice for the financial year 2019G, amounting to SAR 218 thousand related to residence fees received and paid during financial year 2024G.

Decline in advances to suppliers

The decrease in advance payments to suppliers amounted to SAR 545 thousand in the financial year 2024G, related to balances more than one year old. Management expects to receive the purchased materials and equipment in the future, and upon receipt, the recorded provision will be reversed.

Utilities

Utilities cost represents water, electricity, and stationery expenses associated with the head office.

Utilities cost increased from SAR 352 thousand in the financial year 2022G to SAR 448 thousand in financial year 2023G, then decreased to SAR 441 thousand in the financial year 2024G due to a change in the allocation between cost of revenue and general and administrative expenses.

Depreciation of right-of-use assets

Depreciation of right-of-use assets relates to the depreciation of rented premises and vehicles.

It increased from SAR 275 thousand in the financial year 2022G to SAR 238 thousand in the financial year 2023G and then to SAR 426 thousand in the financial year 2024G, in line with the increase in right-of-use assets.

Remuneration and allowances of the Board of Directors

The Board of Directors' remuneration was recorded in the financial year 2022G. It increased from SAR 289 thousand in the financial year 2022G to SAR 388 thousand in the financial year 2023G. It decreased to SAR 287 thousand in the financial year 2024G, in line with decisions taken during the year based on the Company's profits.

Depreciation of property and equipment

It relates to depreciation expense on improvements of rented premises, furniture, fixtures, and equipment. The average amount was SAR 233 thousand during the historical period.

Rent

Rental expenses include homes in Yanbu for employees assigned by Johns Hopkins Aramco Healthcare Company , in addition to homes in Dammam and Riyadh, as well as clinic and office leases for periods not exceeding one year, such as the Tabuk office.

The balance decreased from SAR 149 thousand in the financial year 2022G to SAR 59 thousand in the financial year 2024G, due to the allocation of expenses between cost of revenue and general and administrative expenses.

Others

Other expenses represent general maintenance, security fees, and miscellaneous fees.

Other expenses decreased from SAR 663 thousand in the financial year 2022G to SAR 590 thousand in the financial year 2023G due to an increase in general maintenance. This was offset by the collection of written-off accounts receivable amounting to SAR 599 thousand.

Other expenses then increased from SAR 590 thousand in financial year 2023G to SAR 1.7 million in financial year 2024G due to an increase in miscellaneous expenses, including software expenses, contributions, insurance, safety expenses, and others.

7.5.1.5 Selling and Marketing Expenses

Table 7.9: Selling and Marketing expenses for the financial years ended on 31 December 2022G, 2023G and 2024G

Thousand Saudi Riyals	FY 2022G Audited	FY 2023G Audited	FY 2024G Audited	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2022G - 2024G
Staff cost	_	964	2,466	Not applicable	156.0%	Not applicable
Depreciation of right-of-use assets	_	-	775	Not applicable	Not applicable	Not applicable
Insurance	_	39	90	Not applicable	130.2%	Not applicable
Depreciation of property and equipment	_	6	17	Not applicable	208.7%	Not applicable
Conferences	_	545	_	Not applicable	(100.0%)	Not applicable
Advertisement	_	21	_	Not applicable	(100.0%)	Not applicable
Others	_	272	453	Not applicable	66.5%	Not applicable
Total	**_**	**1,846**	**3,801**	**Not applicable**	**(54.1%)**	**Not applicable**
% of revenues				**Percentage point**		
Staff cost	Not applicable	1.0%	2.2%	Not applicable	1.3	Not applicable
Depreciation of right-of-use assets	Not applicable	0.0%	0.7%	Not applicable	0.7	Not applicable
Insurance	Not applicable	0.0%	0.1%	Not applicable	0.0	Not applicable
Depreciation of property and equipment	Not applicable	0.0%	0.0%	Not applicable	0.0	Not applicable
Conferences	Not applicable	0.5%	0.0%	Not applicable	(0.5)	Not applicable
Advertisement	Not applicable	0.0%	0.0%	Not applicable	(0.0)	Not applicable
Others	Not applicable	0.3%	0.4%	Not applicable	0.1	Not applicable
Total	**Not applicable**	**1.8%**	**3.4%**	**Not applicable**	**1.6**	**Not applicable**
Key Performance Indicators						
Average number of employees	Not applicable	8	9	Not applicable	12.5%	Not applicable
Average monthly basic salary per employee (Saudi Riyals)	Not applicable	17,872	20,333	Not applicable	127.5%	Not applicable

Source: Audited Financial Statements for the Years Ended 31 December 2023G and 2024G and management information

Staff cost

Personnel costs amounted to SAR 2.5 million in financial year 2024G, mainly due to the base salaries and allowances of employees in the Sales and Marketing Department. This amount increased from SAR 964 thousand in the financial year 2023G to SAR 2.5 million in the financial year 2024G, as a result of a SAR 2.5 thousand increase in the average monthly base salary. This increase is attributed to the hiring of a new sales manager.

Depreciation of right-of-use assets

Right-of-use asset depreciation amounted to SAR 775 thousand in the financial year 2024G, mainly due to the depreciation of the new leased office in Riyadh, which includes space allocated to the Sales and Marketing Department.

Insurance

Insurance expenses increased from SAR 39 thousand to SAR 90 thousand in the financial year 2024G, mainly due to medical insurance for employees in the Marketing Department.

Depreciation of property and equipment

Property and equipment depreciation represents the Sales and Marketing Department's share of the depreciation expense for the period on property and equipment.

Conferences

Conference expenses amounted to SAR 545 thousand in the financial year 2023G, attributable to medical conferences that the company participated in during the year to increase brand awareness in the market. No conferences were attended in financial year 2024G or the first quarter of the financial year 2025G.

Advertisement

Advertising relates to all marketing strategies and advertising implemented by the Company throughout the year, such as brochures and spots in medical sector newsletters to increase brand awareness.

Others

Other selling and marketing expenses relate to business trips and related expenses pertaining to the Sales and Marketing department, such as travel to NEOM to close deals with new customers.

The amount increased from SAR 272 thousand in 2023G to SAR 453 thousand in 2024G, mainly due to an increase in invoices of SAR 212.5 thousand and an increase in vehicle expenses of SAR 56.0 thousand, partially offset by a decrease in business travel expenses of SAR 64.5 thousand and a decrease in other expenses of SAR 23.0 thousand.

7.5.1.6 Finance Costs

Table 7.10: Finance costs for financial years ending on 31 December 2022G, 2023G and 2024G

Thousand Saudi Riyals	FY 2022G Audited	FY 2023G Audited	FY 2024G Audited	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2022G - 2024G
Employees' benefits obligations	164	332	238	102.6%	(28.2%)	20.6%
Murabaha loan commission	51	_	-	(100.0%)	Not applicable	(100.0%)
Lease liabilities	512	325	509	(36.4%)	56.5%	(0.2%)
Total	**727**	**657**	**748**	**(9.5%)**	**(12.1%)**	**1.4%**

Source: Audited Financial Statements for the Years Ended 31 December 2023G and 2024G

Employees' benefits obligations

Finance costs related to employee benefits are calculated based on the actuarial report and completed valuation. The increase over the years is mainly due to increased headcount and higher interest rates.

Murabaha loan commission

Murabaha loan commission fees decreased from SAR 51 thousand in the financial year 2022G to zero in the financial years 2023G and 2024G due to the full settlement of the loan.

Lease liabilities

Finance costs related to lease liabilities are related to IFRS 16 accounting.

Finance costs related to lease liabilities decreased from SAR 512 thousand in financial year 2022G to SAR 325 thousand in financial year 2023G due to a one-time adjustment of SAR 186 thousand related to financial year 2022G, then increased to SAR 509 thousand in financial year 2024G due to higher interest rates related to lease obligations.

7.5.1.7 Other Income, Net

Table 7.11: Other revenues, net, for the financial years ended 31 December 2022G, 2023G and 2024G

Thousand Saudi Riyals	FY 2022G Audited	FY 2023G Audited	FY 2024G Audited	% of change 2022G-2023G	% of change 2023G-2024G	CAGR 2022G - 2024G
Profit on Murabaha deposits	969	2,400	1,829	147.7%	(23.8%)	37.4%
Loss on disposal of property and equipment	(1)	(44)	(8)	4143.0%	(82.5%)	172.5%
Others	246	267	81	8.5%	(69.8%)	(42.7%)
Total	**1,214**	**2,623**	**1,902**	**116.1%**	**37.9%**	**25.2%**

Source: Audited Financial Statements for the Years Ended 31 December 2023G and 2024G

Profit on Islamic deposits - Murabaha

Murabaha deposit profit is linked to profits generated from short-term Murabaha deposits at rates ranging from 3.8% to 5.75%.

Murabaha deposit profit increased from SAR 969 thousand in financial year 2022G to SAR 2.4 million in financial year 2023G as a result of (1) the investment in Murabaha deposits in June 2022G and (2) the increase in interest rates from approximately 3.8% on one-year Murabaha deposits in June 2022G to an average of approximately 5.5% on three-month Murabaha deposits introduced during financial year 2023G.

Murabaha deposit profit then decreased from SAR 2.4 million in the financial year 2023G to SAR 1.8 million in the financial year 2024G as a result of all deposits maturing at the beginning of December 2024G without being renewed.

Loss on disposal of property and equipment

Losses on disposal of property and equipment relate to proceeds received against the net book value.

Others

Other revenue relates to training program revenue, rent, discounts, and adjustments.

Other revenue increased from SAR 246 thousand in financial year 2022G to SAR 267 thousand in financial year 2023G, in line with an increase in revenue from training programs provided by the Company to third-party employees.

Other revenue decreased from SAR 267 thousand in financial year 2023G to SAR 81 thousand in financial year 2024G due to the reclassification of training certificate revenue to clinic revenue after the company obtained a license from the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI), granting it full accreditation to provide training courses and issue certificates to nurses and physicians in its private clinics.

7.5.2 Statement of Financial Position

Table 7.12: Statement of Financial Position as at 31 December 2022G, 31 December 2023G, and 31 December 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Assets			
Non-current Assets			
Property and equipment	8,679	11,011	16,921
Right-of-use assets	4,727	3,907	7,289
Total non-current Assets	**13,406**	**14,918**	**24,209**
Current Assets			
Investments at fair value through profit or loss	-	-	35,074
Inventory	4,567	4,133	3,422
Trade receivables	32,250	34,935	41,765
Prepayments and other receivables	1,894	4,906	10,746
Short-term deposits	45,922	-	-
Cash and cash equivalents	10,655	53,361	4,660
Total current assets	**95,288**	**97,335**	**95,666**
Total Assets	**108,694**	**112,253**	**119.875**
Equity and Liabilities			
Equity			
Capital	77,000	77,000	77,000
Statutory reserve	5,187	6,758	-
Actuarial reserve	(216)	442	(855)
Retained earnings	5,039	7,629	17,726
Total Equity	**87,010**	**91,829**	**93,870**
Liabilities			
Non-current Liabilities			
Employee Benefit Obligations	6,678	5,683	6,697
Lease agreement obligations - non-current portion	4,379	3,510	4,745
Total Non-current Liabilities	**11,057**	**9,193**	**11,442**
Current Liabilities			
Trade and Other payables	7,511	7,988	8,919
Dues to Related Parties	-	195	916
Lease agreement obligations - current portion	815	869	2,571
Zakat provision	2,301	2,179	2,159
Total Current Liabilities	**10,627**	**11,231**	**14,564**
Total Liabilities	**21,684**	**20,424**	**26,006**
Total Equity and Liabilities	**108,694**	**112,253**	**119,875**
Key Performance Indicators			
Average day sales outstanding (DSO)	149	150	160
Average days inventory outstanding (DIO)	30	22	15
Average days payable outstanding (DPO)	29	23	22
Liabilities to shareholders' equity ratio	25.6%	23.6%	21.8%

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Liabilities to shareholders' equity ratio = Total liabilities / Total equity.

Assets

Non-current Assets

Non-current assets increased by SAR 1.5 million from SAR 13.4 million as at 31 December 2022G to SAR 14.9 million as of 31 December 2023G, driven by an increase in property and equipment of SAR 2.3 million resulting from additions (of SAR 3.4 million) related to vehicles. This was partially offset by the depreciation charged for the period (of SAR 916 thousand). This was partially offset by a decrease in right-of-use assets of SAR 820 thousand, associated with the depreciation cost of buildings during the period and the value adjustment of vehicles, which decreased to zero as they are related to leased ambulances that the Company now owns. As at 31 December 2023G, the vehicles became owned and were transferred to the property and equipment balance.

Non-current assets increased from SAR 14.9 million as at 31 December 2023G to SAR 24.2 million as at 31 December 2024G, due to increases in property and equipment of SAR 5.9 million and in right-of-use assets of SAR 3.4 million.

Current Assets

Current assets increased by SAR 3.6 million from SAR 95.3 million as at 31 December 2022G to SAR 97.3 million as at 31 December 2023G. This was due to an increase in (1) cash and cash equivalents (by SAR 42.7 million) in line with the increase in net cash flow from investing activities related to the returns on short-term deposits, (2) prepayments and other receivables (by SAR 3.0 million), and (3) trade receivables (by SAR 2.7 million) in line with the increase in revenues during the period. This was partially offset by a decrease in the short-term deposits balance (by SAR 45.9 million), which matured and were converted into Murabaha deposits with a 3-month maturity period during the fiscal year 2023G.

Current assets decreased from SAR 97.3 million as at 31 December 2023G to SAR 95.7 million as at 31 December 2024G. This is attributed to a decrease in cash and cash equivalents of SAR 48.7 million due to the maturity of short-term deposits and Murabaha deposits, as the returns were invested in discretionary investment portfolios. This was offset by an increase in (1) investments at fair value through profit or loss in local discretionary investment portfolio management agreements, including mutual investment funds, in the amount of SAR 35.1 million, which resulted in a profit of SAR 74 thousand during the same period, (2) trade receivables by SAR 6.8 million due to an increase in the number of clients, and (3) prepayments and other receivables by SAR 5.8 million, which is mainly attributed to an increase in prepayments to suppliers..

Equity

Total equity increased by SAR 4.8 million from SAR 87.0 million as at 31 December 2022G to SAR 91.8 million as at 31 December 2023G, driven by an increase in retained earnings of SAR 2.6 million in line with the increase in net income of SAR 15.7 million. This was partially offset by dividends distributed during the period (of SAR 11.6 million).

Total equity increased from SAR 91.8 million as at 31 December 2023G to SAR 93.9 million as at 31 December 2024G. This increase is mainly attributed to a rise in retained earnings of SAR 10.1 million, as a result of earning profits during the period. This increase was partially offset by a decrease in the statutory reserve of SAR 6.8 million based on the decision to exempt mandatory reserves, and a decrease in the actuarial reserve of SAR 1.3 million.

Liabilities

Non-current Liabilities

Non-current liabilities decreased by SAR 1.9 million from SAR 11.1 million as at 31 December 2022G to SAR 9.2 million as at 31 December 2023G, driven by a decrease in employee benefit obligations of SAR 995 thousand, as the dues of the resigned CEO were settled, and lease agreement obligations (of SAR 869 thousand) in line with the changes in right-of-use assets during the period.

Non-current liabilities increased from SAR 9.2 million as at 31 December 2023G to SAR 11.4 million as at 31 December 2024G. This is mainly due to an increase in lease agreement obligations of SAR 1.3 million, in addition to an increase in employee benefit obligations of SAR 1.0 million.

Current Liabilities

Current liabilities increased by SAR 604 thousand from SAR 10.6 million as at 31 December 2022G to SAR 11.2 million as at 31 December 2023G, mainly due to an increase in trade and other payables of SAR 477 thousand as a result of an increase in VAT during the period.

Current liabilities increased from SAR 11.2 million as at 31 December 2023G to SAR 14.6 million as at 31 December 2024G. This increase is attributed to an increase in lease agreement obligations in addition to an increase in trade and other payables.

7.5.2.1 Property and equipment

Table 7.13: Property and Equipment for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	Machinery and equipment SAR	Vehicles SAR	Furniture, fixtures, and office equipment SAR	Improvements to leased buildings SAR	Capital Work in Progress	Total SAR
Cost						
Balance as at 1 January 2022G	4,348	3,926	1,955	11,724	-	21,953
Additions during the year	89	-	13	-	-	101
Disposals during the year	-	-	(4)	-	-	(4)
Balance as at 31 January 2022G	4,437	3,926	1,964	11,724	-	22,050
Accumulated Depreciation					-	
Balance as at 1 January 2022G	3,163	2,029	1,544	4,717	-	11,453
Charged for the year	312	541	140	928	-	1,921
Disposals during the year	-	-	(3)	-	-	(3)
Balance as at 31 January 2022G	3,475	2,570	1,681	5,645	-	13,371
Cost						
Balance as at 1 January 2023G	4,437	3,926	1,964	11,724	-	22,050
Additions during the year	677	2,535	161	-	-	3,373
Disposals during the year	(90)	(347)	-	-	-	(437)
Balance as at 31 January 2023G	5,024	6,114	2,125	11,724	-	24,986
Accumulated Depreciation						
Balance as at 1 January 2023G	3,475	2,570	1,681	5,645	-	13,371
Charged for the year	240	152	42	482	-	916
Disposals during the year	(80)	(232)	-	-	-	(312)
Balance as at 31 January 2023G	3,635	2,490	1,724	6,127	-	13,976
Cost						
Balance as at 1 January 2023G	5,024	6,114	2,125	11,724	-	24,986
Transfers	-	-	-	2,015	(2,015)	-
Additions during the year	824	4,027	736	146	2,298	8,301
Disposals during the year	(24)	(353)	-	-	-	(377)
Balance as at 31 January 2024G	5,824	9,788	2,861	13,885	283	32,640
Accumulated Depreciation						
Balance as at 1 January 2023G	3,635	2,490	1,724	6,127	-	13,976
Charged for the year	350	633	103	917	-	2,003
Disposals during the year	(16)	(243)	0	-	-	(260)
Balance as at 31 January 2024G	3,969	2,879	1,827	7,044	-	15,719
Balance as at 31 January 2024G	**1,855**	**6,909**	**1,034**	**6,841**	**283**	**16,921**
Balance as at 31 January 2023G	**1,388**	**3,625**	**401**	**5,597**	**-**	**11,011**
Balance as at 31 January 2022G	**961**	**1,356**	**282**	**6,079**	**-**	**8,679**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Property and equipment are recorded at cost less accumulated depreciation and/or accumulated impairment losses, if any.

The cost includes the cost of replacing a part of the property and equipment and borrowing costs for long-term contracting projects if the recognition criteria are met.

When major parts of property and equipment are replaced at certain time intervals, the Company recognizes these parts as individual assets with a specific useful life and depreciation. All other repair and maintenance costs are recognized in profit or loss when incurred.

The residual value, useful lives, and depreciation methods of property and equipment are reviewed at the end of each fiscal year and adjustments are made on a prospective basis, as required.

As at 31 December 2024G, the net book value of property and equipment amounted to SAR 16.9 million and mainly consists of the following:

Machinery and equipment

Machinery and equipment represent medical equipment, complementary medical equipment, and electrical equipment.

The balance of machinery and equipment increased by SAR 427 thousand from SAR 961 thousand as at 31 December 2022G to SAR 1.4 million as at 31 December 2023G, due to additions (of SAR 677 thousand) related to the integrated laboratory, a blood device, an X-ray device, an eye device, air extraction devices, and medical measuring devices. This was partially offset by the depreciation charged for the period of SAR 240 thousand.

The balance of machinery and equipment increased from SAR 4 million as at 31 December 2023G to SAR 1.9 million as at 31 December 2024G due to additions of SAR 824 thousand, which included medical equipment such as digital X-rays, as well as data systems and other auxiliary devices, taking into account a slight decrease resulting from the depreciation expense recorded during the year.

Vehicles

The balance relates to cars, leased vehicles, and ambulances.

The balance of vehicles increased by SAR 2.3 million from SAR 1.4 million as at 31 December 2022G to SAR 3.6 million as at 31 December 2023G due to additions (of SAR 2.5 million) related to 6 new cars and 10 ambulances, and was partially offset by disposals (of SAR 115 thousand) related to 4 cars in addition to the depreciation cost charged for the period.

The balance of vehicles increased from SAR 6 million as at 31 December 2023G to SAR 6.9 million as at 31 December 2024G due to the addition of 5 vehicles and 15 ambulances. Part of this increase was offset by the disposal of two vehicles and one ambulance with a net value of SAR 110 thousand.

Furniture, Fixtures, and Office Equipment

The balance of furniture, fixtures, and office equipment relates to medical and office furniture and decorations.

The balance of furniture, fixtures, and office equipment increased by SAR 119 thousand from SAR 282 thousand as at 31 December 2022G to SAR 401 thousand as at 31 December 2023G, driven by additions (of SAR 161 thousand) related to medical and office furniture, decorations, and software.

The balance of furniture, fixtures, and office equipment increased from SAR 401 thousand as at 31 December 2023G to SAR 1.0 million as at 31 December 2024G due to the addition of furniture and decorations, and part of this increase was offset by the depreciation expense during the year.

Improvements to Leased Buildings

The balance of improvements to leased buildings mainly represents improvements to the main office buildings such as elevators.

The balance of improvements to leased buildings decreased from SAR 6.1 million as at 31 December 2022G to SAR 5.6 million as at 31 December 2023G, then increased to SAR 6.1 million as at 31 December 2024G due to transfers from capital work in progress related to work performed at the headquarters.

Capital Work in Progress

The value of capital work in progress amounted to SAR 283 thousand as at 31 December 2024G, and consists of renovation works for the Dammam clinics that were completed in the second half of the fiscal year 2025G.

7.5.2.2 Right-of-use assets

Table 7.14: Right-of-Use Assets for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	Buildings	Vehicles	Total
Cost			
Balance as at 1 January 2022G	6,461	228	6,689
Adjustments during the year	1,365	-	1,365
Balance as at 31 January 2022G	7,826	228	8,054
Accumulated Depreciation			
Balance as at 1 January 2022G	1,908	196	2,104
Charged for the year	1,191	32	1,223
Balance as at 31 January 2022G	3,099	228	3,327
Cost			
Balance as at 1 January 2023G	7,826	228	8,054
Adjustments during the year	-	(228)	(228)
Balance as at 31 January 2023G	7,826	-	7,826
Accumulated Depreciation			
Balance as at 1 January 2023G	3,099	228	3,327
Adjustments during the year	-	(228)	(228)
Charged for the year	820	-	820
Balance as at 31 January 2023G	3,919	-	3,919
Cost			
Balance as at 1 January 2023G	7,826	-	7,826
Adjustments during the year	4,204	1,208	5,411
Balance as at 31 January 2024G	12,030	1,208	13,238
Accumulated Depreciation			
Balance as at 1 January 2023G	3,919	-	3,919
Charged for the year	1,788	242	2,030
Balance as at 31 January 2024G	5,707	242	5,949
Balance as at 31 January 2024G	**6,323**	**966**	**7,289**
Balance as at 31 January 2023G	**3,907**	**-**	**3,907**
Balance as at 31 January 2022G	**4,727**	**-**	**4,727**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

The balance of right-of-use assets relates to leased buildings in Khobar, Dammam, and Abqaiq for clinics and offices, and Riyadh, headquarters, and Yanbu for residential centers.

The balance of right-of-use assets decreased by SAR 820 thousand from SAR 4.7 million as at 31 December 2022G to SAR 3.9 million as at 31 December 2023G, driven by the depreciation charged for buildings (of SAR 820 thousand), and the disposal of vehicles so that the balance decreases to zero as at 31 December 2023G as a result of the transfer of ownership of the leased vehicles to the Company and their reclassification to the property and equipment balance.

The balance of right-of-use assets increased to SAR 7.3 million as at 31 December 2024G, driven by the addition resulting from concluding 9 new lease agreements, which include 7 new vehicles and two buildings in Riyadh and Khayrat Amariya .

7.5.2.3 Financial Investments at Fair Value through Profit or Loss

Financial investments at fair value through profit or loss amounted to SAR 35.1 million as at 31 December 2024G, as the Company invested in local discretionary investment portfolio management agreements, including mutual investment funds.

7.5.2.4 Inventory

Table 7.15: Inventory for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Medical Supplies	2,279	2,215	2,434
Ambulances	2,288	1,918	988
Total	**4,567**	**4,133**	**3,422**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Inventory consists of medical supplies (71% of the total as at 31 December 2024G) and ambulances (29%). Inventory is recognized at the lower of cost or net realizable value, and is determined using the weighted average cost method.

The inventory of medicines depends only on their expiry date. All available medicines must expire in no less than 6 months. The Company aims to provide an inventory of 5 ambulances in preparation for any future sales.

Inventory is counted every three months to ensure that there are no slow-moving items on hand and that warehouse conditions are suitable for medicines.

The inventory balance decreased from SAR 4.6 million as at 31 December 2022G to SAR 4.1 million as at 31 December 2023G, as a result of a decrease in medical equipment and ambulances in line with the increase in sales that were made and the purchased inventory that was received later at the beginning of the fiscal year 2024G.

Inventory decreased from SAR 4.1 million as at 31 December 2023G to SAR 3.4 million as at 31 December 2024G, which is in line with the decrease in the number of ambulances. The majority of them were transferred to property and equipment due to their being leased to clients.

The outstanding inventory days decreased from 30 days as at 31 December 2022G to 22 days as at 31 December 2023G, and then to 15 days as at 31 December 2024G, as a result of sales and the transfer of ambulances, which significantly affected the outstanding inventory days.

7.5.2.5 Receivables

Table 7.16: Receivables for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Trade receivables	33,270	41,229	48,436
Less: Expected credit loss provision	(1,020)	(6,294)	(6,671)
Total	**32,250**	**34,935**	**41,765**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Table 7.17: Movement in Expected Credit Loss Provision for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Opening balance	420	1,020	6,294
Charged during the year	600	6,470	378
Written-off during the year	-	(1,196)	-
Closing balance	**1,020**	**6,294**	**6,671**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Receivables

Net trade receivables amounted to SAR 41.8 million as at 31 December 2024G. They relate to (1) balances due from clients regarding provided medical services and equipment (total balance of SAR 46.3 million as at 31 December 2024G), and (2) trade receivables from insurance companies, which represent amounts due for services provided by the Company to insurance policyholders, including medical treatments, procedures, and related expenses covered by insurance (totaling SAR 2.1 million).

Credit terms range from 30-120 days. The Company's average collection period was 149, 150, and 160 days as at 31 December 2022G, 31 December 2023G, and 31 December 2024G, respectively. The average collection period is higher than the credit terms due to the Company signing several new contracts with Neom customers that require more time to review, approve, and settle invoices.

Expected credit loss provision

The expected credit loss provision amounted to SAR 6.7 million as at 31 December 2024G, representing the expected credit loss calculated by management on doubtful receivable balances in accordance with IFRS 9. An amount of SAR 6.5 million was allocated with regards to the ages of Johns Hopkins Aramco Healthcare Company balances for more than a year. This invoice is still outstanding for services provided in June 2021G, as Johns Hopkins Aramco Healthcare Company paid the dues to the old contractor but the Company has not yet received the balance.

In the fiscal year 2023G, the Company wrote off an outstanding balance of SAR 1.2 million related to doubtful receivables from Air Products Company, Ensco Drilling Company, and Consolidated Contractors Companies JRTF, among others. In the fiscal year 2023, management collected SAR 599 thousand for the written-off receivables, especially from Air Products Company and Ensco Drilling Company . About SAR 210 thousand was collected from another customer.

According to the Company's policy, a provision rate at 75.5% is applied to receivables that are more than 365 days old.

7.5.2.6 Prepayments and other receivables

Table 7.18: Prepayments and other receivables for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

Thousand SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Prepayments	153	1,019	4,743
Advance Payments	1,312	2,990	3,977
Letter of Guarantee Margin	-	-	1,353
Employee Advances	49	460	755
Insurance Deposits	380	411	463
Less: Provision for Advance Payments to suppliers	-	-	(545)
Accrued profit on short-term deposits - Murabaha	-	27	-
Total	**1,894**	**4,906**	**10,746**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Prepayments to suppliers

The balance represents prepayments to suppliers related to capital expenditures such as ambulances and medical equipment.

The balance of prepayments to suppliers increased from SAR 153 thousand as at 31 December 2022G to SAR 4.7 million as at 31 December 2024G, due to purchasing 18 ambulances for SAR 3.5 million as at 31 December 2024G.

Advance Payments

The balance relates to payments associated with government fees, expenses, medical insurance, and rents.

The balance of prepayments increased from SAR 1.3 million as at 31 December 2022G to SAR 3.0 million as at 31 December 2023G and then to SAR 4.0 million as at 31 December 2024G, mainly from the increase in (1) prepaid expenses related to financial advisors' fees regarding the transition transaction from the Parallel Market to the Main Market, (2) government fees due to an increase in residency permit fees in line with the increase in the number of employees, and (3) medical insurance in line with the increase in the number of employees during the period.

Letter of Guarantee Margin

The letter of guarantee margin amounted to SAR 1.4 million as at 31 December 2024G. This margin is related to guarantees for government tendering, which requires a performance bond at 5.0% of the total project value.

Employee Advances

The balance represents salaries paid in advance to employees in addition to petty cash given to employees to facilitate financial operations.

Employee advances increased from SAR 49 thousand as at 31 December 2022G to SAR 460 thousand as at 31 December 2023G and then to SAR 755 thousand as at 31 December 2024G in line with the increase in petty cash expenses during the period.

Insurance Deposits

This relates to amounts paid to manpower companies.

The balance increased from SAR 380 thousand as at 31 December 2022G to SAR 411 thousand as at 31 December 2023G, and then to SAR 463 thousand as a result of adding new service providers that require deposits.

Provision for Advance Payments to suppliers

The provision for prepayments to suppliers amounted to SAR 545 thousand as at 31 December 2024G. This provision is for balances that are more than a year old. Management expects to receive the purchased materials and equipment in the future. Upon receipt, the impairment provision will be reversed.

Accrued profit on short-term deposits - Murabaha

Accrued profit on short-term deposits - Murabaha, relates to profits earned by the Company from Murabaha operations. They amounted to SAR 27 thousand as at 31 December 2024G.

7.5.2.7 Cash and cash equivalents

Table 7.19: Cash and cash equivalents for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Cash in banks	10,631	8,358	4,651
Cash on hand	24	3	9
Murabaha deposits	-	45,000	-
Total	**10,655**	**53,361**	**4,660**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Cash and cash equivalents amounted to SAR 4.7 million as at 31 December 2024G. They consisted of cash balances in banks (99.8% of the total) and cash on hand (0.2%).

Cash in banks

Cash in banks amounted to SAR 4.7 million as at 31 December 2024G. It relates to accounts opened in 4 different banks. These accounts are used for operational activities and are unrestricted.

Murabaha deposits

Murabaha deposits amounted to zero as at 31 December 2024G. The Company previously invested in short-term Murabaha deposits with an average interest rate of approximately 5.5%.

The deposit amount was transferred from the proceeds resulting from the sale of financial investments at fair value through profit or loss, which were deposited in short-term Murabaha funds maturing in one year in June 2022G, and then converted into Islamic Murabaha deposits maturing in 3 months during the fiscal year 2023G. The short-term Murabaha deposits matured and were liquidated on 2 December 2024G. The resulting proceeds were invested in discretionary portfolio managements (DPMs) as at 31 December 2024G.

7.5.2.8 Employee Benefit Obligations

Table 7.20: Employee Benefit Obligations for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Opening balance	5,777	6,678	5,683
Expenses charged to profit or loss	1,373	1,554	1,105
Paid during the year	(467)	(658)	1,298
Actuarial loss / (gain) charged to statement of comprehensive income	(6)	(1,890)	(1,390)
Closing balance	6,678	5,683	6,697

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Employee benefit obligations represent the estimated end-of-service gratuity payable to employees under relevant local regulations and contractual agreements.

Employee benefit obligations decreased from SAR 6.7 million as at 31 December 2022G to SAR 5.7 million as at 31 December 2023G, given that the payable benefits to the resigned CEO were settled.

The balance then increased to SAR 6.7 million as at 31 December 2024G in line with the increase in the number of employees during the same period.

7.5.2.9 Lease Agreement Liabilities

Table 7.21: Movement in Lease Agreement Liabilities during the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
1 January	4,962	5,194	4,379
Interest charged during the year	512	325	509
Additions during the year	805	-	5,411
Paid during the year	(1,085)	(1,140)	(2,984)
31 December	5,194	4,379	7,316

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Table 7.22: Classification of Lease Agreement Liabilities for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Non-current portion of lease agreement liabilities	4,379	3,510	4,745
Current portion of lease agreement liabilities	815	869	2,571
Total	**5,194**	**4,379**	**7,316**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Table 7.23: Maturity of Lease Agreement Liabilities for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Less than one year	1,140	1,140	3,025
One to five years	4,274	3,274	4,556
More than five years	1,185	1,045	905
Total	**6,600**	**5,460**	**8,486**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Lease agreement liabilities relate to lease agreements for buildings associated with clinics and main offices.

The balance decreased from SAR 5.2 million as at 31 December 2022G to SAR 4.4 million as at 31 December 2023G, and then the balance increased to SAR 7.3 million as at 31 December 2024G due to changes in right-of-use assets during the period.

7.5.2.10 Trade and Other payables

Table 7.24: Trade and Other Payables for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Trade payables	4,545	4,378	4,940
Accrued Expenses	2,023	2,138	2,605
VAT	943	1,472	1,374
Total	**7,511**	**7,988**	**8,919**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Trade payables

Trade payables mainly represent the Company's payables to its suppliers regarding manpower services, insurance, and medical supplies.

The balance fluctuated during the historical period due to the need for additional purchases and manpower services.

Payment terms range from 30 to 90 days. The Company's days payable outstanding decreased throughout the historical period from 30 days as at 2022G to 23 days as at 31 December 2023G, and then to 22 days as at 31 December 2024G. The Company pays its payables on time mainly for ambulance purchases which increased annually with low payment terms.

Accrued Expenses

Accrued expenses represent, among other things, holiday and ticket allowance (approximately 50.4% of the total), social security (approximately 11.8%), and board of directors' bonuses (approximately 11.0%).

Accrued expenses increased from SAR 2.0 million as at 31 December 2022G to SAR 2.1 million as at 31 December 2023G as a result of an increase in social security accruals and payable salaries.

The accrued expenses balance, then, rose to SAR 2.6 million as at 31 December 2024G due to an increase in vacation provisions in line with the increase in the number of employees, in addition to an increase in other items related to accrued audit fees, accrued rents, and other expenses.

VAT

VAT increased from SAR 943 thousand as at 31 December 2022G to SAR 1.5 million as at 31 December 2023G, then, decreased to SAR 1.4 million, driven by purchases and sales during the same period.

7.5.2.11 Dues to Related Parties

Amounts due to related parties were SAR 916 thousand as at 31 December 2024G. They relate to amounts due for employment services to Mehan Human Resources Company, whose Chairman is also the Chairman of the Company's board, and whose Deputy Chairman is one of its shareholders.

The balance increased from SAR 195 thousand as at 31 December 2023G to SAR 916 thousand as at 31 December 2024G in line with the increase in the number of employees seconded by the Company.

7.5.2.12 Zakat Provision

Table 7.25: Zakat Provision for the Fiscal Years Ended on 31 December 2022G, 2023G, and 2024G

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Opening balance	2,454	2,301	2,179
Charged during the year	2,300	2,152	2,159
Decrease in provision	18	-	466
Payments	(2,471)	(2,274)	(2,645)
Closing balance	2,301	2,179	2,159

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Zakat is paid in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.

The balance remained relatively stable at an average of SAR 2.2 million as at 31 December 2022G, 31 December 2023G, and 31 December 2024G, which is in line with the Zakat assessment and recorded payables at the end of the year.

7.5.3 Statement of Cash Flows

Table 7.26: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Operating Activities			
Net profit before Zakat	17,972	17,862	12,894
Adjustments for non-cash items:			
Depreciation of property and equipment	1,921	916	2,003
Depreciation of right-of-use assets	1,223	820	2,030
Employee Benefit Obligations	1,209	1,221	867
Finance Cost	727	657	748
Losses from disposal of property and equipment	1	44	8
Expected Credit Loss on Trade Receivables	600	6,470	378
Profit from deposits - Murabaha	(969)	(27)	-
Fair value changes in investments at fair value through profit or loss	(227)	-	(74)
Impairment of other receivables	-	-	545
Percentage of changes in operating assets and liabilities	22,457	27,963	19,398
Changes in working capital			
Inventory	(2,647)	434	711
Trade receivables	(759)	(9,155)	(7,207)
Prepayments and other receivables	(148)	(2,985)	(6,384)
Trade and Other payables	616	477	931
Dues to Related Parties	-	195	721
Cash from operations	19,519	16,929	8,169

THOUSAND SAR	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Employee benefit obligations paid	(467)	(1,890)	(1,390)
Finance cost paid	(51)	-	-
Zakat paid	(2,471)	(2,274)	(2,645)
Net cash from operating activities	16,530	12,766	4,134
Cash Flows from Investing Activities			
Proceeds from disposal of investments at fair value through profit or loss	59,611	-	-
Short-term deposits	(55,000)	-	-
Proceeds from short-term deposits	10,047	45,922	-
Purchase of property and equipment	(101)	(3,373)	(8,031)
Proceeds from disposal of property and equipment	-	81	110
Purchase of investments at fair value through profit or loss	-	-	(35,000)
Net cash from / (used in) investing activities	14,557	42,630	(42,921)
Financing Activities			
Net movement in Murabaha loans	(2,758)	-	-
Dividends paid	(23,100)	(11,550)	(6,930)
Repayment of lease agreement liabilities	(1,085)	(1,140)	(2,984)
Net cash used in financing activities	(26,943)	(12,690)	(9,914)
Net change in cash and cash equivalents	4,144	42,706	(48,701)
Cash and cash equivalents at beginning of year	6,511	10,655	53,361
Cash and cash equivalents at end of year	10,655	53,361	4,660

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2023G and 31 December 2024G.

Net cash from operating activities

Net cash from operating activities decreased by SAR 3.8 million from SAR 16.5 million in the fiscal year 2022G to SAR 12.8 million in the fiscal year 2023G, mainly due to the increase in trade receivables balances by SAR 8.4 million in line with the increase in sales and prepayments and other receivables. This was partially offset by the increase in the expected credit loss on trade receivables.

Net cash from operating activities decreased to SAR 1.4 million in the fiscal year 2024G as a result of a decrease in net profit before Zakat and an increase in receivables and prepayments.

Net Cash from / (Used in) Investing Activities

Net cash from / (used in) investing activities increased by SAR 28.1 million from SAR 14.6 million in the fiscal year 2022G to SAR 42.6 million in the fiscal year 2023G as a result of proceeds from short-term deposits of SAR 45.9 million during the period and its investment in short-term Murabaha deposits with a maturity period of less than 3 months.

Net cash from / (used in) investing activities decreased to record a cash outflow of SAR 42.9 million. This is attributed to investments in discretionary portfolio managements (DPMs) of SAR 35.0 million and the purchase of property, equipment, and fixed assets of SAR 8.0 million.

Net Cash Used in Financing Activities

Net cash used in financing activities decreased by SAR 14.3 million from SAR 26.9 million in the fiscal year 2022G to SAR 12.7 million in the fiscal year 2023G due to (1) a decrease in dividends paid by SAR 11.6 million, and (2) the settlement of the Murabaha loan in the fiscal year 2022G, which resulted in a decrease in the net movement in Murabaha loans to zero in the fiscal year 2023G.

Net cash used in financing activities decreased to record a cash outflow of SAR 9.9 million in the fiscal year 2024G in line with the decrease in dividends paid, partially offset by the repayment of lease contract liabilities.

7.6 Results of Operations for the Period Ended on 31 March 2024G and 2025G

7.6.1 Statement of Profit or Loss and Other Comprehensive Income

Table 7.27: Statement of Profit or Loss and Other Comprehensive Income for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Unaudited	Three-Month Period Ended on 31 March 2025G Unaudited	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Revenue	24,323	30,089	23.7%
Cost of Revenues	(19,944)	(21,244)	6.5%
Gross Profit	4,379	8,845	102.0%
General and Administrative Expenses	(2,647)	(2,608)	(1.5%)
Selling and Marketing Expenses	(862)	(791)	(8.2%)
Expected Credit Loss on Trade Receivables	(731)	(260)	(64.4%)
Operating Profit	138	5,187	3658.7%
Change in Fair Value of Investments at Fair Value through Profit or Loss	-	2,944	N/A
Finance Cost	(156)	(215)	37.8%
Other income, net	818	88	(89.2%)
Net profit before Zakat	801	8,004	899.1%
Zakat	(1,021)	(558)	(45.3%)
Net profit for the period	(221)	7,445	(3468.8%)
Items that will not be reclassified to profit or loss in subsequent periods:			
(Loss) / gain from actuarial re-measurement of employee benefit obligations	(557)	(571)	2.5%
Total comprehensive income for the period	(778)	6,874	(984.7%)
As a percentage of revenues			**Percentage point**
Profit margin	18.0%	29.4%	11.4
General and administrative expenses	10.9%	8.7%	(2.2)
Selling and Marketing Expenses	3.5%	2.6%	(0.9)
Operating Profit	0.6%	17.2%	16.7
Finance Cost	0.6%	0.7%	0.1
Other income, net	3.4%	0.3%	(3.1)
Net profit for the period	(0.9%)	24.7%	25.7
EBITDA*	882	6,429	628.8%
EBITDA*	3.6%	21.4%	17.7

Source: Unaudited Financial Statements for the Three-Month Period Ended on 31 March 2024G and 2025G and Management Information

* EBITDA = Operating profit + Depreciation and amortization

Revenues

Revenues increased from SAR 24.3 million in the three-month period ended on 31 March 2024G to SAR 30.1 million in the three-month period ended on 31 March 2025G mainly due to an increase in revenues from corporate customers by SAR 5.9 million in line with the addition of 15 new customers in projects such as Webuild Company SPA's projects of SAR 1.3 million, Arabian Drilling Company-ADC's of SAR 696 thousand, and others, in addition to the increase in existing customers due to an increase in the volume of operations and services provided to them. This increase was offset by a decrease in clinic revenues due to the closure of Khobar clinics for operational restructuring purposes.

Cost of Revenues

The cost of revenues increased from SAR 19.9 million in the three-month period ended on 31 March 2024G to SAR 21.2 million in the three-month period ended on 31 March 2025G due to an increase in the number of employees and their associated costs by SAR 1.6 million, and the purchase of medical and other supplies by SAR 1.4 million in line with the overall operational growth. This was offset by a decrease in government fees by SAR 668 thousand.

The cost of revenues margin decreased from 82.0% in the three-month period ended on 31 March 2024G to 70.6% in the three-month period ended on 31 March 2025G. This is attributed to (1) a decrease in employee cost margin as the Company relies more on external labor, and (2) a decrease in government fees due to the reporting closure period during which the balances were recorded as prepaid expenses as at 31 March 2025G.

General and Administrative Expenses

General and administrative expenses averaged SAR 2.6 million during the three-month periods ended on 31 March 2024G and 2025G, which is attributed to an increase in employee costs in line with the increase in the average monthly base salary per employee. This was offset by a decrease in professional fees due to the exceptional fees recorded in the three-month period ended on 31 March 2024G.

Selling and Marketing Expenses

Selling and marketing expenses decreased from SAR 862 thousand in the three-month period ended on 31 March 2024G to SAR 791 thousand in the three-month period ended on 31 March 2025G, which is attributed to a decrease in employee costs in line with the decrease in the number of employees. This was offset by an increase in depreciation expense for right-of-use assets due to an additional lease agreement for the headquarters during the second half of 2024G.

Expected Credit Loss on Trade Receivables

Expected credit losses on trade receivables decreased from SAR 731 thousand in the three-month period ended on 31 March 2024G to SAR 260 thousand in the three-month period ended on 31 March 2025G in line with the calculation of IFRS 9.

Operating Profit

Operating profit increased from SAR 138 thousand in the three-month period ended on 31 March 2024G to SAR 5.2 million in the three-month period ended on 31 March 2025G as a result of an increase in gross profit in parallel with a decrease in general and administrative expenses and selling and marketing expenses margins.

Change in Fair Value of Investments at Fair Value through Profit or Loss

During the fiscal year 2024G, the Company invested in a local discretionary portfolio management agreement amounting to SAR 35.0 million, which resulted in a profit of SAR 2.9 million in the three-month period ended on 31 March 2025G.

Finance Cost

Finance cost increased from SAR 156 thousand in the three-month period ended on 31 March 2024G to SAR 215 thousand in the three-month period ended on 31 March 2025Gmainly due to an increase in finance costs related to lease agreement liabilities by SAR 46 thousand as a result of the additional headquarters agreement and an increase in finance costs related to defined employee benefits in line with the actuarial study.

Other Income

Other income decreased from SAR 818 thousand in the three-month period ended on 31 March 2024G to SAR 88 thousand in the three-month period ended on 31 March 2025Gmainly due to a decrease in profits from Murabaha deposits amounting to SAR 818 thousand in line with the closure of these deposits.

Zakat

Zakat decreased from SAR 1.0 million in the three-month period ended on 31 March 2024G to SAR 558 thousand in the three-month period ended on 31 March 2025G in line with the Zakat assessment. It is attributed to the exceptional expense recorded in the three-month period ended on 31 March 2024G related to the fiscal year 2022G.

Net Profit for the Period

Net income increased from a loss of SAR 221 thousand in the three-month period ended on 31 March 2024G to a profit of SAR 7.4 million in the three-month period ended on 31 March 2025G, with a 25.7 percentage point increase in net profit margin. This is attributed to (1) an increase in gross profit and margin, and (2) an additional profit from investments at fair value through profit or loss in line with the investment in the discretionary portfolios during the period.

7.6.1.1 Revenues

Table 7.28: Three-Month Period Ended on 31 March 2024G, 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Corporate customers – medical clinic project agreements	23,571	29,473	25.0%
Individual customers – medical clinic	752	616	(18.1%)
Total	**24,323**	**30,089**	**23.7%**
Cash revenues	23,725	29,613	24.8%
Credit revenues	598	476	(20.4%)
Total	**24,323**	**30,089**	**23.7%**

Source: Management Information

Revenues increased from SAR 24.3 million in the three-month period ended on 31 March 2024G to SAR 30.1 million in the three-month period ended on 31 March 2025G mainly due to an increase in revenues from corporate customers by SAR 5.9 million in line with the signing of new projects in addition to an increase in revenues from existing customers due to the increase in the volume of services required.

Revenues - Corporate Customers:

Table 7.29: Corporate Customer Revenues for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Johns Hopkins Aramco Healthcare Company	12,952	13,706	5.8%
KCA_Deutag Gulf Drilling Company	735	2,200	199.4%
Advanced Energy System Company (ADES)	2,511	1,898	(24.4%)
Webuild Company SPA	-	1,316	N/A

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
AlAyuni Investment CO	384	1,159	201.6%
Other Projects	6,989	9,195	31.6%
Total	**23,571**	**29,473**	**25.0%**
Key Performance Indicators			
Number of Clinics	67	89	32.8%
Number of Doctors	29	24	(17.2%)
Number of Nurses	216	248	14.8%
Number of Drivers	103	113	9.7%
Number of Liaison Office Staff	57	51	(10.5%)

Source: Management Information

The top five customers accounted for 68.8% of corporate customer revenues in the three-month period ended on 31 March 2025G.

Corporate customer revenues increased from SAR 23.6 million in the three-month period ended on 31 March 2024G to SAR 29.5 million in the three-month period ended on 31 March 2025G. It is attributed to (1) the addition of 15 new projects, including those for Webuild Company SPA, Arabian Drilling Company -ADC, and Arabian Soil Company, which utilize land and marine clinics, medical teams, and paramedics, (2) an increase in revenues from ongoing projects such as KCA_Deutag Gulf Drilling Company , Air Products Company, and AlAyuni Investment CO due to increased demand and volume of services provided, and (3) an increase in the number of clinics from 67 to 89. This increase was partially offset by a decrease in revenues from Advanced Energy System Company (ADES) and Shelf Company due to the closure of some rigs. To mitigate further closures, the Company later in the second half of 2025G signed new agreements with additional major customers to offset this closure.

Revenues – Clinics:

Table 7.30: Company's Clinic Revenues by Location for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Revenue			
Dammam Clinics	286	339	18.5%
Khobar Clinics	298	-	(100.0%)
Training Certificates	160	103	(35.6%)
Home Healthcare	8	173	2062.5%
Total Revenues	752	616	(18.1%)
As a percentage of total clinic revenues			
Dammam Clinics	38.0%	55.1%	17.1
Khobar Clinics	39.6%	0.0%	(39.6)
Key Performance Indicators			
Number of Clinics in Dammam	11	10	(9.1%)
Number of Clinics in Khobar	8	-	(100.0%)
Average Revenue per Clinic in Dammam	26	34	30.8%

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Average Revenue per Clinic in Khobar	37	N/A	N/A
Number of Employees in Dammam Branch	55	49	(10.9%)
Number of Employees in Khobar Branch	18	-	(100.0%)

Source: Management Information

Clinic revenues decreased from SAR 752 thousand in the three-month period ended on 31 March 2024G to SAR 616 thousand in the three-month period ended on 31 March 2025G as a result of the closure of Khobar clinics for renovation work to comply with the requirements of the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI), while the branch continued to provide support and medical services to the projects sector. The Khobar clinics are expected to reopen by the end of the fiscal year 2025G. This decrease was offset by an increase in revenues from (1) Dammam clinics as a result of obtaining accreditation from the Saudi Central Board for Accreditation of Healthcare Institutions, which attracted customers, and (2) home healthcare services as a result of launching the service during the fiscal year 2024G.

7.6.1.2 Cost of Revenue

Table 7.31: Cost of Revenues for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Employee costs and other related costs	15,346	16,907	10.2%
Purchases of medical and other supplies	2,214	3,602	62.7%
Government Fees	1,591	923	(42.0%)
Depreciation of property and equipment	401	563	40.4%
Rent	174	393	125.9%
Depreciation of right-of-use assets	176	199	13.4%
Travel	61	117	90.1%
Training	46	37	(20.8%)
Other	574	858	49.5%
TOTAL	20,583	23,597	14.6%
Net change in inventory	(638)	(2,353)	268.7%
Total	**19,944**	**21,244**	**6.5%**
As a percentage of revenues			
Employee costs and other related costs	63.1%	56.2%	(6.9)
Purchases of medical and other supplies	9.1%	12.0%	2.9
Government Fees	6.5%	3.1%	(3.5)
Depreciation of property and equipment	1.6%	1.9%	0.2
Rent cost	0.7%	1.3%	0.6
Depreciation of right-of-use assets	0.7%	0.7%	(0.1)
Travel expenses	0.3%	0.4%	0.1
Training cost	0.2%	0.1%	(0.1)

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Other	2.4%	2.9%	0.5
Total	**82.0%**	**70.6%**	**(11.4)**
Key Performance Indicators			
Number of company employees at year-end	580	565	(2.6%)
Average number of company employees	533	526	(1.3%)
Average number of outsourced employees	109	167	53.2%
Average total number of employees	642	693	7.9%
Average monthly base salary per employee (SAR)	8,970	10,029	11.8%
Average monthly salary per outsourced employee (SAR)	8,827	8,221	(6.9%)

Source: Management Information

Employee costs and other related costs

Employee costs and other related costs increased from SAR 15.3 million in the three-month period ended on 31 March 2024G to SAR 16.9 million in the three-month period ended on 31 March 2025G, mainly due to the increase in the average monthly base salary per employee from SAR 9.0 thousand in the three-month period ended on 31 March 2024G to SAR 10.0 thousand in the three-month period ended on 31 March 2025G, in line with the appointment of a tenders manager to take on the new National Guard project.

Purchases of medical and other supplies

Purchases increased from SAR 2.2 million in the three-month period ended on 31 March 2024G to SAR 3.6 million in the three-month period ended on 31 March 2025G, in line with the Company's overall operational activities.

The purchases margin in the three-month period ended on 31 March 2025G increased in line with the increase in inventory balances as a result of the receipt of ambulances.

Government Fees

Government fees decreased from SAR 1.6 million in the three-month period ended on 31 March 2024G to SAR 923 thousand in the three-month period ended on 31 March 2025G. It is attributed to the reporting closure period during which the prepaid government fees were not recognized as at 31 March 2025G.

Depreciation of property and equipment

Depreciation of property and equipment increased from SAR 401 thousand in the three-month period ended on 31 March 2024G to SAR 563 thousand in the three-month period ended on 31 March 2025G, which is attributed to the addition of vehicles to the property and equipment item during the fiscal year 2024G, which led to an increase in depreciation expense for the period.

Rent cost

Rent costs increased from SAR 174 thousand in the three-month period ended on 31 March 2024G to SAR 393 thousand in the three-month period ended on 31 March 2025G. It is attributed to the leasing of two additional offices in Tabuk and Jubail in line with operational growth.

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased from SAR 176 thousand in the three-month period ended on 31 March 2024G to SAR 199 thousand in the three-month period ended on 31 March 2025G. It is attributed to the full allocation of the Dammam center's depreciation to the cost of revenues starting from the fiscal year 2025G.

Travel

Travel expenses increased from SAR 61 thousand in the three-month period ended on 31 March 2024G to SAR 117 thousand in the three-month period ended on 31 March 2025G as a result of an increase in business-related trips in line with operational growth.

Training

Training expenses stabilized at SAR 41 thousand during the three-month periods ended on 31 March 2024G and 2025G.

Other

Other expenses increased from SAR 574 thousand in the three-month period ended on 31 March 2024G to SAR 858 thousand in the three-month period ended on 31 March 2025G, driven by an increase in accommodation expenses, ambulance rentals, and event costs in line with operational growth.

Net change in inventory

The net change in inventory increased from SAR 638 thousand in the three-month period ended on 31 March 2024G to SAR 2.4 million in the three-month period ended on 31 March 2025G as a result of the volume of purchases and the use of available materials/items.

7.6.1.3 Gross Profit

Table 7.32: Company's Revenues and Gross Profit for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Revenues			
Corporate customers – medical clinic project agreements	23,571	29,473	25.0%
Individual customers – medical clinic	752	616	(18.1%)
Revenues	24,323	30,089	23.7%
Cost of revenues from corporate customers	(16,766)	(18,674)	11.4%
Cost of revenues from clinics	(3,178)	(2,570)	(19.1%)
Total cost of revenues	**(19,944)**	**(21,244)**	**6.5%**
Gross profit from corporate customers	6,804	10,800	58.7%
Gross profit from clinics	(2,426)	(1,955)	(19.4%)
Gross Profit	4,378	8,845	102.0%
Corporate customer profit margin	28.9%	36.6%	7.8
Clinic profit margin	(322.6%)	(317.5%)	5.2
Total gross profit margin	**18.0%**	**29.4%**	**11.4**

Source: Management Information

Gross profit increased from SAR 4.4 million with a margin of 18.0% in the three-month period ended on 31 March 2024G to SAR 8.8 million in the three-month period ended on 31 March 2025G with a margin of 29.4% as a result of (1) an increase in revenues due to higher volumes, and (2) cost improvements by shifting from reliance on high-cost permanent employees to a lower-cost outsourced workforce.

The total loss from clinics decreased from SAR 2.4 million in the three-month period ended on 31 March 2024G to SAR 2.0 million in the three-month period ended on 31 March 2025G in line with the decrease in the cost of revenues due to the operational restructuring of the clinics, where inefficient and high-cost employees were laid off.

7.6.1.4 General and Administrative Expenses

Table 7.33: General and Administrative Expenses for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Employee costs	1,507	1,674	11.1%
Depreciation of right-of-use assets	13	171	1215.4%
Government Fees	102	101	(1.0%)
Benefits	42	57	35.7%
Depreciation of property and equipment	55	50	(9.1%)
Professional fees	567	45	(92.1%)
Rent	15	(1)	(106.7%)
Other	346	511	47.7%
Total	**2,647**	**2,608**	**(1.5%)**
As a percentage of revenues			
Employee costs	6.2%	5.6%	(0.6)
Depreciation of right-of-use assets	0.1%	0.6%	0.5
Government Fees	0.4%	0.3%	(0.1)
Benefits	0.2%	0.2%	0.0
Depreciation of property and equipment	0.2%	0.2%	(0.1)
Professional fees	2.3%	0.2%	(2.2)
Rent	0.1%	0.0%	(0.1)
Other	1.4%	1.7%	0.3
TOTAL	**10.9%**	**8.7%**	**(2.2)**
Key Performance Indicators			
Average number of company employees	35	34	(2.9%)
Average monthly base salary per employee (SAR)	12,232	13,991	14.4%

Source: Management Information

Employee costs

Employee costs increased from SAR 1.5 million in the three-month period ended on 31 March 2024G to SAR 1.7 million in the three-month period ended on 31 March 2025G in line with the increase in the average monthly base salary per employee of approximately 14.4% driven by the Company incurring dual executive costs during January 2025G due to the change in CEO, despite a decrease in the number of full-time employees by one.

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased from SAR 13 thousand in the three-month period ended on 31 March 2024G to SAR 171 thousand in the three-month period ended on 31 March 2025G in line with the leasing of an additional headquarters starting from August 2024G.

Government Fees

The average licensing fees amounted to SAR 101 thousand in both the three-month period ended on 31 March 2024G and the three-month period ended on 31 March 2025G.

Benefits

Benefit costs increased from SAR 42 thousand in the three-month period ended on 31 March 2024G to SAR 57 thousand in the three-month period ended on 31 March 2025G in line with the leasing of additional headquarters.

Depreciation of property and equipment

The average depreciation of property and equipment was SAR 52 thousand during the three-month period ended on 31 March 2024G and the three-month period ended on 31 March 2025G.

Professional fees

Professional fees decreased from SAR 567 thousand in the three-month period ended on 31 March 2024G to SAR 45 thousand in the three-month period ended on 31 March 2025G as a result of exceptional fees incurred in the three-month period ended on 31 March 2024G driven by additional consultant and auditing fees.

Rent

Rent costs decreased from SAR 15 thousand in the three-month period ended on 31 March 2024G to a credit balance of SAR (1) thousand in the three-month period ended on 31 March 2025G driven by a reclassification to cost of revenues.

Other

The other expenses item increased from SAR 346 thousand in the three-month period ended on 31 March 2024G to SAR 511 thousand in the three-month period ended on 31 March 2025G as a result of an increase in VAT differences which amounted to SAR 126 thousand.

7.6.1.5 Selling and Marketing Expenses

Table 7.34: Selling and Marketing Expenses for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Employee costs	653	482	(26.2%)
Depreciation of right-of-use assets	16	261	1531.3%
Depreciation of property and equipment	83	-	(100.0%)
Other	110	48	(56.4%)
Total	**862**	**791**	**(8.2%)**
As a percentage of revenues			
Employee costs	2.7%	1.6%	(1.1)
Depreciation of right-of-use assets	0.1%	0.9%	0.8

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Depreciation of property and equipment	0.3%	0.0%	(0.3)
Other	0.5%	0.2%	(0.3)
TOTAL	**3.5%**	**2.6%**	**(0.9)**
Key Performance Indicators			
Average number of company employees	9	5	(44.4%)
Average monthly base salary per employee (SAR)	21,287	27,133	27.5%

Source: Management Information

Employee costs

Employee costs decreased from SAR 653 thousand in the three-month period ended on 31 March 2024G to SAR 482 thousand in the three-month period ended on 31 March 2025G as a result of a decrease in the number of employees from 9 full-time employees in the three-month period ended on 31 March 2024G to 5 full-time employees in the three-month period ended on 31 March 2025G. This decrease was offset by an increase in the average monthly base salary per employee due to three low-wage full-time employees who were hired in March 2024G leaving. These individuals, along with other employees, left the Company and were later replaced by higher-paid employees in the sales and marketing department, which contributed to the increase in the average salary.

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased from SAR 16 thousand in the three-month period ended on 31 March 2024G to SAR 261 thousand in the three-month period ended on 31 March 2025G as a result of leasing an additional headquarters in August 2024G.

Depreciation of property and equipment

Depreciation of property and equipment decreased from SAR 83 thousand in the three-month period ended on 31 March 2024G to zero in the three-month period ended on 31 March 2025G as a result of the allocation of the relevant depreciation to its operational purpose within the cost of revenues or administrative purpose within general and administrative expenses.

Other

The other expenses item decreased from SAR 110 thousand in the three-month period ended on 31 March 2024G to SAR 48 thousand in the three-month period ended on 31 March 2025G as a result of reclassifying business development department trips to the cost of revenues.

7.6.1.6 Finance Cost

Table 7.35: Cost of Revenues for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Employee Benefit Obligations	67	80	19.4%
Lease Agreement Liabilities	89	135	51.7%
Total	**156**	**215**	**37.8%**

Source: Management Information

Employee Benefit Obligations

Finance costs related to employee benefit obligations increased from SAR 67 thousand in the three-month period ended on 31 March 2024G to SAR 80 thousand in the three-month period ended on 31 March 2025G based on the actuarial report and assessment completed.

Lease Agreement Liabilities

Finance costs related to lease agreement liabilities increased from SAR 89 thousand in the three-month period ended on 31 March 2024G to SAR 135 thousand in the three-month period ended on 31 March 2025G as a result of the additional headquarters agreement.

7.6.1.7 Other income, net

Table 7.36: Other Income, Net for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Management Information	Three-Month Period Ended on 31 March 2025G Management Information	Percentage Change for the Three-Month Period Ended on 31 March 2024G – Three-Month Period Ended on 31 March 2025G
Bad debt recovered	-	79	N/A
Gain on disposal of property and equipment	-	9	N/A
Gain on Murabaha deposits	818	-	(100.0%)
Total	**818**	**88**	**(89.2%)**

Source: Management Information

Bad debt recovered

Bad debts amounting to SAR 79 thousand were recovered in the three-month period ended on 31 March 2025G, which relates to the collection of debts previously written off from customers.

Gain on disposal of property and equipment

This relates to the net gain on the disposal of property and equipment amounting to SAR 9 thousand in the three-month period ended on 31 March 2025G, which is related to the sale of vehicles.

Gain on Murabaha deposits

The gain on Murabaha deposits decreased from SAR 818 thousand in the three-month period ended on 31 March 2024G to zero in the three-month period ended on 31 March 2025G as a result of all Murabaha deposits maturing and being fully closed during the fiscal year 2024G, where the proceeds were reinvested in short-term debt instruments.

7.6.2 Statement of Financial Position

Table 7.37: Statement of Financial Position as at 31 December 2022G, 31 December 2023G, and 31 December 2024G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Audited
Property and equipment	16,921	16,345
Right-of-use assets	7,289	6,658
Total non-current Assets	24,210	23,003
Investments at fair value through profit or loss	35,074	38,006
Inventory	3,422	5,775
Trade receivables	41,765	49,570
Prepayments and other receivables	10,746	10,804
Dues to Related Parties	-	86

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Audited
Cash and cash equivalents	4,660	990
Total current assets	**95,666**	**105,231**
Total Assets	**119,875**	**128,234**
Capital	77000	77000
Actuarial reserve	(856)	(1,427)
Retained earnings	17,726	21,321
Total Equity	93,870	96,894
Employee Benefit Obligations	6,697	7,440
Lease agreement obligations - non-current portion	4,745	4,304
Total Non-current Liabilities	**11,442**	**11,744**
Trade and Other payables	8,919	12,887
Dues to Related Parties	916	1,374
Lease agreement obligations - current portion	2,571	2,618
Zakat provision	2,159	2,717
Total Current Liabilities	**14,564**	**19,596**
Total Liabilities	**26,007**	**31,340**
Total Equity and Liabilities	**119,875**	**128,234**
Key Performance Indicators		
Average days of trade receivables	160	171
Average days of inventory	15	25
Average days of trade payables	22	24
Liabilities to shareholders' equity ratio	27.7%	32.3%

Source: Unaudited Financial Statements for the Three-Month Period Ended on 31 March 2025G

Liabilities to shareholders' equity ratio = Total liabilities / Total equity

Assets

Non-current Assets

Non-current assets decreased from SAR 24.2 million as at 31 December 2024G to SAR 23.0 million as at 31 March 2025G due to a decrease in right-of-use assets by SAR 631 thousand and a decrease in property and equipment.

Current Assets

Current assets increased from SAR 95.7 million as at 31 December 2024G to SAR 105.2 million as at 31 March 2025G, which is due to an increase in (1) trade receivables by SAR 7.8 million in line with revenues and overall operational activities, (2) investments at fair value through profit or loss due to profits from the relevant portfolio investment, and (3) inventory due to an increase in ambulances by SAR 2.3 million in line with the receipt of a previously ordered ambulance shipment. This was offset by a decrease in cash and cash equivalents in line with the increase in trade receivables and inventory.

Equity

Equity increased from SAR 93.9 million as at 31 December 2024G to SAR 96.9 million as at 31 March 2025G as a result of an increase in retained earnings, which was partially offset by declared dividends.

Liabilities

Non-current Liabilities

Non-current liabilities increased from SAR 11.4 million as at 31 December 2024G to SAR 11.7 million as at 31 March 2025G due to an increase in employee benefit obligations by SAR 743 thousand in line with the actuarial study conducted for the period. This was offset by a decrease in the non-current portion of lease agreement liabilities.

Current Liabilities

Current liabilities increased from SAR 14.6 million as at 31 December 2024G to SAR 19.6 million as at 31 March 2025G mainly due to an increase in trade and other payables by SAR 4.0 million as a result of an increase in accrued shareholder dividends by SAR 3.9 million.

7.6.2.1 Property and equipment

Table 7.38: Property and equipment as at 31 December 2022G, 31 December 2023G, and 31 December 2024G

THOUSAND SAR	Machinery and equipment SAR	Vehicles SAR	Furniture, fixtures, and office equipment SAR	Improvements to leased buildings SAR	Capital Work in Progress	Total SAR
Cost						
Balance as at 1 January 2023G	5,024	6,114	2,125	11,724	-	24,986
Transfers	-	-	-	2,015	(2,025)	-
Additions during the year	824	4,027	736	146	2,298	8,301
Disposals during the year	(24)	(353)	-	-	-	(377)
Balance as at 31 January 2024G	5,824	9,788	2,861	13,885	283	32,640
Accumulated Depreciation						
Balance as at 1 January 2023G	3,635	2,490	1,724	6,127	-	13,976
Charged for the year	350	633	103	917	-	2,003
Disposals during the year	(16)	(243)	0	-	-	(260)
Balance as at 31 January 2024G	3,969	2,879	1,827	7,044	-	15,719
Cost						
Balance as at 1 January 2025G	5,824	9,788	2,861	13,885	283	32,640
Additions during the year	12	-	-	-	24	36
Disposals during the year	-	(67)	-	-	-	(67)
Balance as at 31 March 2025G	5,836	9,721	2,861	13,885	307	32,609
Accumulated Depreciation						
Balance as at 1 January 2025G	3,969	2,879	1,827	7,044	-	15,719
Charged for the year	91	197	41	283	-	612
Disposals during the year	-	(67)	-	-	-	(67)
Balance as at 31 March 2025G	4,060	3,009	1,868	7,327	-	16,264
Balance as at 31 March 2025G	1,776	6,712	992	6,558	307	16,345
Balance as at 31 January 2024G	1,855	6,909	1,034	6,841	283	16,921

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

As at 31 March 2025G, the net book value of property and equipment amounted to SAR 16.3 million and mainly consists of the following:

Machinery and equipment

Machinery and equipment decreased from SAR 1.9 million as at 31 December 2024G to SAR 1.8 million as at 31 March 2025G due to depreciation expense recorded for the period of SAR 91 thousand.

Vehicles

The vehicles balance decreased from SAR 6.9 million as at 31 December 2024G to SAR 6.7 million as at 31 March 2025G due to depreciation expense during the year of SAR 197 thousand and the disposal of fully depreciated vehicles amounting to SAR 67 thousand.

Furniture, Fixtures, and Office Equipment

The furniture, fixtures, and office equipment balance decreased from SAR 1.0 million as at 31 December 2024G to SAR 993 thousand as at 31 March 2025G due to depreciation expense recorded for the period of SAR 41 thousand.

Improvements to Leased Buildings

The improvements to leased buildings balance decreased from SAR 6.8 million as at 31 December 2024G to SAR 6.6 million as at 31 March 2025G due to depreciation expense recorded for the period of SAR 283 thousand.

Capital Work in Progress

The value of capital works in progress amounted to SAR 307 thousand as at 31 March 2025G and relates to renovation works performed at Dammam clinics which were later completed in the second half of 2025G.

7.6.2.2 Right-of-use assets

Table 7.39: Right-of-Use Assets as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	Buildings SAR	Vehicles SAR	Total SAR
Cost			
Balance as at 1 January 2023G	7,826	-	7,826
Adjustments during the year	4,204	1,208	5,411
Balance as at 31 January 2024G	12,030	1,208	13,238
Accumulated Depreciation			
Balance as at 1 January 2023G	3,919	-	3,919
Charged for the year	1,788	242	2,030
Balance as at 31 January 2024G	5,707	242	5,949
Cost			
Balance as at 1 January 2025G	12,030	1,208	13,238
Balance as at 31 March 2025G	12,030	1,208	13,238
Accumulated Depreciation			
Balance as at 1 January 2025G	5,707	242	5,949
Charged for the year	555	75	631
Balance as at 31 March 2025G	6,262	317	6,580
Balance as at 31 March 2025G	5,767	890	6,658
Balance as at 31 January 2024G	6,323	966	7,289

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

The right-of-use assets balance decreased by SAR 631 thousand from SAR 7.3 million as at 31 December 2024G to SAR 6.7 million as at 31 March 2025G due to depreciation charged for buildings amounting to SAR 555 thousand, and for vehicles amounting to SAR 75 thousand.

7.6.2.3 Financial Investments at Fair Value through Profit or Loss

Investments at fair value through profit or loss increased from SAR 35.1 million as at 31 December 2024G to SAR 38.0 million as at 31 March 2025G due to profits from the portfolio investment.

7.6.2.4 Inventory

Table 7.40: Inventory as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Medical Supplies	2,434	2,536
Ambulances	988	3,239
Total	**3,422**	**5,775**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

.Inventory increased from SAR 3.4 million as at 31 December 2024G to SAR 5.8 million as at 31 March 2025G due to an increase in ambulances by SAR 2.3 million as a result of the receipt of a previously ordered ambulance shipment.

The average days of inventory outstanding increased from 15 days as at 31 December 2024G to 25 days as at 31 March 2025G in line with the receipt of the ambulance shipments.

7.6.2.5 Receivables

Table 7.41: Trade Receivables as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Trade receivables	48,436	56,501
Less: Expected credit loss provision	(6,671)	(6,931)
Total	**41,765**	**49,570**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

Table 7.42: Movement in Expected Credit Loss Provision as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Opening balance	6,294	6,671
Charged during the year	378	260
Closing balance	6,671	6,931

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

Receivables

Net receivables increased from SAR 41.8 million as at 31 December 2024G to SAR 49.6 million as at 31 March 2025G in line with operational growth.

Expected credit loss provision

The expected credit loss provision amounted to SAR 6.9 million as at 31 March 2025G and represents the expected credit loss calculated by management on doubtful balances in accordance IFRS 9. An amount of SAR 6.5 million was allocated to Johns Hopkins Aramco Healthcare Company whose balances have been outstanding for more than a year. This invoice is still outstanding for services provided in June 2021G, as Johns Hopkins Aramco Healthcare Company paid the dues to the old contractor, but the Company has not yet received the balance.

7.6.2.6 Prepayments and other receivables

Table 7.43: Prepayments and Other Assets as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Prepayments to suppliers	4,743	4,099
Advance Payments	3,977	4,670
Letter of Guarantee Margin	1,353	1,311
Employee Advances	755	785
Insurance Deposits	463	483
Less: Provision for Advance Payments to suppliers	(545)	(545)
Total	**10,746**	**10,804**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

Advance Payments to Suppliers

Advance payments to suppliers decreased from SAR 4.7 million as at 31 December 2024G to SAR 4.1 million as at 31 March 2025G as a result of receiving 9 ambulances during the same period.

Advance Payments

The balance of prepayments increased from SAR 4.0 million as at 31 December 2024G to SAR 4.7 million as at 31 March 2025G mainly due to the increase in (1) prepayments related to financial advisor fees in relation to the transaction of moving from the parallel market to the main market, (2) government fees due to an increase in residency permit fees in line with the increase in the number of employees, and (3) medical insurance in line with the increase in the number of employees during the period.

Letter of Guarantee Margin

The margin on letters of guarantee amounted to SAR 1.5 million as at 31 March 2025G. This margin is related to guarantees for government tender processes, which require a performance guarantee of 5.0% of the total project value.

Employee Advances

The average employee advances amounted to SAR 770 thousand as at 31 December 2024G and 31 March 2025G.

Insurance Deposits

The average insurance deposits amounted to SAR 470 thousand as at 31 December 2024G and 31 March 2025G.

Provision for Advance Payments to suppliers

The provision for advance payments to suppliers amounted to SAR 545 thousand as at 31 March 2025G. This provision is related to balances that have been outstanding for more than one year. Management expects to receive the purchased materials and equipment in the future. Upon receipt, the impairment provision will be reversed.

7.6.2.7 Dues to Related Parties

The balance of receivables from related parties amounted to SAR 86 thousand as at 31 March 2025G and is related to an advance rental cost.

7.6.2.8 Cash and cash equivalents

Table 7.44: Cash and cash equivalents as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Cash in banks	4,651	976
Cash on hand	9	15
Total	**4,660**	**990**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

Cash and cash equivalents amounted to SAR 990 thousand as at 31 March 2025G, consisting of cash at banks (approximately 98.5% of the total) and cash on hand (approximately 1.5%).

The balance of cash and cash equivalents decreased from SAR 4.7 million during the three-month period ended on 31 December 2024G to SAR 990 thousand during the three-month period ended on 31 March 2025G in line with the increase in trade receivables and inventory.

7.6.2.9 Employee Benefit Obligations

Table 7.45: Employee Benefit Obligations as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Opening balance	5,683	6,697
Expenses charged to profit or loss	1,105	463
Paid during the year	1,298	571
Actuarial loss / (gain) charged to statement of comprehensive income	(1,390)	(291)
Closing balance	6,697	7,440

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

Employee benefit obligations increased from SAR 6.7 million as at 31 December 2024G to SAR 7.4 million as at 31 March 2025G in line with the actuarial assessment.

7.6.2.10 Lease Agreement Liabilities

Table 7.46: Movement during the Year on Lease Agreement Liabilities as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Audited
1 January	4,379	7,316
Interest charged during the year	509	135
Additions during the year	5,411	-
Paid during the year	(2,984)	(529)
31 December	7,316	6,922

Source: Unaudited Financial Statements for the Three-Month Period Ended on 31 March 2025G

Table 7.47: Classification of Lease Agreement Liabilities as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Audited
Non-current portion of lease agreement liabilities	4,745	4,304
Current portion of lease agreement liabilities	2,571	2,618
Total	**7,316**	**6,922**

Source: Unaudited Financial Statements for the Three-Month Period Ended on 31 March 2025G

Table 7.48: Maturity of Lease Agreement Liabilities as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Less than one year	3,025	3,035
One to five years	4,556	4,157
More than five years	905	905
Total	**8,486**	**8,097**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

The balance decreased by SAR 631 thousand from SAR 7.3 million as at 31 December 2024G to SAR 6.9 million as at 31 March 2025G due to changes in right-of-use assets during the period.

7.6.2.11 Trade and Other payables

Table 7.49: Trade and Other Payables as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Trade payables	4,940	5,647
Accrued Expenses	2,605	5,736
VAT	1,374	1,504
Total	**8,919**	**12,887**

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

Trade payables

The balance increased from SAR 4.9 million as at 31 December 2024G to SAR 5.6 million as at 31 March 2025G due to the need for additional purchases and workforce services in line with operational growth.

Accrued Expenses

Accrued expenses increased from SAR 2.6 million as at 31 December 2024G to SAR 5.7 million as at 31 March 2025G as a result of an increase in accrued shareholder dividends by SAR 3.9 million, which will be paid at the end of the year.

VAT

Value Added Tax increased from SAR 1.4 million as at 31 December 2024G to SAR 1.5 million as at 31 March 2025G, driven by purchases and sales during the same period.

7.6.2.12 Dues to Related Parties

Receivables from related parties increased from SAR 916 thousand as at 31 December 2024G to SAR 1.4 million as at 31 March 2025G and are related to employment service dues for Mohannad Human Resources Company. The balance increased in line with the increased reliance on the outsourced workforce.

7.6.2.13 Zakat Provision

Table 7.50: Zakat Provision as at 31 December 2024G and 31 March 2025G

THOUSAND SAR	31 December 2024G Audited	31 December 2025G Management Information
Opening balance	2,179	2,159
Charged during the year	2,159	558
Decrease in provision	466	-
Payments	(2,645)	-
Closing balance	2,159	2,717

Source: Audited Financial Statements for the Fiscal Year ended on 31 December 2024G and Information Management

Zakat is paid in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.

7.6.3 Statement of Cash Flows

Table 7.51: Statement of Cash Flows for the Three-Month Period Ended on 31 March 2024G and 2025G

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Unaudited	Three-Month Period Ended on 31 March 2025G Unaudited
Operating Activities		
Net profit before Zakat	801	8,004
Depreciation of property and equipment	461	612
Depreciation of right-of-use assets	298	631
Employee Benefit Obligations	369	383
Finance Cost	156	215
Losses from disposal of property and equipment	-	(9)
Expected Credit Loss on Trade Receivables	731	260
Proceeds from disposal of investments at fair value through profit or loss	-	(2,944)
Percentage of changes in operating assets and liabilities	2,816	7,152
Inventory	(638)	(2,353)
Trade receivables	(1,311)	(8,065)
Prepayments and other receivables	(2,409)	(58)
Dues to Related Parties	(595)	(86)
Trade and Other payables	(268)	118
Dues to Related Parties	175	459
Cash from operations	(2,231)	(2,835)
Employee benefit obligations paid	(233)	(291)
Net Cash Used in Operating Activities	(2,464)	(3,126)
Cash Flows from Investing Activities		
Proceeds from disposal of investments at fair value through profit or loss	-	(35,319)
Purchase of investments at fair value through profit or loss	-	35,331
Purchase of property and equipment	(285)	(36)

THOUSAND SAR	Three-Month Period Ended on 31 March 2024G Unaudited	Three-Month Period Ended on 31 March 2025G Unaudited
Proceeds from disposal of property and equipment	-	9
Net Cash Used in Investment Activities	(285)	(15)
Financing Activities		
Repayment of lease agreement liabilities	(690)	(529)
Net Cash Used in Financing Activities	(690)	(529)
Net change in cash and cash equivalents	(3,439)	(3,670)
Cash and cash equivalents at beginning of year	53,361	4,660
Cash and cash equivalents at end of year	49,921	990

Source: Unaudited Financial Statements for the Three-Month Period Ended on 31 March 2025G

Net Cash Used in Operating Activities

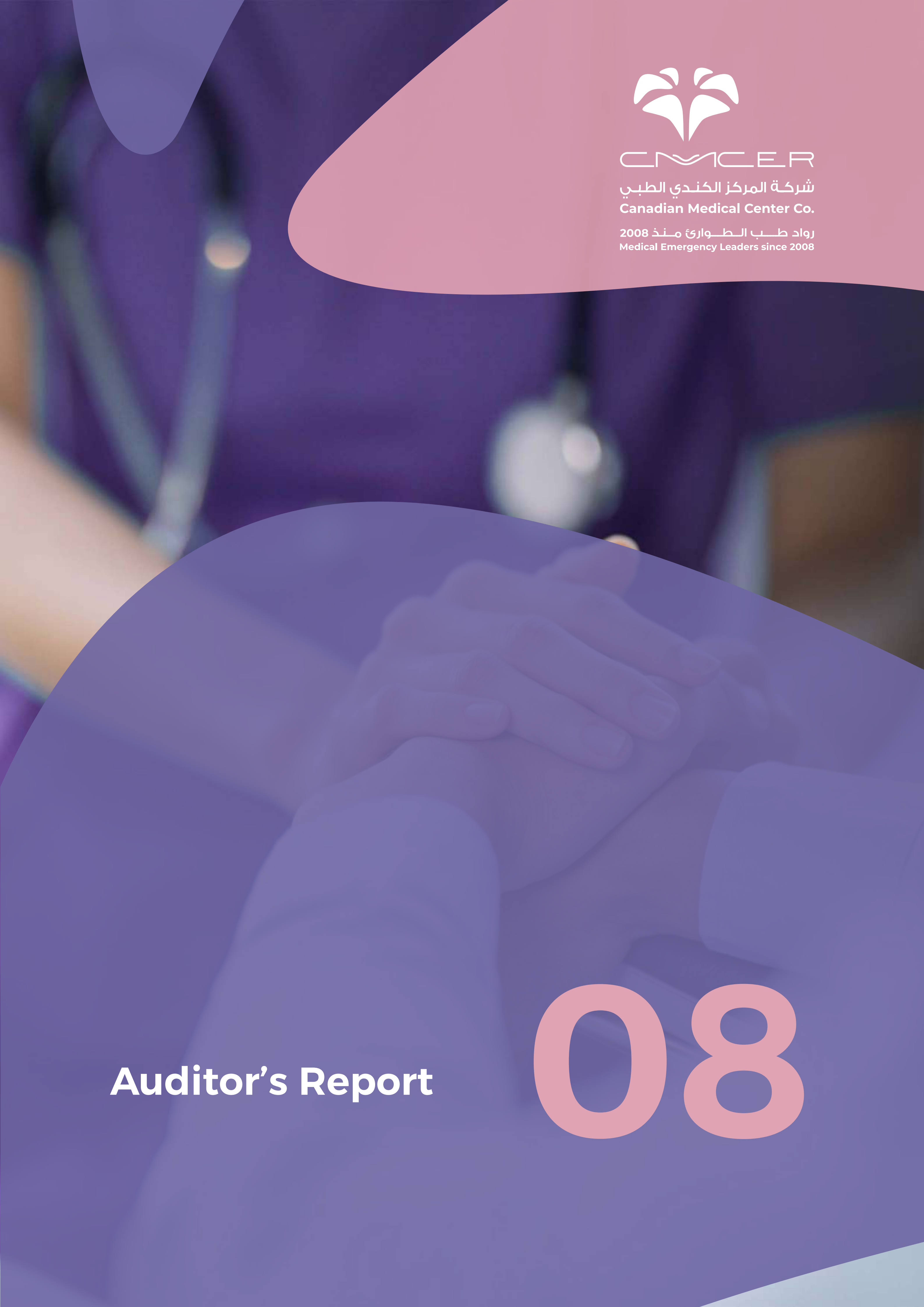
Net cash used in operating activities increased from an outflow of SAR 2.5 million in the three-month period ended on 31 March 2024G to a net outflow of SAR 3.1 million in the three-month period ended on 31 March 2025G, due to an increase in trade receivables of SAR 6.8 million, a gain on disposal of investments at fair value through profit or loss of SAR 2.9 million, and an increase in inventory of SAR 1.7 million.

Net Cash Used in Investment Activities

Net cash used in investing activities decreased from a net outflow of SAR 285 thousand in the three-month period ended on 31 March 2024G to a net outflow of SAR 15 thousand in the three-month period ended on 31 March 2025G, which is mainly attributed to a decrease in the purchase of property and equipment.

Net Cash Used in Financing Activities

Net cash used in financing activities decreased from a net outflow of SAR 690 thousand in the three-month period ended on 31 March 2024G to a net outflow of SAR 529 thousand in the three-month period ended on 31 March 2025G, in line with a decrease in the repayment of lease agreement liabilities of SAR 161 thousand.



شركة المركز الكندي الطبي
Canadian Medical Center Co.
رواد طب الطوارئ منذ 2008
Medical Emergency Leaders since 2008

08

Auditor’s Report

8. Auditor’s Report

8.1 Audited financial statements for the fiscal year ended 31 December 2022G

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

BDO الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

Head office: Moon Tower - 8 Floor
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Canadian General Medical Center Complex Company
(A Saudi Joint Stock Company)

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Canadian General Medical Center Complex Company (the "Company") which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements section" of our report. We are independent of the Company in accordance with the professional code of conduct endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO الدكتور محمد العمري وشركاه
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Independent Auditors' Report for The Audit of Canadian General Medical Center Complex Company Financial Statements for the year ended December 31, 2022 (Continued)

Revenue recognition	
Key audit matter	***How the matter was addressed in our audit***
The company's revenues for the year ended December 31, 2022 amounted to SR 81.2 million. Revenue is one of the essential indicators for measuring performance, and it follows that there are risks inherent in the process of recognizing revenue through recognizing revenues in excess of their value. Considering the significance of the recorded revenue value as well as the risks inherent in the revenue recognition process, revenue has been considered as a key audit matter. Refer to the significant accounting policies in Note 4 on revenue and Note 21 for more details on revenue.	We have implemented the following procedures to address this matter: - Assessed the appropriateness of the company's accounting policy for the revenue recognition and in line with the requirements of international Financial Reporting Standards 15 "Revenue from Contracts with Customers". - Tested a sample of recorded revenue transactions and compare them with supporting documents for verification of recorded revenue. - Performed cut-off and ensured that revenue was recorded in the appropriate year. - Inquired of management representatives and those charged with governance about their knowledge of fraud risks and whether there were actual cases of fraud. - Assessed the adequacy of the disclosure in the financial statements.

Other matter

The company's financial statements for the year ending on December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on March 24, 2022.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Company (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report of the Company, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

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Independent Auditors' Report for The Audit of Canadian General Medical Center Complex Company Financial Statements for The Year Ended December 31, 2022 (Continued)

Responsibilities of the Company's management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors and Audit Committee, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditors' Report for The Audit of Canadian General Medical Center Complex Company Financial Statements for The Year Ended December 31, 2022 (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.

Gihad M. Al-Amri
Certified Public Accountant
Registration No. 362
Dammam, on 30 Sha'aban 1444 (H)
Corresponding to: 22 March 2023 G

د. محمد العمري وشركاه - محاسبون قانونيون
Dammam
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022
(Expressed in Saudi Riyals)

	Notes	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Property and equipment	6	**8,679,189**	10,499,359
Right-of-use assets	7	**4,726,845**	4,585,296
Total non-current assets		**13,406,034**	15,084,655
Current assets			
Investments at fair value through profit or loss ("FVTPL")	9	**-**	59,383,313
Inventories		**4,566,957**	1,919,597
Prepayments and other receivables	8	**1,894,024**	1,745,753
Accounts receivable	10	**32,250,326**	32,091,604
Short term deposits	11	**45,921,500**	-
Cash and cash at banks	12	**10,654,897**	6,511,007
Total current assets		**95,287,704**	101,651,274
TOTAL ASSETS		**108,693,738**	116,735,929
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**77,000,000**	77,000,000
Statutory reserve	14	**5,187,069**	3,621,643
Actuarial reserve		**(216,466)**	(222,055)
Retained earnings		**5,039,310**	14,050,473
Total equity		**87,009,913**	94,450,061
Non-current liabilities			
Employees' defined benefit obligations	15.a	**6,677,779**	5,776,502
Lease liabilities	17.1	**4,379,036**	4,347,378
Total non-current liabilities		**11,056,815**	10,123,880
Current liabilities			
Accounts payable and other payables	16	**7,511,245**	6,335,513
Murabaha loans	18	**-**	2,757,715
Lease liabilities	17.1	**814,730**	614,416
Provision for zakat	20-B	**2,301,035**	2,454,344
Total current liabilities		**10,627,010**	12,161,988
Total liabilities		**21,683,825**	22,285,868
TOTAL EQUITY AND LIABILITIES		**108,693,738**	116,735,929

CEO **CFO** **Chairman**

The accompanying notes from 1 to 29 form an integral part of these financial statements.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

	Notes	December 31, 2022	December 31, 2021
Revenue	21	**81,229,390**	70,642,658
Cost of revenue		**(56,257,150)**	(45,449,780)
Gross profit		**24,972,240**	25,192,878
General and administrative expenses	22	**(7,714,819)**	(8,891,916)
Operating profit		**17,257,421**	16,300,962
Gain from investments at fair value through profit or loss		**227,446**	383,313
Finance costs	23	**(726,607)**	(531,195)
Other income, net	24	**1,213,744**	375,710
Net profit before Zakat		**17,972,004**	16,528,790
Zakat	20-B	**(2,317,741)**	(2,465,429)
Net profit for the year		**15,654,263**	14,063,361
Other comprehensive income items			
Items that will not be subsequently reclassified to profit or loss in subsequent periods:			
Gain/ (loss) of Remeasurement of Employees' defined benefit obligations	15.a	**5,589**	(280,919)
Other comprehensive income/(loss)		**5,589**	(280,919)
Total comprehensive income		**15,659,852**	13,782,442
Basic and diluted earnings per share	26	**2.03**	1.83

CEO	CFO	Chairman

The accompanying notes from 1 to 29 form an integral part of these financial statements.

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in Saudi Riyals)

	Share capital	Statutory reserve	Actuarial reserve	Retained earnings	Total
Balance at January 01, 2021	77,000,000	2,215,307	58,864	12,943,448	92,217,619
Dividends	-	-	-	(11,550,000)	(11,550,000)
Net profit for the year	-	-	-	14,063,361	14,063,361
Other comprehensive loss	-	-	(280,919)	-	(280,919)
Total comprehensive income	-	-	(280,919)	14,063,361	13,782,442
Transfer to statutory reserve	-	1,406,336	-	(1,406,336)	-
Balance at December 31, 2021	**77,000,000**	**3,621,643**	**(222,055)**	**14,050,473**	**94,450,061**
Dividends	**-**	**-**	**-**	**(23,100,000)**	**(23,100,000)**
Net profit for the year	**-**	**-**	**-**	**15,654,263**	**15,654,263**
Other comprehensive income	**-**	**-**	**5,589**	**-**	**5,589**
Total comprehensive income	**-**	**-**	**5,589**	**15,654,263**	**15,659,852**
Transfer to statutory reserve	**-**	**1,565,426**	**-**	**(1,565,426)**	**-**
Balance at December 31, 2022	**77,000,000**	**5,187,069**	**(216,466)**	**5,039,310**	**87,009,913**

CEO **CFO** **Chairman**

The accompanying notes from 1 to 29 form an integral part of these financial statements.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in Saudi Riyals)

	December 31, 2022	December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before zakat	**17,972,004**	16,528,790
Adjustments for non –cash items:		
Depreciation of property and equipment	**1,920,545**	2,233,482
Depreciation on right-of-use assets	**1,223,475**	705,094
Employees' defined benefit obligations	**1,373,383**	781,738
Finance costs	**562,669**	531,195
Loss / (Gain) on disposal of property and equipment	**1,032**	(1,452)
Expected credit losses	**600,000**	220,000
Profit from short term deposits	**(968,944)**	-
Profit from evaluation of investments at fair value through profit or loss	**(227,446)**	(383,313)
	22,456,718	20,615,534
Changes in working capital		
Inventories	**(2,647,360)**	(1,716,443)
Accounts receivable	**(758,722)**	(17,401,091)
Prepayments and other receivables	**(148,271)**	(980,044)
Accounts payable and other payables	**616,172**	1,976,894
Cash generated from operating activities	**19,518,537**	2,494,850
Employees' defined benefit obligations paid	**(466,517)**	(267,909)
Finance costs paid	**(51,021)**	(67,361)
Zakat paid	**(2,471,050)**	(569,111)
Net cash generated from operating activities	**16,529,949**	1,590,469
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments at fair value through profit or loss	-	(59,000,000)
Cash proceeds from investments at fair value through profit or loss	**59,610,759**	-
Purchase of short-term deposits	**(55,000,000)**	-
Gain from matured short-term deposits	**10,047,444**	-
Purchase of property and equipment	**(101,407)**	(1,635,958)
Proceed from disposal of property and equipment	-	6,929
Net cash flows generated from/ (used in) investing activities	**14,556,796**	(60,629,029)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in Murabaha loans	**(2,757,715)**	(1,863,226)
Dividends paid	**(23,100,000)**	(11,550,000)
Payment of lease liabilities	**(1,085,140)**	(953,885)
Net cash used in financing activities	**(26,942,855)**	(14,367,111)
Net change in cash and cash at banks	**4,143,890**	(73,405,671)
Cash and cash at banks at beginning of the year	**6,511,007**	79,916,678
Cash and cash at banks at end of the year	**10,654,897**	6,511,007

CEO **CFO** **Chairman**

The accompanying notes from 1 to 29 form an integral part of these financial statements.

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

1. ORGANIZATION AND ACTIVITY

Canadian General Medical Center Complex Company (the "Company") is a Saudi joint stock company previously incorporated as a limited liability company registered in Dammam, Kingdom of Saudi Arabia under Commercial Registration No. 2050058605 dated Safar 13, 1429H (corresponding to February 20, 2008).

During the year 2020, the company increased the capital in several stages from 2 million Saudi riyals to 77 million Saudi riyals, in addition to the entry of new partners / shareholders.

The shareholders decided to convert the company from a limited liability Company to Saudi Joint Stock Company under the same Commercial Registration. The Company obtained ministerial approval for the official announcement of the coversion on 15 Jumada Al-Awwal 1442 H, corresponding to December 30, 2020.

The Capital Market Authority, in its decision issued on Dhu al-Qi'dah 18, 1442 AH corresponding to June 28, 2021, approved the company's request to register its shares for direct listing in the Parallel Market – Nomu.

The main activities of the company are management of hospitals and health centers and trade in hospital tools and equipment and ambulances under License No. 10045 dated Jumada Al-Awwal 18, 1436 -H (corresponding to March 9, 2015).

The address of the company's registered office is in Dammam, Kingdom of Saudi Arabia.

The financial statements include the following assets, liabilities and activities of the company and its branches:

Branch CR NO.	CR Date (Hijri)	CR Date (Gregorian)	City
2050116858	03/11/1439-H	16/07/2018-G	Dammam
2055026411	22/04/1439-H	09/01/2018-G	Jubail
2059004078	08/06/1438-H	07/03/2017-G	Abgaig
2051056715	15/05/1435-H	16/03/2014-G	Khobar

2. BASIS OF PREPARATION

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the chartered and professional Accountants (Refer collectivity as "IFRS endorsed in Saudi Arabia").

Basis of measurement
The financial statements have been prepared on the going concern basis, according to historical cost, using the accrual basis of accounting except the following:

- Obligations of end of service benefits to employees, as they are calculated at the present value of future obligations.
- Valuation of investments at fair value through profit or loss.

Functional and presentation currency
The financial statements are presented in Saudi Riyal, which is the company's functional currency, and all amounts are rounded to the nearest Saudi Riyal

Financial year
The company's financial year begins on January 1, and ends on December 31, of each year.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS:

The following are the amendments to the International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board, which are effective for an annual period beginning on or after January 1, 2022,

3.1 New standards, interpretations and amendments effective from January 1, 2022.
The following are a number of new amendments to the standards, which are listed below, which are effective this year but do not have a material impact on the financial statements of the company.

Amendments to standard	Description	Effective for annual years beginning on or after
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IFRS 16, IFRS 9, IAS 41and IFRS 1	Annual Improvements to IFRS Standards 2018–2020	January 1, 2022

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS (CONTINUED)

3.2 New standards, interpretations and amendments effective from January 1, 2023.

The company did not adopt early application of any new standard, interpretation or amendment that was issued but has not yet become effective, as the company's management expects that it is not considered relevant to the company's operations or will have a material impact on the company's financial statements in future periods.

Amendments to standard	Description	Effective for annual years beginning on or after
IAS 8	Definition of accounting estimates	January 1, 2023
IAS 1, IFRS practice statement 2	Disclosure of Accounting Policies	January 1, 2023
IAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IFRS 16	Amendment – Liability in a Sale and Leaseback	January 1, 2024
IAS 1	Amendment –Classification of Liabilities as Current or Non-current	January 1, 2024
IAS 1	Amendment –Non-current Liabilities with Covenants	January 1, 2024

4. SIGNIFICANT ACCOUNTING POLICIES

The following are the most significant accounting policies used by the company in preparing the accompanying financial statements:

Classification of assets and liabilities to current and non-current

The asset is current when:

- Expected to be realized or intended to be sold 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 company classifies all other liabilities as non-current.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Company measures the financial instruments such as financial derivatives at fair value at each reporting date.

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 company must have the ability to use / reach the main market or the most advantageous market.
The fair value of assets and liabilities is measured using the assumptions that market participants would use when pricing assets and liabilities. Assuming they are pursuing what is in their best economic interests.

When measuring the fair value of non-financial assets, the ability of financial market participants to realize economic benefits from the asset, is taking in the consideration, through the best and maximum use of it or by selling it to other market participants who use the asset in the best and maximum way.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

Revenue from contracts with customers
The Company recognizes revenue from contracts with customers based on a five-step model as described in IFRS 15
The following five steps are followed:

• Step 1: Define the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and specifies the criteria for each contract that must be fulfilled.

• Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in the contract with the customer to transfer goods or services to the customer

• Step 3: Determine the transaction price: The transaction price is the amount of consideration that the company expects to receive in exchange for transferring promised goods or services to the customer. The transaction price is measured as the fair value of the consideration received or due, subject to contractually defined payment terms, excluding tax, fees and charges collected on behalf of others and recorded net of trade and volume discounts.

• Step 4: Allocate the transaction price to the performance obligations in the contract: For contracts that contain more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that shows the amount of consideration that the Company bears and expects to be due in exchange for fulfilling each performance obligation.

• Step 5: Recognize revenue when (or as) the company satisfies a performance obligation.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (continued)
The Company has evaluated the revenue contracts against specific criteria and has determined that it is acting as principal in all revenue contracts.

Revenues are mainly obtained from providing medical services to customers. Revenues are recognized when the promised medical services are provided, and performance obligations are confirmed through approved timetables periodically.

Accounts receivable

Debtors represent the company's right to the amount of unconditional compensation (ie, the entitlement to compensation depends on the passage of time). See accounting policy for financial assets.

Inventories

Inventory consists of medicines and other consumables used in medical services. Inventories are stated at cost or net realizable value, whichever is lower. Inventory is valued on a weighted average cost basis.

Expenses

All operating expenses are distributed on a fixed basis to the cost of revenue and general and administrative expenses using fixed distribution factors that are determined in proportion to the company's activities.

Dividends

Dividends are recognized as liabilities in the company's financial statements in the period in which the dividends are approved by the shareholders.

Earnings per share

The Company presents basic and diluted earnings per share information for the ordinary shares. Basic earnings per share is calculated by dividing the company's profit or loss by the weighted average number of the outstanding ordinary shares held during the period. Diluted earnings per share is determined by adjusting the company's profit or loss and the weighted average number of outstanding ordinary shares for the effects of all diluted potential ordinary shares.

Zakat and tax

Zakat

The company sets aside a provision for zakat in accordance with the instructions of the Authority of Zakat, Tax and Customs. The provision is charged to profit or loss.

Uncertain zakat and tax statuses

The differences that may arise from the final assessments are accounted for when the company finalizes its assessments with the Authority of Zakat, Tax and Customs.

Value added tax (VAT)
Revenues, expenses and assets are recognized net of value added tax, except in the following cases:

If the value-added tax is due on the acquisition of assets or services that are not recovered from the competent tax authority, in this case the value-added tax is recognized as part of the cost of purchasing assets or part of the expense item, as the case might be.

Receivables and payables are shown including the amount of VAT.

The net value added tax recoverable from or paid to the tax authority is included in other receivables or other payables in the statement of financial position.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Zakat and tax (continued)

Withholding taxes
The Company withholds tax on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required by the Saudi Income Tax Law.

Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded at the rate privilege in the functional currency on the date that the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the prevailing rate on the date of preparing the financial statements. All differences arising from settlements or transactions on monetary items are recorded in the statement of profit or loss.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the currency rate privilege at the dates of the original transactions. Non-monetary items in foreign currencies that are measured at fair value are translated into the currency rate privilege at the date the fair value was determined. Profits or losses resulting from the translation of non-monetary items that are measured at fair value are treated in accordance with the recognition of gains and losses resulting from the change in the fair value of that item. (That is, translation differences for items whose fair value gains and losses are recognized in the statement of other comprehensive income are recognized it in other comprehensive income, and items for which fair value gains and losses are recognized in profit or loss are recognized in profit or loss).

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and/or accumulated impairment losses, if any. Capital work-in-progress is not depreciated. Cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are replaced at certain intervals, the Company recognizes those parts as individual assets with a specific useful life and depreciation. All other repair and maintenance costs are recognized in profit or loss when incurred.
Property and equipment are measured at cost, less accumulated depreciation and any impairment losses.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Category	Years
Machineries and equipment	4-8 years
Motor vehicles	4 years
Furniture, fittings and office equipment	4-8 years
Leasehold improvements	10 years or the lease term whichever is less

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or sale. Any gain or loss arising from the disposal of the asset is recorded (calculated as the difference between the net disposal proceeds and the book value of the asset) in profit or loss when the assets are disposed of. The residual value, useful lives and methods of depreciation of property and equipment are reviewed at the end of each financial year and adjustments are made on a prospective basis, as appropriate.

Borrowing costs

Borrowing costs that are directly related to the acquisition, construction or production of an asset that necessarily takes a period of time to prepare for use or sale are recognized as part of the cost of that asset. All other borrowing costs are expensed in the period in which they accrue. Borrowing costs are the interest costs and other costs incurred by the entity in connection with the process of borrowing funds.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Company assesses whether a contract is, or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability in respect of all lease agreements in which it is a lessee, except for short-term leases (defined as leases of 12 months or less) and leases of low-value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term unless there is another systematic basis for the time pattern in which economic benefits from the leased asset are drained. 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. If this rate cannot be determined easily, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability consist of:

- Fixed lease payments (including fixed payments), less any rental incentives.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate on the commencement date,
- The amount the lessee is expected to pay under the residual value guarantees,
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and
- Payment of penalties for terminating the lease, if the lease reflects the exercise of the option to terminate the lease.

The lease liability is presented separately in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by decreasing the carrying amount to reflect the lease payments.

The Company remeasures the lease liability (and makes an adjustment for the right to use the related asset) if:

- The terms of the lease have changed or there has been a change in the valuation of exercising the purchase option, in which case the lease liability is remeasured by discounting the modified lease payments using a modified discount rate.
- Lease payments have changed due to changes in an index or rate or a change in the expected payment according to the guaranteed residual value, in which case the lease liability is remeasured by discounting the adjusted lease payments using the initial discount rate (unless the lease payments have changed due to a change in the prevailing interest rate, in which case an adjusted discount rate is used).
- The lease is modified and the lease contract modification has not been accounted for as a separate lease, in which case the lease liability is re-measured by discounting the modified lease payments using a modified discount rate.

The Company has not made any such adjustments during the presented periods.

The right-of-use asset includes the initial measurement of the corresponding lease liability, lease payments made on or before the commencement day and any initial direct costs. Subsequently, they are measured at cost less accumulated depreciation and impairment losses.

The right of use the assets is depreciated over the shorter of the lease period and the specified useful life. If the lease transfers the ownership of the specific asset or the cost of the right-of-use asset reflecting that the Company expects to exercise the purchase option, the related right-of-use asset is depreciated over the useful life of the asset. Depreciation begins on the lease commencement date.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Saudi Riyals)

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Right-to-use assets are presented as a separate line item in the statement of financial position.

The company applies International Accounting Standard No. (36) "Impairment of Assets" to determine if there is any impairment in the value of the right to use assets.

Impairment of non-financial assets
The company assesses at the date of preparing the financial statements whether there is an indication of impairment in the value of an asset. If there is any indication of this, or when an annual impairment test for the asset is required, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less costs to sell or value in use. It is determined for a single asset unless the asset generates cash flows that are not largely independent of the flows generated by other assets or groups of assets. When the book value of an asset or cash-generating unit exceeds its recoverable amount, the value of the asset shall be reduced to its recoverable amount. 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. 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 supported by valuation multiples or other available fair value indicators.

In calculating impairment, the Company relies on detailed budgets and discretionary accounts that are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These detailed budgets and discretionary accounts usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year. Impairment losses of continuing operations are recognized in profit or loss as an expense that is appropriate to the function of the impaired assets.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. This reversal is recognized in profit or loss.

Financial assets

Initial recognition and measurement
Financial assets are classified upon initial recognition as subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. All financial assets are recognized upon initial recognition at fair value plus, in the case of assets not carried at fair value through profit or loss, transaction costs attributable to the acquisition of the financial asset.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost
After initial measurement, these financial assets are measured at amortized value using the effective interest rate method and are subject to impairment. Profits or losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Financial assets (continued)
Debt instruments at fair value through other comprehensive income

For debt instruments at fair value through other comprehensive income, interest income, foreign currency revaluations, impairment losses or adjustments are recognized in profit or loss and accounted for in the same way as for financial assets measured at amortized cost. Residual fair value changes are recognized in other comprehensive income. On disposal, the cumulative change in fair value recognized in other comprehensive income is reclassified to profit or loss.
The Company does not have any debt instruments at fair value through other comprehensive income.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are included in the statement of financial position at their fair value, with net changes in fair value recorded in the statement of profit or loss.

Disposal of financial assets
Financial assets are disposed of in the following cases:
The right to receive cash flows from the asset has expired, or the Company has transferred its rights to receive cash flows from the asset or has committed to pay the cash flows in full without delay to a third party through a “pass-through” agreement and whether (a) the Company has transferred substantially all of the risks and rewards of the asset or (b) The company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred its right to control it. If the Company has transferred its rights to receive cash flows from the asset or has entered into a transfer agreement, it is assessing to what extent it still retains the risks and rewards associated with the asset. The asset is recognized to the extent that the company's relationship with it continues if it does not transfer and retain all the risks and benefits associated with the asset and does not transfer its right to control it. In that case, the company also recognizes the liabilities associated with it. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuation of the relationship that takes the form of a guarantee over the transferred asset is measured by the original book value of the asset and the maximum amount the company can be required to repay, whichever is lower.

Impairment of financial assets
The company recognizes an allowance for expected credit losses for all debt instruments not carried at fair value through profit or loss. An allowance for expected credit losses is recognized in two stages. For a credit exposure that has not witnessed a significant increase in credit risk since its initial recognition, expected credit losses are recognized for the credit risk resulting from possible default in payment within 12 months (expected credit losses over a period of 12 months). As for the credit exposure that witnessed a significant increase in risk Credit Since initial recognition, a provision should be recognized for expected credit losses over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade receivables and cash at banks, the Company applies a simplified approach to calculating expected credit losses. Therefore, the Company has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss, as loans and accounts payable, or as financial derivatives that are used as hedging instruments in an effective hedge to cover the risks.

All financial liabilities are recognized initially at fair value, and in the case of loans and advances and accounts payable, net of directly attributable transaction costs.

Subsequent measurement
The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on these liabilities are recognized in profit or loss.

The Company has no financial liabilities at FVTPL.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and advances

After initial recognition, loans and advances are measured at amortized cost using the effective interest rate method. Gains or losses are recognized in profit or loss on disposal of liabilities, as well as through the effective interest rate amortization process.

Disposal of the financial liabilities

Financial liabilities are eliminated when the obligation is paid, canceled or the obligation under the contract expired.

Offsetting of financial instruments

An offset is made between financial assets and liabilities, with the net amount shown in the statement of financial position in the event that there is a right guaranteed by law to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously

Cash and cash equivalent

Cash and cash equivalents in the statement of financial position consist of cash at banks, cash on hand and deposits at banks, all of which are available for use by the company unless otherwise stated, and whose maturity is three months or less.

Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from past events, it is probable that resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. In cases where the company expects to recover some or all of the provisions, for example under an insurance contract, the refund amounts are recognized as a separate asset when the recovery process is actually certain. The expense relating to a provision is presented in the statement of profit or loss only after deducting any amounts recovered.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where 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 financing cost.

Employees' benefits obligations

Short term employees' benefits

The cost of short-term employee benefits (due within 12 months after termination of service, such as paid vacation, tickets, bonuses and non-monetary benefits such as medical care) is recognized in respect of employee services up to the end of the financial reporting period, and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Employees' end-of-service benefits obligations

The cost of benefits to employees under defined benefit plans is determined separately for each plan using the planned unit credit method. Remeasurements, which consist of actuarial gains and losses, are recognized immediately in the statement of financial position and retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

5. JUDGMENTS, ESTIMATIONS AND SIGNIFICANT ACCOUNTING ASSUMPTIONS

Preparing the company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities, and disclosure of potential liabilities at the reporting date. However, uncertainty about these assumptions and estimates leads to results that may require material adjustments to the book value of the asset or liabilities affected in the future. These estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used in judging the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both the current and future periods.

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5. JUDGMENTS, ESTIMATIONS AND SIGNIFICANT ACCOUNTING ASSUMPTIONS (CONTINUED)

The following are the basic assumptions related to the future and other main sources of uncertainty as at the date of the statement of financial position, which constitute high risks that may lead to material adjustments in the book values of assets and liabilities during the next financial year. The company relies in its assumptions and estimates on standards available to it when preparing the financial statements. These assumptions and estimates about future developments may change as a result of market changes and circumstances beyond the control of the company. Such changes in assumptions are disclosed when they occur.

A) Zakat estimation
Zakat expense on the Company's normal activities is made up of the total Zakat. The calculation of the zakat imposed on the company necessarily includes a degree of estimation and judgment with regard to some items, which cannot be finally determined until a settlement is reached with the concerned party and in accordance with the relevant legal decisions.

B) The actuarial valuation of defined employee benefit obligations
The cost of the employee defined benefit obligations is determined in accordance with the Saudi Labor Law and then measured using the actuarial valuation. The actuarial valuation includes many assumptions that may differ from actual developments in the future. These assumptions include determining the discount rate, future salary increases, employee behavior, and employee turnover. Given the complexity of the valuation and its long-term nature, the unfunded defined bonus obligation is highly sensitive to changes in these assumptions. Therefore, all assumptions are reviewed at least annually when necessary.

C) Calculating the provision for expected credit losses
Management is required to use significant judgment and estimates in the estimation of the amount and timing of future cash flows and the risk of a significant increase in credit risk for financial assets after initial recognition and information about future measurements of expected credit losses. Expected credit loss is measured as an allowance equal to expected credit losses over the life of the asset.

D) Revenue recognition
To determine the amount of contract revenue to be recognized, significant use of estimates is made in determining revenue, costs, and profits and in allocating amounts to accounting periods. Changes to the original estimates may be required during the contract period and these estimates are reviewed on a regular periodic basis. The Company is constantly evaluating the assumptions, risks and uncertainties associated with applying this accounting method.

E) Useful lives of property and equipment
The useful lives and residual values of property and equipment are estimated for the purposes of calculating depreciation. These estimates are prepared based on expected use of useful lives. The residual value is determined based on experience and observable data where available.

The useful life and residual values of the company's assets are determined by the management based on the technical evaluation at the time of purchasing the asset, and it is reviewed annually to ensure its suitability. The useful life is based on historical experience with similar assets as well as anticipation of future events that may affect the life of the asset, such as changes in technology

F) Discounting the lease payments
The lease payments are discounted using the company's incremental borrowing rate. Management has applied judgment and estimates to determine the incremental borrowing rate at the commencement of the lease.

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6. PROPERTY AND EQUIPMENT

	Machinery and equipment	Motor vehicles	Furniture, fixture and office equipment	Leasehold buildings improvements	Total
Cost:					
Balance at January 1, 2022	4,347,991	3,926,229	1,954,669	11,723,683	21,952,572
Additions during the year	88,669	-	12,738	-	101,407
Disposals	-	-	(3,540)	-	(3,540)
Balance at December 31, 2022	**4,436,660**	**3,926,229**	**1,963,867**	**11,723,683**	**22,050,439**
Accumulated depreciation:					
Balance at January 1, 2022	3,163,431	2,028,920	1,544,156	4,716,706	11,453,213
Charge for the year	311,806	540,991	139,727	928,021	1,920,545
Disposals	-	-	(2,508)	-	(2,508)
Balance at December 31, 2022	**3,475,237**	**2,569,911**	**1,681,375**	**5,644,727**	**13,371,250**
Net book value:					
At December 31, 2022	**961,423**	**1,356,318**	**282,492**	**6,078,956**	**8,679,189**

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6. PROPERTY AND EQUIPMENT (CONTINUED)

	Machinery and equipment	Motor vehicles	Furniture, fixture and office equipment	Leasehold Buildings improvements	Total
Cost:					
Balance at January 1, 2021	3,862,683	2,999,529	1,939,296	11,592,833	20,394,341
Additions during the year	492,308	941,700	71,100	130,850	1,635,958
Disposals	(7,000)	(15,000)	(55,727)	-	(77,727)
Balance at December 31, 2021	4,347,991	3,926,229	1,954,669	11,723,683	21,952,572
Accumulated depreciation:					
Balance at January 1, 2021	2,726,140	1,468,611	1,373,538	3,723,692	9,291,981
Charge for the year	444,291	569,831	226,346	993,014	2,233,482
Disposals	(7,000)	(9,522)	(55,728)	-	(72,250)
Balance at December 31, 2021	3,163,431	2,028,920	1,544,156	4,716,706	11,453,213
Net book value:					
At December 31, 2021	**1,184,560**	**1,897,309**	**410,513**	**7,006,977**	**10,499,359**

- **The annual depreciation is charged as follows:**

	Note	December 31, 2022	December 31, 2021
Charged to each of:			
Cost of revenue		**1,681,477**	1,956,256
General and administrative expenses	22	**239,068**	277,226
		1,920,545	2,233,482

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7. RIGHT OF USE ASSETS

The company leases buildings and cars, where the average term of the lease contracts ranges from 4 to 19 years. Below is information about the lease contracts in which the company is a lessee:

31 December, 2022	**Buildings**	**Vehicles**	**Total**
Cost:			
Cost at January 01, 2022	**6,461,076**	**227,987**	**6,689,063**
Adjustments during the year	**1,365,024**	**-**	**1,365,024**
Balance at December 31, 2022	**7,826,100**	**227,987**	**8,054,087**
Accumulated depreciation:			
Accumulated dep at January 01, 2022	**1,908,021**	**195,746**	**2,103,767**
Charge for the year	**1,191,234**	**32,241**	**1,223,475**
Balance at December 31, 2022	**3,099,255**	**227,987**	**3,327,242**
Net book value at 31 December 2022	**4,726,845**	**-**	**4,726,845**

December 31, 2021	Buildings	Vehicles	Total
Cost:			
Cost at January 01, 2021	6,461,076	227,987	6,689,063
Balance at December 31, 2021	6,461,076	227,987	6,689,063
Accumulated depreciation:			
Accumulated dep at January 01, 2021	1,272,014	126,659	1,398,673
Charge for the year	636,007	69,087	705,094
Balance at December 31, 2021	1,908,021	195,746	2,103,767
Net book value at December 31, 2021	4,553,055	32,241	4,585,296

- **The annual depreciation is distributed as follows:**

	Note	**December 31, 2022**	December 31, 2021
Charged to each of:			
Cost of revenue		**948,664**	705,094
General and administrative expenses	22	**274,811**	-
		1,223,475	705,094

8. PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Prepayments	**1,312,102**	1,175,802
Employees advances	**48,935**	41,076
Advances to suppliers	**152,612**	-
Recoverable insurance	**380,375**	528,875
	1,894,024	1,745,753

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9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

During the year ending on December 31, 2022, the company sold all its investments with a total of 5.563 million units in a local open-ended mutual fund for an amount of SR 59.61 million. The sale resulted in profits in the amount of 227.4 thousand Saudi riyals. The investment value on December 31, 2021 amounted to SR 59.38 million at an acquisition cost of SR 59 million.

10. ACCOUNTS RECEIVABLE

	December 31, 2022	December 31, 2021
Accounts receivables	**33,270,326**	32,511,604
Less: Expected credit losses	**(1,020,000)**	(420,000)
	32,250,326	32,091,604

The aging analysis of accounts receivables is as follows:

December 31, 2022

		Past due			
	Not past due	**Less than 120 days**	**From 120 -365 days**	**More than 365 days**	**Total**
Total	**17,976,107**	**4,107,265**	**2,924,017**	**8,262,937**	**33,270,326**
Expected credit losses	**-**	**(14,459)**	**(51,925)**	**(953,616)**	**(1,020,000)**
	17,976,107	**4,092,806**	**2,872,092**	**7,309,321**	**32,250,326**

December 31, 2021

		Past due			
	Not past due	Less than 120 days	From 120 -365 days	More than 365 days	Total
Total	16,793,584	7,188,293	7,487,822	1,041,905	32,511,604
Expected credit losses	-	-	-	(420,000)	(420,000)
	16,793,584	7,188,293	7,487,822	621,905	32,091,604

The Company measures the allowance for receivables at an amount equal to lifetime expected credit losses. The expected credit losses on receivables are estimated using a matrix based on the past due experience of the receivables and an analysis of the current financial position of the receivables, adjusted for the debtors' factors and the general economic conditions of the sector in which they operate. and assessing both the current trend and forecast conditions at the date of the financial statements.

Receivables include an amount of SR 17.8 million (2021: SR 22.5 million) from one party receivables that the management believes to be of low credit risk.

Movement of provision for expected credit losses

	December 31, 2022	December 31, 2021
Opening balance	**420,000**	200,000
Provision charged during the year	**600,000**	220,000
Closing balance	**1,020,000**	420,000

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11. SHORT TERM DEPOSITS

As of December 31, 2022, short-term deposits represent the amount invested by the Company in deposits with a local commercial bank with a maturity of more than 3 months and less than 12 months for the purpose of achieving financing income at commercial rates.

12. CASH AND CASH AT BANKS

	December 31, 2022	December 31, 2021
Cash on hand	**24,133**	11,339
Cash at banks	**10,630,764**	6,499,668
	10,654,897	6,511,007

13. SHARE CAPITAL

The shareholders of the company and their contributions as of December 31, 2022 and December 31, 2021 are as follows:

Names of shareholders	**Percentage of ownership**	**Number of shares**	**Amount**
Khalid Mohammad Farhan Al Dosary	30%	2,310,000	23,100,000
Khaleefa Abdullateef Al Molhim	30%	2,310,000	23,100,000
Other*	40%	3,080,000	30,800,000
	100%	7,700,000	77,000,000

* Represented by a group of shareholders whose ownership percentage is less than 5% of the total capital.

14. STATUTORY RESERVE

According to the Company's bylaws and the Regulations of Companies in the Kingdom of Saudi Arabia, the company transfers 10% of its profits to the statutory reserve until it reaches at least 30% of the capital. This reserve is not subject to distribution as dividends.

15. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

15.a Movement in defined employee benefit obligations:

	December 31, 2022	December 31, 2021
Balance at the beginning of the year	**5,776,502**	4,868,102
Expenses charged to profit or loss	**1,373,383**	895,390
Paid during the year	**(466,517)**	(267,909)
Actuarial remeasurement charged to comprehensive income	**(5,589)**	280,919
Balance at the end of the year	**6,677,779**	5,776,502

15.b Charged to profit or loss

	December 31, 2022	December 31, 2021
Cost of current service	**1,209,445**	781,738
Cost of interest	**163,938**	113,652
Expenses charged to profit or loss	**1,373,383**	895,390

15.c Main used actuarial assumptions

	December 31, 2022	December 31, 2021
Used discount rate	**4,75%**	2,65%
Expected rate of salary increase	**4,75%**	2,65%
Employees turnover rate	**Average**	Average

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15. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions, as the balance of the obligation will become for the years ending December 31, 2022 and December 31, 2021 is as follows:

	December 31, 2022	December 31, 2021
Discount rate +50%	**6,455,398**	5,521,079
Discount rate -50%	**6,915,864**	6,053,545
Salary increase rate +50%	**6,867,958**	6,052,146
Salary increase rate -50%	**6,498,354**	5,519,878

16. ACCOUNTS PAYABLE AND OTHER PAYABLES

	December 31, 2022	December 31, 2021
Accounts payable	**4,545,427**	4,204,158
Accrued expenses	**2,022,914**	1,040,040
Value added tax -VAT	**942,904**	1,091,315
	7,511,245	6,335,513

17. LEASE LIABILITY

17.1 When measuring lease liabilities, the Company discounted the lease payments using an incremental borrowing rate of 6.5% at the date of initial recognition and there has been no significant change since then.

	December 31, 2022	December 31, 2021
Non-current portion of lease liabilities	**4,379,036**	4,347,378
Current portion of lease liabilities	**814,730**	614,416
	5,193,766	4,961,794

The table below summarizes the maturity of lease liabilities based on contractual undiscounted payments:

	December 31, 2022	December 31, 2021
Less than one year	**1,140,000**	925,140
From 1 year to 5 years	**4,274,375**	4,184,685
More than 5 years	**1,185,363**	1,439,290
	6,599,738	6,549,115

17.2 Amounts recognized in profit or loss for the year ended 31 December:

	December 31, 2022	December 31, 2021
Depreciation of right of use assets (note 7)	**1,223,475**	705,094
Interest of lease liabilities	**511,648**	350,182
	1,735,123	1,055,276

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17. LEASE LIABILITY (CONTINUED)
17.3 Movement of lease liabilities

	December 31, 2022	December 31, 2021
1 January	**4,961,794**	5,565,497
Charged interest during the year	**511,648**	350,182
Adjustments during the year	**805,464**	-
Payments during the year	**(1,085,140)**	(953,885)
31 December	**5,193,766**	4,961,794

18. MURABAHA LOANS

	December 31, 2022	December 31, 2021
Murabaha loans from commercial bank	**-**	2,757,715

Murabaha loans represent several loans obtained from a local commercial bank and carry interest at SIBOR plus a certain margin. Murabaha loans are secured by promissory notes issued by certain shareholders and other conditions.

The company paid the entire value of the Murabaha loan during the year, and the amount paid during the year amounted to an amount of SR 2,821,102 (SR 2,757,715 plus a value due from the previous year in an amount of SR 12,366, as well as interest charged during the year in an amount of SR 51,021).

19. TRANSACTIONS WITH RELATED PARTIES
A- It includes senior management personnel, the Board of Directors (executive and non-executive members) and all members of the senior management of the company. The following are the benefits paid or due to senior management personnel for their services:

	December 31, 2022	December 31, 2021
Employees other short-term salaries and benefits	**2,042,750**	3,150,000
Remunerations and allowances for board of directors' presence	**288,500**	-
End of service benefits	**191,888**	123,298
	2,523,138	3,273,298

B- During the year, one of the main shareholders of the company paid the value of the zakat due, as a result of the zakat assessment received during the year for the year 2016, which was due before the company's transformation into a limited liability company and the entry of a new partner, in the amount of SR 585,273.

20. PROVISION FOR ZAKAT
A- The principal elements of the Zakat base for the current year ended December 31,2022 as follows:

	December 31, 2022	December 31, 2021
Opening share capital	**77,000,000**	77,000,000
Retained earnings	**14,050,473**	12,943,448
Reserves and provisions	**9,129,572**	9,773,215
Other additions	**5,193,766**	4,961,794
Profit subject to zakat for the year	**19,945,387**	17,644,181
Long term assets	**(8,679,189)**	(10,499,359)
Other discounts	**(27,826,845)**	(16,135,296)
Zakat base	**88,813,164**	95,687,983
Payable Zakat	**2,299,518**	2,452,827

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20. PROVISION FOR ZAKAT (CONTINUED)
B- Movement of zakat provision

	December 31, 2022	December 31, 2021
Balance at beginning of the year	**2,454,344**	558,026
Provided charged during the year	**2,299,518**	2,465,429
Zakat assessment	**18,223**	-
Charge to related parties during the year (19-b)	**585,273**	-
Paid from related parties	**(585,273)**	-
Payments	**(2,471,050)**	(569,111)
Balance at the end of the year	**2,301,035**	**2,454,344**

C- Status of zakat assessment
The company submitted zakat returns until the year ended December 31, 2021, and the company obtained a zakat certificate. During the period, the company received the final assessments for the years 2016 and 2017.

21. REVENUE

	December 31, 2022	December 31, 2021
Corporate customers	**78,942,958**	68,717,250
Individual customers	**2,286,432**	1,925,408
	81,229,390	70,642,658

Credit terms:	**December 31, 2022**	December 31, 2021
Cash revenue	**98,937**	130,599
Credit revenue	**81,130,453**	70,512,059
Total	**81,229,390**	70,642,658

22. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2022	December 31, 2021
Employees' costs	**4,432,169**	5,510,900
Depreciation of property and equipment	**239,068**	277,226
Depreciation of right of use assets	**274,811**	-
Rent	**148,502**	88,345
Utilities	**351,651**	95,432
Licenses fees	**244,297**	60,160
Expected credit losses	**600,000**	220,000
Professional fees	**473,004**	2,084,136
Remunerations and allowances for board of directors' presence	**288,500**	-
Others	**662,817**	555,717
	7,714,819	8,891,916

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23. FINANCE COSTS

	December 31, 2022	December 31, 2021
Finance costs related to employee defined benefits	**163,938**	113,652
Commission of Murabaha loans	**51,021**	67,361
Finance costs related to lease liabilities	**511,648**	350,182
	726,607	531,195

24. OTHER INCOME-NET

	December 31, 2022	December 31, 2021
(Loss)/gain on disposal of property and equipment	**(1,032)**	1,452
Return on short term deposits	**968,944**	-
Other	**245,832**	374,258
	1,213,744	375,710

25. DIVIDENDS

The Board of Directors decided in their meeting on March 10, 2022, with the authorization of the shareholders in their meeting on October 6, 2021, to distribute dividends in the amount of SR 11.55 million.

The Board of Directors also decided in their meeting on August 29, 2022, based on the authorization granted by the Extraordinary General Assembly to shareholders on August 28, 2022, to distribute dividends in the amount of SR 11.55 million at a value of SR 1.5 per share, provided that The eligibility of dividends shall be for the shareholders who own shares on closing of, 11/09/2022 and registered in the Securities Depository Center Company (Depository Center) at the end of the second trading day following the date of maturity.

During the subsequent periods, the Board of Directors on March 16, 2023, decided to distribute cash dividends to the shareholders for the second half of 2022, with amount of SR 3.85 million. Dividend's eligibility shall be for the company's shareholders who own shares on the maturity date, March 30, 2023, and registered in the Securities Depository Center Company (Depository Center) at the end of the second trading day following the maturity date.

26. EARNINGS PER SHARE

	December 31, 2022	December 31, 2021
Net profit for the year	**15,654,263**	14,063,361
The weighted average number of ordinary shares used as a denominator when calculating basic and diluted earnings per share	**7,700,000**	7,700,000
Basic and diluted earnings per share related to net profit of the year	**2.03**	1.83

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

27. SEGMENTAL REPORTING

The company provides medical services and has one sector, which is the activity of medical services, and the company operates only in the Kingdom of Saudi Arabia and has no other geographical sector.

Transactions with major customers
The revenue from one of the major customers is representing 59% of the total amount of the revenue for the year (2021: 55%).

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28. FINANCIAL INSTRUMENTS
28.1 Financial assets and liabilities
28.1.1 Financial assets

	December 31, 2022	December 31, 2021
Investments at fair value through profit or loss	**-**	59,383,313
Other receivables	**429,310**	569,951
Accounts receivable	**32,250,326**	32,091,604
Short term deposits	**45,921,500**	-
Cash and cash at banks	**10,654,897**	6,511,007
	89,256,033	98,555,875

28.1.2 Financial liabilities

	December 31, 2022	December 31, 2021
Accounts payable	**4,545,427**	4,204,158
Other payables	**1,734,414**	1,040,040
Murabaha loans	**-**	2,757,715
Lease liabilities	**5,193,766**	4,961,794
	11,473,607	12,963,707

28.2 Measurement of fair value of the financial instruments
For the purpose of preparation of the financial reporting, the company used the hierarchy of the fair value which is classified in level one, two and three, according to the degree of the inputs in measuring the fair value and the significant of these inputs in measuring of the fair value as described below:
• Level 1: Quoted prices in an active market for an identical assets or liabilities that the Company can value at the measurement date.
Level 2: Inputs other than the quoted prices that are included in Level 1 that can be considered as the value of the assets or liabilities, either directly or indirectly.
• Level 3: inputs for assets and liabilities not based on observable market information.

The details of the fair value are mentioned below:

		31 December,2022 Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December, 2022	**SR**	**SR**	**SR**	**SR**	**SR**
Investments at fair value through profit or loss	-	-	-	-	-
	-	-	-	-	-
31 December, 2021					
Investments at fair value through profit or loss	59,383,313	59,383,313	-	-	59,383,313
	59,383,313	59,383,313	-	-	59,383,313

<u>The fair value of listed financial instruments is the amortized cost</u>
The company's management considers that the book value of the financial assets and liabilities listed at amortized cost in the financial statements approximates their fair value.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.3 Management of financial instruments risks

The company's activities expose it to various financial risks such as credit risk, liquidity risk, market price risk, currency risk, interest rate risk and stock price risk.

28.3.1 Credit risk

Credit risk is represented in the inability of one party of financial instruments to fulfill its obligations, which leads the other party to incur a financial loss. The company is exposed to credit risk on cash with banks, accounts receivable and other receivables as follows:

	December 31, 2022	December 31, 2021
Cash at banks	**10,630,764**	6,499,668
Accounts receivable	**32,250,326**	32,091,604
Other receivables	**581,922**	569,951
	43,463,012	39,161,223

The carrying amount of financial assets represents the maximum exposure to credit risk.

Credit risk on receivables and cash at banks and other receivables is limited to the following:
- Cash balances with banks are kept with banks with high credit ratings.
- Accounts receivable and other receivables are presented net of provision for expected credit losses.

The Company manages credit risk related to customers and other receivables through monitoring in accordance with set policies and procedures. The Company seeks to limit the credit risk related to customers by setting credit limits for individual customers and monitoring outstanding receivables on an ongoing basis. Accounts receivable and other receivable balances are monitored leading the Company not to be exposed to significant bad debts. The Company records provision for expected credit losses considering various factors including aging of receivable balances, financial position of customers, etc.

28.3.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments relevant to the financial instruments. Liquidity risk may result from the inability to sell a financial asset as quickly as possible at an amount close to its fair value. The following are the undiscounted contractual maturities at the end of the reporting period for the financial liabilities:

	December 31, 2022			
	Book value	**Less than a year**	**From one year to 5 years**	**More than 5 years**
Financial liabilities:				
Accounts payable and other payables	**7,511,245**	**7,511,245**	**-**	**-**
Lease liabilities	**6,599,738**	**1,140,000**	**4,274,375**	**1,185,363**
	14,110,983	**8,651,245**	**4,274,375**	**1,185,363**

	December 31, 2021			
	Book value	Less than a year	From one year to 5 years	More than 5 years
Financial liabilities:				
Accounts payable and other payables	6,335,513	6,335,513	-	-
Lease liabilities	6,549,115	925,140	4,184,685	1,439,290
Murabaha loans	2,757,715	2,757,715	-	-
	15,642,343	10,018,368	4,184,685	1,439,290

Liquidity risk is managed by monitoring on a regular basis and ensuring that sufficient funds and banking facilities are available to meet the future commitments of the Company.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Saudi Riyals)

28. FINANCIAL INSTRUMENTS (CONTINUED)
28.3 Management of financial instruments risks (continued)

28.3.3 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, which will affect the company's profit or the value of its financial assets. The objective of managing market price risk is to manage and maintain market risk exposure within acceptable limits, while optimizing the return.

28.3.4 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future business transactions and recognized assets and liabilities are denominated in a different currency from the Company's functional currency. The company's exposure to foreign currency risk is primarily limited to transactions denominated in US dollars. The company's management believes that its exposure to currency risks linked to the US dollar is limited because the exchange rate of the Saudi riyal is pegged to the US dollar. The fluctuation in exchange rates against other currencies is monitored continuously.

28.3.5 Interest rate risk
Interest rate risk is the exposure related to the effect of fluctuations in prevailing interest rates on the Company's financial position and cash flows. The company does not have any variable financial liabilities at the reporting date.

29. APPROVAL OF THE FINANCIAL STATEMENTS
These financial statements were approved by the Company's Board of Directors on March 16, 2023.

8.2 Audited financial statements for the fiscal year ended 31 December 2023G

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

INDEX	**Pages**

BDO الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Canadian General Medical Center Complex Company
(A Saudi Joint Stock Company)

Opinion

We have audited the financial statements of Canadian General Medical Center Complex Company (the "Company") which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditors' Report to the shareholders of Canadian General Medical Center Complex Company (A Saudi Joint Stock Company) (Continued)

Revenue recognition

Key audit matter	***How the matter was addressed in our audit***
The Company has recognised revenue amounted to SR 100.34 million during the year ended December 31. 2023. Revenue is a key indicator for measuring performance which implies that there is an inherent risk by overstating revenue and thus increase the profitability of the Company. Therefore, revenue recognition is considered as a key audit matter. Refer to Note 4 for the accounting policy and note 20 for the related disclosures.	Our audit procedures included the following: - Assessed the appropriateness of the Company's accounting policy and its compliance in line with the requirements of International Financial Reporting Standards 15 "Revenue from Contracts with Customers"; - Performed sample tests on individual sales transactions and traced it to the supporting documents; - Selected sample of revenue transactions made pre and post year end to assess whether revenue was recognized in the correct accounting period; - Assessed the adequacy of the related disclosures made in the accompanying financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Company but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Dr. Mohammed Al-Amri & Co. Chartered Accountants, a professional closed joint stock company registered in the Kingdom of Saudi Arabia under CR no. 1010433982, with paid-up capital of SAR (1,000,000) is a member of BDO International Limited, a UK Company Limited by guarantee, and forms part of the international BDO network of independent member firms.
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Independent Auditors' Report to the shareholders of Canadian General Medical Center Complex Company (A Saudi Joint Stock Company) (Continued)

Responsibilities of the Company's management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Company's Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditors' Report to the shareholders of Canadian General Medical Center Complex Company (A Saudi Joint Stock Company) (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.

د. محمد العمري وشركاه - محاسبون قانونيون
شركة مهنية رقم ٣٢٢/١١/٦٦/٣
س.ت ٢٠٥٠١٠٥٨٢٢
Dammam
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Gihad M. Al-Amri
Certified Public Accountant
Registration No. 362

Dammam, on 21 Ramadan 1445 (H)
Corresponding to: 31 March, 2024 G

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(All amounts expressed in Saudi Riyals)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property and equipment	6	11,010,830	8,679,189
Right-of-use assets	7	3,907,209	4,726,845
Total non-current assets		14,918,039	13,406,034
Current assets			
Inventories	8	4,132,955	4,566,957
Trade receivables	9	34,935,332	32,250,326
Prepayments and other receivables	10	4,906,462	1,894,024
Short term Islamic deposits – Murabaha	11	-	45,921,500
Cash and cash equivalents	12	53,360,555	10,654,897
Total current assets		97,335,304	95,287,704
TOTAL ASSETS		112,253,343	108,693,738
EQUITY AND LIABILITIES			
Equity			
Share capital	13	77,000,000	77,000,000
Statutory reserve	14	6,758,115	5,187,069
Actuarial reserve		442,016	(216,466)
Retained earnings		7,628,729	5,039,310
Total equity		91,828,860	87,009,913
Non-current liabilities			
Employees' benefits obligations	15-A	5,683,230	6,677,779
Lease liabilities	17	3,510,135	4,379,036
Total non-current liabilities		9,193,365	11,056,815
Current liabilities			
Trade and other payables	16	7,988,297	7,511,245
Due to a related party	18-C	195,064	-
Lease liabilities	17	868,900	814,730
Provision for zakat	19-A	2,178,857	2,301,035
Total current liabilities		11,231,118	10,627,010
Total liabilities		20,424,483	21,683,825
TOTAL EQUITY AND LIABILITIES		112,253,343	108,693,738

The accompanying notes from 1 to 31 form an integral part of these financial statements.

Finance Manager	CEO	Chairman

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts expressed in Saudi Riyals)

		For the year ended	
	Notes	**December 31, 2023**	December 31, 2022
Revenue	20	**100,342,402**	81,229,390
Cost of revenue	21	**(68,801,541)**	(56,257,150)
Gross profit		**31,540,861**	24,972,240
General and administrative expenses	22	**(7,328,504)**	(7,114,819)
Selling and marketing expenses	23	**(1,845,836)**	-
Expected Credit Loss on trade receivables	9	**(6,470,054)**	(600,000)
Operating profit		**15,896,467**	17,257,421
Gain on disposal of investments at fair value through profit or loss		-	227,446
Finance cost	24	**(657,438)**	(726,607)
Other income, net	25	**2,623,169**	1,213,744
Net profit before Zakat		**17,862,198**	17,972,004
Zakat	19-A	**(2,151,733)**	(2,317,741)
Net profit for the year		**15,710,465**	15,654,263
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss in subsequent periods:			
Gain on remeasurement of employees' benefits obligations	15-A	**658,482**	5,589
Total comprehensive income for the year		**16,368,947**	15,659,852
			(Restated)
Basic and diluted earnings per share	28	**0.20**	0.20

The accompanying notes from 1 to 31 form an integral part of these financial statements.

Finance Manager	CEO	Chairman

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts expressed in Saudi Riyals)

	Share capital	Statutory reserve	Actuarial reserve	Retained earnings	Total
Balance at January 01, 2022	77,000,000	3,621,643	(222,055)	14,050,473	94,450,061
Net profit for the year	-	-	-	15,654,263	15,654,263
Other comprehensive income for the year	-	-	5,589	-	5,589
Total comprehensive income for the year	-	-	5,589	15,654,263	15,659,852
Transfer to statutory reserve	-	1,565,426	-	(1,565,426)	-
Dividends (note 29)	-	-	-	(23,100,000)	(23,100,000)
Balance at December 31, 2022	**77,000,000**	**5,187,069**	**(216,466)**	**5,039,310**	**87,009,913**
Net profit for the year	**-**	**-**	**-**	**15,710,465**	**15,710,465**
Other comprehensive income for the year	**-**	**-**	**658,482**	**-**	**658,482**
Total comprehensive income for the year	**-**	**-**	**658,482**	**15,710,465**	**16,368,947**
Transfer to statutory reserve	**-**	**1,571,046**	**-**	**(1,571,046)**	**-**
Dividends (note 29)	**-**	**-**	**-**	**(11,550,000)**	**(11,550,000)**
Balance at December 31, 2023	**77,000,000**	**6,758,115**	**442,016**	**7,628,729**	**91,828,860**

The accompanying notes from 1 to 31 form an integral part of these financial statements.

Finance Manager | **CEO** | **Chairman**

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

(All amounts expressed in Saudi Riyals)

	Notes	For the year ended December 31, 2023	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITES			
Net profit before zakat		**17,862,198**	17,972,004
Adjustments for non –cash items:			
Depreciation of property and equipment	6	**916,327**	1,920,545
Depreciation of right-of-use assets	7	**819,636**	1,223,475
Employees' benefits obligations	15	**1,221,362**	1,209,445
Finance cost	24	**657,438**	726,607
Loss on disposal of property and equipment		**43,788**	1,032
Expected credit loss on trade receivables	9	**6,470,054**	600,000
Profit on Islamic deposits – Murabaha		**(27,499)**	(968,944)
Gain on disposal of investments at fair value through profit or loss		**-**	(227,446)
		27,963,304	22,456,718
Changes in working capital			
Inventories		**434,002**	(2,647,360)
Trade receivables		**(9,155,060)**	(758,722)
Prepayments and other receivables		**(2,984,939)**	(148,271)
Trade and other payables		**477,052**	616,172
Due to a related party		**195,064**	-
Cash generated from operations		**16,929,423**	19,518,537
Employees' benefits obligations paid	15-A	**(1,889,598)**	(466,517)
Finance cost paid		**-**	(51,021)
Zakat paid	19-A	**(2,273,911)**	(2,471,050)
Net cash generated from operating activities		**12,765,914**	16,529,949
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments at fair value through profit or loss		**-**	59,610,759
Short-term deposits made		**-**	(55,000,000)
Proceeds from short-term deposits encashed		**45,921,500**	10,047,444
Purchase of property and equipment	6	**(3,373,207)**	(101,407)
Proceeds from disposal of property and equipment		**81,451**	-
Net cash generated from investing activities		**42,629,744**	14,556,796
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in Murabaha loans		**-**	(2,757,715)
Dividends paid	29	**(11,550,000)**	(23,100,000)
Repayment of lease liabilities	17	**(1,140,000)**	(1,085,140)
Net cash used in financing activities		**(12,690,000)**	(26,942,855)
Net change in cash and cash equivalents		**42,705,658**	4,143,890
Cash and cash equivalents at beginning of the year		**10,654,897**	6,511,007
Cash and cash equivalents at end of the year		**53,360,555**	10,654,897

The accompanying notes from 1 to 31 form an integral part of these financial statements.

Finance Manager **CEO** **Chairman**

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts expressed in Saudi Riyals)

1- ORGANIZATION AND ACTIVITY
Canadian General Medical Center Complex Company (the "Company") is a Saudi joint stock company initially incorporated as a limited liability company registered in Dammam, Kingdom of Saudi Arabia under Commercial Registration No. 2050058605 dated Safar 13, 1429H (corresponding to February 20, 2008).

During the year 2020, the Company increased its share capital in several stages from SR 2 million to SR 77 million in addition to the entry of new partners / shareholders. Later on, the shareholders of the Company decided to convert the Company from a Limited Liability Company to a Saudi Joint Stock Company under the same Commercial Registration. The Company obtained Ministerial approval for the said conversion on 15 Jumada Al-Awwal 1442 H, corresponding to December 30, 2020. The Capital Market Authority, in its decision issued on Dhu al-Qi'dah 18, 1442 -H (corresponding to June 28, 2021), approved the Company's request to register its shares for direct listing in the Parallel Market – Nomu.

During the year 2023, the Board of Directors of the Company resolved, in its meeting held on July 6, 2023, to approve the transition of the Company from the parallel market (Nomu) to the main market which is subject to regulatory approvals. The Company has also appointed a financial advisor for the purpose of the said transition.

The main activities of the Company are management of hospitals and health centers and trade in hospital tools and equipment and ambulances under License No. 10045 dated Jumada Al-Awwal 18, 1436 -H (corresponding to March 9, 2015). The Company's registered office is located at Dammam, Kingdom of Saudi Arabia.

These financial statements include the assets, liabilities and financial results of the Company and its following branches:

Branch CR NO.	CR Date (Hijri)	CR Date (Gregorian)	City
2050116858	03/11/1439-H	16/07/2018-G	Dammam
2055026411	22/04/1439-H	09/01/2018-G	Jubail
2059004078	08/06/1438-H	07/03/2017-G	Abqaiq
2051056715	15/05/1435-H	16/03/2014-G	Khobar

2- BASIS OF PREPARATION
a) Statement of compliance
These financial statements have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

b) Basis of measurement
These financial statements have been prepared using the accrual basis of accounting under the historical cost convention except for certain employees' benefits obligations which are measured at present value using Projected Unit Credit Method.

c) Functional and presentation currency
These financial statements are presented in Saudi Riyal, which is also the Company's functional currency. All amounts are rounded off to the nearest Saudi Riyal unless otherwise stated.

d) Financial year
The Company's financial year begins on January 1 and ends on December 31 each year.

3- STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS:
The following new accounting standards, interpretations and amendments to existing standards have been published by IASB and are mandatory for the accounting period beginning on or after January 1, 2023.

3-1 Standards and amendments issued and effective from January 1, 2023
Several new amendments to the standards, which are listed below, became effective during the year which do not have a material impact on the Company's financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after
IAS 8	Amendment- Definition of accounting estimates	January 1, 2023
IAS 1, IFRS practice statement 2	Amendment- Disclosure of Accounting Policies	January 1, 2023
IAS 12	Amendment- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IFRS 17	Insurance Contracts	January 1, 2023

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(All amounts expressed in Saudi Riyals)

3- STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS (CONTINUED):

3-2 New standards, interpretations and amendments issued but not yet effective

The Company has not early adopted the following new IFRSs amendments that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after
IFRS 16	Amendments – Liability in a Sale and Leaseback	January 1, 2024
IAS 1	Amendments –Classification of Liabilities as Current or Non-current	January 1, 2024
IAS 1	Amendments- non-current liabilities with covenants	January 1, 2024
IAS 7	Amendments – supplier financing arrangements	January 1, 2024
IAS 21	Amendments –Lack of exchangeability	January 1, 2025

Management anticipates that these new interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the year of initial adoption.

4- MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements. In addition, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments neither resulted in any changes to the accounting policy themselves, nor materially changed the accounting policy information disclosed.

A) Classification of assets and liabilities to current and non-current

The asset is current when:

- Expected to be realized or intended to be sold 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 Company classifies all other liabilities as non-current.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

B) Fair value measurement
The Company measures the financial instruments such as financial derivatives at fair value at each reporting date.

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 Company must have the ability to access the main market or the most advantageous market. The fair value of assets and liabilities is measured using the assumptions that market participants would use when pricing assets and liabilities, assuming they are pursuing what is in their best economic interests.

When measuring the fair value of non-financial assets, the ability of financial market participants to realize economic benefits from the asset, is taking in the consideration, through the best and maximum use of it or by selling it to other market participants who use the asset in the highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

C) Property and equipment
Property and equipment are recorded at cost less accumulated depreciation and/or accumulated impairment losses, if any. Capital work-in-progress is not depreciated. Cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are replaced at certain intervals, the Company recognizes those parts as individual assets with a specific useful life and depreciation. All other repair and maintenance costs are recognized in profit or loss when incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Category	Years
Machineries and equipment	4-8 years
Motor vehicles	4 years
Furniture, fixture and office equipment	4-8 years
Leasehold building improvements	10 years or the lease term whichever is less

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or sale. Any gain or loss arising from the disposal of the asset is calculated as the difference between the net disposal proceeds and the book value of the asset and is recorded in profit or loss when the assets are disposed of. The residual value, useful lives and methods of depreciation of property and equipment are reviewed at the end of each financial year and adjustments are made on a prospective basis, as appropriate.

D) Borrowing costs
Borrowing costs that are 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 recognized as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs are the interest costs and other costs incurred by the entity in connection with the borrowing of funds.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

E) Leases
The Company assesses whether a contract is, or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability in respect of all lease agreements in which it is a lessee, except for short-term leases (defined as leases of 12 months or less) and leases of low-value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis or another systematic basis if that basis is more representative of the pattern of the lessee's benefits. At the commencement date of the lease, the lease liability is 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. If this rate cannot be determined easily, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability consist of:
- Fixed lease payments (including fixed payments), less any lease incentives.
- Variable lease payments that depend on an index or rate,
- The amount the lessee is expected to pay under the residual value guarantees,
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of the option to terminate the lease.

The lease liability is presented separately in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by decreasing the carrying amount to reflect the lease payments.

Lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets
The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives. If the lease transfers the ownership of the specific asset or the cost of the right-of-use asset reflecting that the Company expects to exercise the purchase option, the related Right-of-use asset is depreciated over the useful life of the asset. Depreciation begins on the lease commencement date.

Right-of-use assets are presented as a separate line item in the statement of financial position.

The Company applies International Accounting Standard No. (36) "Impairment of Assets" to determine if there is any impairment in the value of the right of use assets.

F) Inventories
Inventory includes ambulances, medicines and other consumables used in medical services. Inventories are stated at cost or net realizable value, whichever is lower. Inventory is valued on a weighted average cost basis. Allowance is made wherever necessary, for obsolete or slow-moving inventory. The net realizable value (NRV) is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Any write-down to NRV is recognized as an expense in the period in which the write-down occurs.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

G) Foreign currencies
Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in other comprehensive income are recognized in other comprehensive income and items for which fair value gain or loss is recognized in profit or loss are recognized in profit or loss).

H) Impairment of non-financial assets
The Company assesses at the reporting date whether there is an indication of impairment in the value of an asset. If any indication exists, or when an annual impairment test for the asset is required, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the assets or Cash-Generating Unit's fair value less costs to sell or value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash flows that are largely independent of those generated by other assets or groups of assets. When the carrying amount of an asset or Cash-Generating Unit exceeds its recoverable amount, the carrying value of the asset shall be reduced to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-Zakat discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company relies on detailed budgets and estimations to calculate impairment losses, which are prepared separately for each Cash-Generating Unit within the Company to allocate individual assets accordingly. These detailed budgets and estimations usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year. Impairment losses of continuing operations are recognized in profit or loss as an expense that is appropriate to the function of the impaired assets.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or Cash-Generating Unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

I) Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. All financial assets are recognized at fair value plus, in the case of assets not measured at fair value through profit or loss, transaction costs attributable to the acquisition of the financial asset.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

I) Financial assets (continued)

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost
After initial measurement, these financial assets are measured at amortized value using the effective interest rate method and are subject to impairment. Gain or losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

Debt instruments at fair value through other comprehensive income
Regarding debt instruments at fair value through other comprehensive income, interest income, foreign currency revaluations, impairment losses or adjustments are recognized in profit or loss and accounted for in the same way as for financial assets measured at amortized cost. Remaining fair value changes are recognized in other comprehensive income. On disposal, the cumulative change in fair value recognized in other comprehensive income is recycled to profit or loss. The Company does not have any debt instruments at fair value through other comprehensive income.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are included in the statement of financial position at their fair value, with net changes in fair value recorded in the statement of profit or loss.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not carried at fair value through profit or loss. An allowance for expected credit losses is recognized in two stages. For a credit exposure that has not witnessed a significant increase in credit risk since its initial recognition, expected credit losses are recognized for the credit risk resulting from possible default in payment within 12 months (expected credit losses over a period of 12 months). As for the credit exposure that witnessed a significant increase in credit risk since initial recognition, a provision should be recognized for expected credit losses over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade receivables and cash at banks, the Company applies a simplified approach to calculate expected credit losses. Therefore, the Company has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for forward-looking factors specific to the customers and the economic environment.

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

J) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss, as loans and Trade payables, or as financial derivatives that are used as hedging instruments in an effective hedge to cover the risks.

All financial liabilities are recognized initially at fair value, and in the case of loans and advances and Trade payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on these liabilities are recognized in profit or loss.

The Company has no financial liabilities at FVTPL.

Loans and borrowings

After initial recognition, loans and borrowings are measured at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss on derecognition of liabilities, as well as through the effective interest rate amortization process.

Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation is paid, canceled or the obligation under the contract is expired.

K) Offsetting of financial instruments

An offset is made between financial assets and liabilities, with the net amount shown in the statement of financial position in the event that there is a right guaranteed by law to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

L) Cash and cash equivalent

Cash and cash equivalents in the statement of financial position consist of cash at banks, cash on hand and short-term deposit with original maturity 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.

M) Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from past events, it is probable that resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. In cases where the Company expects to recover some or all of the provisions, for example under an insurance contract, the refund amounts are recognized as a separate asset when the recovery process is virtually certain. The expense relating to a provision is presented in the statement of profit or loss only after deducting any amounts recovered.

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

N) Employees' benefits obligations

Short term employees' benefits

The cost of short-term employee benefits (due within 12 months after termination of service, such as paid vacation, tickets, bonuses and non-monetary benefits such as medical care) is recognized in respect of employee services up to the end of the financial reporting period, and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

N) Employees' benefits obligations (continued)

Employees' benefits obligations

The Company's net obligation in respect of employee's end of service is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount. The calculation of employees' end of service obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the employees' benefits obligations, which comprise actuarial gains and losses are recognized immediately in OCI. Net interest is calculated by applying the discount rate to the employee's end of service liability or asset. Net interest expense and other expenses related to employee's end of service are recognized in the statement of profit or loss and other comprehensive income.

O) Revenue

Revenue represents the fair value of the consideration received or receivable for goods sold, net of returns or services provided. The Company has evaluated the revenue contracts against specific criteria and has determined that it is acting as principal in all revenue contracts. Revenues are mainly derived from selling ambulances and providing medical services to the customers. For sale of ambulances, the Company recognizes revenue at point in time when a control is transferred to a customer. For medical services, revenues are recognized upon satisfaction of performance obligations by delivering the promised medical services.

P) Expenses

All operating expenses are allocated on a fixed basis to the cost of revenue, general and administrative and selling and marketing expenses using fixed distribution factors that are determined in proportion to the Company's activities.

Q) Dividends

Dividends are recognized as liabilities in the period in which these are approved by the shareholders of the Company. Interim dividends are approved by the Board of Directors in accordance with the authority given by the General Assembly.

R) Earnings per share

The Company presents basic and diluted earnings per share information for the ordinary shares. Basic earnings per share is calculated by dividing the Company's profit or loss for the year by the weighted average number of the outstanding ordinary shares held during the period. Diluted earnings per share is calculated by adjusting the Company's profit or loss for the year and the weighted average number of outstanding ordinary shares for the effects of all diluted potential ordinary shares.

S) Zakat and tax

Zakat

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Any differences between the provision and the final assessment are recorded at the approval of the final assessment, when the provision is closed.

Withholding taxes

The Company withholds tax on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required by the Saudi Income Tax Law.

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5- CRITICAL JUDGEMENTS, SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure of contingent liabilities at the date of preparing the financial statements. Uncertainty about these assumptions and estimates could result in making material adjustments to the carrying amount of asset or liabilities affected in future years. The key assumptions concerning the future and other key sources of estimation uncertainty at the date of preparing the financial statements, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the subsequent financial periods, are described below. The Company based its assumptions and estimates on parameters available at the date of preparing the financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A) Allowance for expected credit loss on trade receivables
By adopting IFRS 9, the Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are 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 Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in note 9.

B) Zakat assessments
Provision for zakat is determined by the Company in accordance with the requirements of the Zakat, Tax and Custom Authority ("ZATCA") and is subject to change based on final assessments received from the ZATCA. The Company recognizes liabilities for any anticipated zakat based on management's best estimates of whether additional zakat will be due. The final outcome of any additional amount assessed by the ZATCA is dependent on the eventual outcome of the appeal process which the Company is entitled to. Where the final Zakat outcome of these matters is different from the amounts that were initially recorded, such differences could impact the statement of profit or loss in the period in which such final determination is made.

C) Provision for employees' benefits obligations
The cost of defined benefit liabilities regarding employee's end of service are determined using actuarial valuations. An actuarial valuation requires making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each annual reporting date.

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6- PROPERTY AND EQUIPMENT

	Machinery and equipment	Motor vehicles	Furniture, fixture and office equipment	Leasehold buildings improvements	Total
Cost:					
Balance at January 1, 2023	4,436,660	3,926,229	1,963,867	11,723,683	22,050,439
Additions during the year	676,946	2,535,470	160,791	-	3,373,207
Disposals during the year	(90,000)	(347,200)	-	-	(437,200)
Balance at December 31, 2023	5,023,606	6,114,499	2,124,658	11,723,683	24,986,446
Accumulated depreciation:					
Balance at January 1, 2023	3,475,237	2,569,911	1,681,375	5,644,727	13,371,250
Charge for the year	239,822	151,961	42,215	482,329	916,327
Disposals during the year	(79,742)	(232,219)	-	-	(311,961)
Balance at December 31, 2023	3,635,317	2,489,653	1,723,590	6,127,056	13,975,616
Net book value:					
At December 31, 2023	**1,388,289**	**3,624,846**	**401,068**	**5,596,627**	**11,010,830**

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6- PROPERTY AND EQUIPMENT (CONTINUED)

	Machinery and equipment	Motor vehicles	Furniture, fixture and office equipment	Leasehold buildings improvements	Total
Cost:					
Balance at January 1, 2022	4,347,991	3,926,229	1,954,669	11,723,683	21,952,572
Additions during the year	88,669	-	12,738	-	101,407
Disposals during the year	-	-	(3,540)	-	(3,540)
Balance at December 31, 2022	4,436,660	3,926,229	1,963,867	11,723,683	22,050,439
Accumulated depreciation:					
Balance at January 1, 2022	3,163,431	2,028,920	1,544,156	4,716,706	11,453,213
Charge for the year	311,806	540,991	139,727	928,021	1,920,545
Disposals during the year	-	-	(2,508)	-	(2,508)
Balance at December 31, 2022	3,475,237	2,569,911	1,681,375	5,644,727	13,371,250
Net book value:					
At December 31, 2022	**961,423**	**1,356,318**	**282,492**	**6,078,956**	**8,679,189**

The annual depreciation is allocated as follows:

		For the year ended	
	Note	**December 31, 2023**	December 31, 2022
Cost of revenue	21	**663,697**	1,681,477
General and administrative expenses	22	**247,073**	239,068
Selling and marketing expenses	23	**5,557**	-
		916,327	1,920,545

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7- RIGHT-OF-USE ASSETS
The Company leases buildings and vehicles. The average term of the lease contracts ranges from 4 to 19 years. Below is information about the lease contracts in which the Company is a lessee:

December, 31 2023	**Buildings**	**Vehicles**	**Total**
Cost:			
At January 01,2023	**7,826,100**	**227,987**	**8,054,087**
Adjustments during the year	**-**	**(227,987)**	**(227,987)**
At December 31, 2023	**7,826,100**	**-**	**7,826,100**
Accumulated depreciation:			
At January 01, 2023	**3,099,255**	**227,987**	**3,327,242**
Adjustments during the year	**-**	**(227,987)**	**(227,987)**
Charge for the year	**819,636**	**-**	**819,636**
At December 31, 2023	**3,918,891**	**-**	**3,918,891**
Net book value at December 31, 2023	**3,907,209**	**-**	**3,907,209**

December 31, 2022	Buildings	Vehicles	Total
Cost:			
At January 01, 2022	6,461,076	227,987	6,689,063
Adjustments during the year	1,365,024	-	1,365,024
At December 31, 2022	7,826,100	227,987	8,054,087
Accumulated depreciation:			
At January 01, 2022	1,908,021	195,746	2,103,767
Charge for the year	1,191,234	32,241	1,223,475
At December 31, 2022	3,099,255	227,987	3,327,242
Net book value at December 31, 2022	4,726,845	-	4,726,845

The annual depreciation is allocated as follows:

		For the year ended	
	Note	**December 31, 2023**	December 31, 2022
Cost of revenue	21	**582,072**	948,664
General and administrative expenses	22	**237,564**	274,811
		819,636	1,223,475

8- INVENTORIES

	December 31, 2023	December 31, 2022
Medical supplies	**2,214,867**	2,278,708
Ambulance cars	**1,918,088**	2,288,249
	4,132,955	4,566,957

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9- TRADE RECEIVABLES

	December 31, 2023	December 31, 2022
Trade receivables	**41,229,032**	33,270,326
Less: Expected Credit Loss	**(6,293,700)**	(1,020,000)
	34,935,332	32,250,326

Analysis of trade receivables aging:

December 31, 2023

		Past due			
	Not past due	**Less than 120 days**	**From 120 -365 days**	**More than 365 days**	**Total**
Gross receivables	**25,447,798**	**6,207,784**	**2,370,234**	**7,203,216**	**41,229,032**
Expected credit losses	**(4,643)**	**(58,030)**	**(264,375)**	**(5,966,652)**	**(6,293,700)**
	25,443,155	**6,149,754**	**2,105,859**	**1,236,564**	**34,935,332**

December 31, 2022

		Past due			
	Not past due	Less than 120 days	From 120 -365 days	More than 365 days	Total
Gross receivables	17,976,107	4,107,265	2,924,017	8,262,937	33,270,326
Expected credit losses	-	(14,459)	(51,925)	(953,616)	(1,020,000)
	17,976,107	4,092,806	2,872,092	7,309,321	32,250,326

Receivables include an amount of SR 17.5 million (2022: SR 17.8 million) from a single customer.

Movement of Expected Credit Loss

	For the year ended	
	December 31, 2023	December 31, 2022
Opening balance	**1,020,000**	420,000
Charged during the year	**6,470,054**	600,000
Written off during the year	**(1,196,354)**	-
Closing balance	**6,293,700**	1,020,000

10- PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Prepayments	**2,989,729**	1,312,102
Employees advances	**459,903**	48,935
Advances to suppliers	**1,018,516**	152,612
Security deposits	**410,815**	380,375
Accrued profit on short-term Islamic deposits – Murabaha	**27,499**	-
	4,906,462	1,894,024

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11- SHORT TERM ISLAMIC DEPOSITS – MURABAHA
In the year 2022, the Company invested in short-term Islamic deposits with a local bank with a maturity of more than 3 months and less than 12 months. The deposits carry profits at commercial rates. It was fully matured / encashed during the year 2023.

12- CASH AND CASH EQUIVALENTS

	Note	December 31, 2023	December 31, 2022
Cash in hand		**2,986**	24,133
Cash at banks		**8,357,569**	10,630,764
Islamic Murabaha deposits	12.A	**45,000,000**	-
		53,360,555	10,654,897

12.A These represent Islamic Murabaha deposits with local banks, with an average return of approximately 5.5% per annum and having an original maturity of 3 months or less.

Changes in liabilities arising from financing activities

2023	**January 01, 2023**	**Non-cash items**	**Payment**	**Interest charged**	**December 31, 2023**
Leases (note 17)	**5,193,766**	**-**	**(1,140,000)**	**325,269**	**4,379,035**
	5,193,766	**-**	**(1,140,000)**	**325,269**	**4,379,035**

2022	January 01, 2022	Non-cash items	Payment	Interest charged	December 31, 2022
Murabaha loans	2,757,715	-	(2,821,102)	63,387	-
Leases (note 17)	4,961,794	805,464	(1,085,140)	511,648	5,193,766
	7,719,509	805,464	(3,906,242)	575,035	5,193,766

Dividends declared during the years 2022 and 2023 have been paid.

13- SHARE CAPITAL

	December 31, 2023		December 31, 2022	
	Number of shares	**Amount**	Number of shares	Amount
Share capital – paid up	**77,000,000**	**77,000,000**	7,700,000	77,000,000
	77,000,000	**77,000,000**	7,700,000	77,000,000

On June 20, 2023, the shareholders in their Extraordinary General Assembly Meeting approved the splitting of shares. Accordingly, nominal value per share has been reduced from SR 10 per share to SR 1 per share and number of shares have been increased from 7,700,000 to 77,000,000. However, there is no change in the Company's total capital amount before and after the said share split. The legal formalities in this regard have been duly completed. Accordingly, earnings per share for the year ended December 31, 2022 have been calculated retrospectively by adjusting the weighted average number of outstanding shares to reflect the effect of share split from 7.7 million to 77 million shares. Refer note 28.

14- STATUTORY RESERVE
According to the Company's By-laws, the Company transfers 10% of its net profits to the statutory reserve until it reaches 30% of the capital. This reserve is not available for distribution.

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15- EMPLOYEES' BENEFITS OBLIGATIONS

15-A Movement in employees' benefits obligations:

	For the year ended	
	December 31, 2023	December 31, 2022
Balance at the beginning of the year	**6,677,779**	5,776,502
Expenses charged to profit or loss	**1,553,531**	1,373,383
Actuarial remeasurement gain charged to OCI	**(658,482)**	(5,589)
Paid during the year	**(1,889,598)**	(466,517)
Balance at the end of the year	**5,683,230**	6,677,779

15-B Charged to profit or loss

	For the year ended	
	December 31, 2023	December 31, 2022
Current service cost	**1,221,362**	1,209,445
Interest cost	**332,169**	163,938
	1,553,531	1,373,383

15-C Significant actuarial assumptions

	December 31, 2023	December 31, 2022
Discount rate per annum	**4.78%**	4,75%
Salary increase rate per annum	**1.00%**	4,75%
Employees turnover rate	**Average**	Average

The sensitivity of employees' benefits obligations to changes in the significant assumptions is as follows:

	December 31, 2023	December 31, 2022
Discount rate +0.5%	**5,633,764**	6,455,398
Discount rate -0.5%	**5,734,475**	6,915,864
Salary increase rate +0.5%	**5,736,160**	6,867,958
Salary increase rate -0.5%	**5,631,691**	6,498,354

16- TRADE AND OTHER PAYABLES

	December 31, 2023	December 31, 2022
Trade payables	**4,377,918**	4,545,427
Accrued expenses	**2,138,458**	2,022,914
Value added tax -VAT	**1,471,921**	942,904
	7,988,297	7,511,245

17- LEASE LIABILITY

	December 31, 2023	December 31, 2022
Non-current portion of lease liabilities	**3,510,135**	4,379,036
Current portion of lease liabilities	**868,900**	814,730
	4,379,035	5,193,766

The table below summarizes the contractual maturity (undiscounted) of lease liabilities:

	December 31, 2023	December 31, 2022
Less than one year	**1,140,000**	1,140,000
From 1 year to 5 years	**3,274,375**	4,274,375
More than 5 years	**1,045,363**	1,185,363
	5,459,738	6,599,738

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17- LEASE LIABILITY (CONTINUED)

Amounts recognized in profit or loss

	For the year ended	
	December 31, 2023	December 31, 2022
Depreciation of right-of-use assets (note 7)	**819,636**	1,223,475
Interest of lease liabilities	**325,269**	511,648
Expense related to short-term leases (included in cost of revenue) (note 21)	**701,686**	324,642
Expense related to short-term leases (included in general and administrative expenses) (note 22)	**70,000**	148,502
	1,916,591	2,208,267

Movement of lease liabilities

	For the year ended	
	December 31, 2023	December 31, 2022
January 01	**5,193,766**	4,961,794
Interest charged during the year	**325,269**	511,648
Adjustments during the year	**-**	805,464
Payments during the year	**(1,140,000)**	(1,085,140)
December 31	**4,379,035**	5,193,766

18- TRANSACTIONS AND BALANCES WITH RELATED PARTIES

18.A It includes entities under common directorship, Board of Directors (executive and non-executive members) and the key management personnel of the Company. The following are the benefits paid or due to key management personnel for their services:

	For the year ended	
	December 31, 2023	December 31, 2022
Salaries and other benefits	**1,843,000**	2,042,750
Remunerations and allowances of Board of Directors	**387,500**	288,500
End of service benefits	**25,852**	191,888
	2,256,352	2,523,138

18.B During the year 2023, transactions with related party mainly represents expenses for recruitment services rendered by Mehan for Human Resources – an entity under common directorship, with a total amount of SR 1,264,725.

18.C Due to a related party

	December 31, 2023	December 31, 2022
Mehan for Human Resources	**195,064**	-
	195,064	-

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19- PROVISION FOR ZAKAT

19-A Movement of zakat provision

	For the year ended	
	December 31, 2023	December 31, 2022
Balance at beginning of the year	**2,301,035**	2,454,344
Charged during the year	**2,151,733**	2,299,518
Prior year charge	**-**	18,223
Payments	**(2,273,911)**	(2,471,050)
Balance at the end of the year	**2,178,857**	2,301,035

19-B Status of Zakat assessment
The Company submitted its Zakat returns till the year ended December 31, 2022, and obtained a Zakat certificate.

20- REVENUE

	For the year ended	
	December 31, 2023	December 31, 2022
Corporate customers	**97,126,215**	78,942,958
Individual customers	**3,216,187**	2,286,432
	100,342,402	81,229,390

	December 31, 2023	December 31, 2022
Cash revenue	**70,515**	98,937
Credit revenue	**100,271,887**	81,130,453
	100,342,402	81,229,390

21- COST OF REVENUE

	For the year ended	
	December 31, 2023	December 31, 2022
Employees and other related cost	**50,953,755**	43,705,113
Purchases of medical supplies and others	**10,688,470**	7,114,517
Government fees	**4,263,150**	3,437,329
Depreciation of property and equipment (note 6)	**663,697**	1,681,477
Depreciation of right-of-use assets (note 7)	**582,072**	948,664
Rent	**701,686**	324,642
Training	**307,090**	147,817
Travelling	**210,254**	238,881
Others	**1,832,894**	392,743
	70,203,068	57,991,183
Net change in inventory	**(1,401,527)**	(1,734,033)
	68,801,541	56,257,150

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22- GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended	
	December 31, 2023	December 31, 2022
Employees' costs	**4,659,219**	4,432,169
Depreciation of property and equipment (note 6)	**247,073**	239,068
Depreciation of right-of-use assets (note 7)	**237,564**	274,811
Rent	**70,000**	148,502
Utilities	**448,119**	351,651
Licenses fees	**189,158**	244,297
Professional fees	**499,585**	473,004
Remunerations and allowances for Board of Directors	**387,500**	288,500
Others	**590,286**	662,817
	7,328,504	7,114,819

23- SELLING AND MARKETING EXPENSES

	For the year ended	
	December 31, 2023	December 31, 2022
Employees' costs	**963,526**	-
Advertisement	**20,543**	-
Conferences	**545,242**	-
Depreciation of property and equipment (note 6)	**5,557**	-
Insurance	**38,930**	-
Others	**272,038**	-
	1,845,836	-

24- FINANCE COST

	For the year ended	
	December 31, 2023	December 31, 2022
Employees' benefits obligations	**332,169**	163,938
Murabaha loan	**-**	51,021
Lease liabilities	**325,269**	511,648
	657,438	726,607

25- OTHER INCOME, NET

	For the year ended	
	December 31, 2023	December 31, 2022
Loss on disposal of property and equipment	**(43,788)**	(1,032)
Profit on Islamic deposits - Murabaha	**2,400,284**	968,944
Others	**266,673**	245,832
	2,623,169	1,213,744

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
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26- FINANCIAL INSTRUMENTS BY CATEGORY
26-1 Financial assets and liabilities
26-1-1 Financial assets – amortized cost

	For the year ended	
	December 31, 2023	December 31, 2022
Trade receivables	**34,935,332**	32,250,326
Other receivables	**438,314**	380,375
Short term Islamic deposits - Murabaha	**-**	45,921,500
Cash and cash equivalents	**53,360,555**	10,654,897
	88,734,201	89,207,098

26-1-2 Financial liabilities – amortized cost

	December 31, 2023	December 31, 2022
Trade payables	**4,377,918**	4,545,427
Other payables	**2,138,458**	2,022,914
Lease liabilities	**4,379,035**	5,193,766
Due to a related party	**195,064**	-
	11,090,475	11,762,107

26-2 Measurement of fair value of the financial instruments

The Company uses the hierarchy of the fair value which is classified in level one, two and three, according to the degree of the inputs in measuring the fair value of all assets and liabilities as described below:

- Level 1: Quoted prices in an active market for an identical assets or liabilities that the Company can value at the measurement date.
- Level 2: Inputs other than the quoted prices that are included in Level 1 that can be considered as the value of the assets or liabilities, either directly or indirectly.
- Level 3: inputs for assets and liabilities not based on observable market information.

The Company's management considers that the carrying value of the financial assets and liabilities approximates their fair value due to their short-term nature.

26-3 Financial Risk Management

The Company's activities expose it to various financial risks such as credit risk, liquidity risk, market price risk, currency risk, interest rate risk and price risk.

26-3-1 Credit risk

Credit risk is represented the inability of one party of financial instruments to fulfill its obligations, which leads the other party to incur a financial loss. The Company is exposed to credit risk on cash with banks, trade receivables and other receivables as follows:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	**53,357,569**	10,630,764
Trade receivables	**34,935,332**	32,250,326
Other receivables	**438,314**	380,375
	88,731,215	43,261,465

The carrying amount of financial assets represents the maximum exposure to credit risk.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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26- FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)
26-3-1 Credit risk (continued)

Credit risk on receivables and cash at banks are managed as follows:
- Balances with banks are kept with banks with high credit ratings.
- Trade receivables are presented net of expected credit loss.

The Company manages credit risk related to customers and other receivables through monitoring in accordance with set policies and procedures. The Company seeks to limit the credit risk related to customers by setting credit limits for individual customers and monitoring outstanding receivables on an ongoing basis. Trade receivables and other receivable balances are monitored leading the Company not to be exposed to significant bad debts. The Company records provision for expected credit losses considering various factors including aging of receivable balances, financial position of customers, etc.

26-3-2 Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments relevant to the financial instruments. Liquidity risk may result from the inability to sell a financial asset as quickly as possible at an amount close to its fair value. The following are the undiscounted contractual maturities at the end of the reporting period for the financial liabilities:

	December 31, 2023			
	Carrying value	**Less than a year**	**From one year to 5 years**	**More than 5 years**
Financial liabilities:				
Trade and other payables	**6,516,376**	**6,516,376**	**-**	**-**
Lease liabilities	**5,459,738**	**1,140,000**	**3,274,375**	**1,045,363**
Due to a related party	**195,064**	**195,064**	**-**	**-**
	12,171,178	**7,851,440**	**3,274,375**	**1,045,363**

	December 31, 2022			
	Carrying value	Less than a year	From one year to 5 years	More than 5 years
Financial liabilities:				
Trade and other payables	6,568,341	6,568,341	-	-
Lease liabilities	6,599,738	1,140,000	4,274,375	1,185,363
	13,168,079	7,708,341	4,274,375	1,185,363

Liquidity risk is managed by monitoring on a regular basis and ensuring that sufficient funds are available to meet the future commitments of the Company.

26-3-3 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, which will affect the company's profit or the value of its financial assets. The objective of managing market price risk is to manage and maintain market risk exposure within acceptable limits, while optimizing the return.

26-3-4 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future business transactions and recognized assets and liabilities are denominated in a different currency from the Company's functional currency. The Company's exposure to foreign currency risk is primarily limited to transactions denominated in US dollars. The Company's management believes that its exposure to currency risks linked to the US dollar is limited because the exchange rate of the Saudi riyal is pegged to the US dollar. The fluctuation in exchange rates against other currencies is monitored continuously.

26-3-5 Interest rate risk
Interest rate risk is the exposure related to the effect of fluctuations in prevailing interest rates on the Company's financial position and cash flows. The Company does not have any variable financial liabilities at the reporting date.

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27- SEGMENTAL REPORTING
The Company has one segment, which is providing of the medical services. The Company operates only in the Kingdom of Saudi Arabia and has no other geographical sector.

Transactions with major customers
The revenue from one of the major customers is representing 51% of the total amount of the revenue for the year (2022: 59%).

28- EARNINGS PER SHARE

	December 31, 2023	December 31, 2022 Restated
Net profit for the year	**15,710,465**	15,654,263
Weighted average number of ordinary shares used as a denominator when calculating basic and diluted earnings per share	**77,000,000**	77,000,000
Basic and diluted earnings per share	**0.20**	0.20

Earnings per share for the year ended December 31, 2022 have been restated due to share split as disclosed in note 13.

Basic earnings per share is the same as dilutive earning per shares as the Company doesn't have any dilutive instruments.

29- DIVIDENDS
On March 10, 2022, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on October 6, 2021, resolved to distribute cash dividend amounted to SR 11.55 million for the second half of the year 2021.

On August 29, 2022, the Board of Directors of the Company, with the authorization of the shareholders in their Extraordinary General Assembly held on August 28, 2022, resolved to distribute cash dividend amounted to SR 11.55 million (SR 1.5 per share).

On March 16, 2023, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on August 28, 2022, resolved to distribute cash dividend amounted to SR 3.85 million for the second half of the year 2022.

On August 10, 2023, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on June 20, 2023, resolved to distribute cash dividend amounted to SR 7.7 million (SR 0.10 per share) for the first half of the year 2023.

On March 25, 2024, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on June 20, 2023, resolved to distribute cash dividend amounted to SR 6.9 million (SR 0.09 per share) for the second half of the year 2023.

30- RECLASSIFICATION OF COMPARATIVE FIGURES
Below comparative figure has been reclassified in order to conform with the presentation for the current year. Such reclassification has been made by the Company to improve the quality of information presented.

ECL allowance amounted to SR 600,000 previously included in "general and administrative expenses" is now presented as a separate line item in the statement of profit or loss and other comprehensive income.

This reclassification does not affect previously reported profit for the year ended December 31, 2022 in the statement of profit or loss and other comprehensive income and the previously reported cash flows from operating activities in the statement of cash flows for the year then ended.

31- APPROVAL OF THE FINANCIAL STATEMENTS
These financial statements were approved by the Company's Board of Directors on 25 March, 2024.

8.3 Audited financial statements for the fiscal year ended 31 December 2024G

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

BDO الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Canadian General Medical Center Complex Company
(A Saudi Joint Stock Company)

Opinion

We have audited the financial statements of Canadian General Medical Center Complex Company (the "Company") which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

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Independent Auditors' Report to the shareholders of Canadian General Medical Center Complex Company (A Saudi Joint Stock Company) (Continued)

Revenue recognition	
Key audit matter	***How the matter was addressed in our audit***
The Company has recognised revenue amounted to SR 110.8 million during the year ended December 31. 2024. Revenue is a key indicator for measuring performance which implies that there is an inherent risk by overstating revenue and thus increase the profitability of the Company. Therefore, revenue recognition is considered as a key audit matter. Refer to note 4 for the accounting policy and note 20 for the related disclosures.	Our audit procedures included the following: - Assessed the appropriateness of the Company's accounting policy related to revenue recognition and its compliance in line with the requirements of International Financial Reporting Standards 15 "Revenue from Contracts with Customers". - Assessed the design and implementation of relevant key controls over the revenue cycle. - Performed testing of revenue transactions on a sample basis with underlying supporting documentation. - Tested on a sample basis, revenue transactions made pre- and post-year end with underlying documentation to assess whether revenue is recognized in the correct accounting period. - Assessed the adequacy of the related disclosures made in the accompanying financial statements.

Other information

Other information consists of the information included in the Company's Annual Report other than financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Dr. Mohammed Al-Amri & Co. Chartered Accountants, a professional closed joint stock company registered in the Kingdom of Saudi Arabia under CR no. 1010433982, with paid-up capital of SAR (1,000,000) is a member of BDO International Limited, a UK Company Limited by guarantee, and forms part of the international BDO network of independent member firms.
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Independent Auditors' Report to the shareholders of Canadian General Medical Center Complex Company (A Saudi Joint Stock Company) (Continued)

Responsibilities of the Company's management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Company's Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

Head office: Moon Tower - 8 Floor
P.O. Box 8736, Riyadh 11492
Unified Number : 92 002 4254
Fax : +966 11 278 2883

Independent Auditors' Report to the shareholders of Canadian General Medical Center Complex Company (A Saudi Joint Stock Company) (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.

Ahmed Al Jumah
Certified Public Accountant
Registration No. 621

Dammam, on 23 Ramadan 1446 (H)
Corresponding to: 23 March, 2025 G

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

	Notes	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Property and equipment	6	**16,920,881**	11,010,830
Right-of-use assets	7	**7,288,505**	3,907,209
Total non-current assets		**24,209,386**	14,918,039
Current assets			
Inventories	8	**3,421,737**	4,132,955
Trade receivables	9	**41,764,529**	34,935,332
Prepayments and other receivables	10	**10,745,620**	4,906,462
Investments at fair value through profit or loss (FVTPL)	11	**35,074,253**	-
Cash and cash equivalents	12	**4,659,967**	53,360,555
Total current assets		**95,666,106**	97,335,304
TOTAL ASSETS		**119,875,492**	112,253,343
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**77,000,000**	77,000,000
Statutory reserve	14	**-**	6,758,115
Actuarial reserve		**(856,463)**	442,016
Retained earnings		**17,725,975**	7,628,729
Total equity		**93,869,512**	91,828,860
LIABILITIES			
Non-current liabilities			
Employees' benefits obligations	15-A	**6,696,709**	5,683,230
Lease liabilities	17	**4,744,896**	3,510,135
Total non-current liabilities		**11,441,605**	9,193,365
Current liabilities			
Trade and other payables	16	**8,918,855**	7,988,297
Due to a related party	18-C	**915,811**	195,064
Lease liabilities	17	**2,570,882**	868,900
Provision for zakat	19-A	**2,158,827**	2,178,857
Total current liabilities		**14,564,375**	11,231,118
Total liabilities		**26,005,980**	20,424,483
TOTAL EQUITY AND LIABILITIES		**119,875,492**	112,253,343

The accompanying notes from 1 to 32 form an integral part of these financial statements.

Finance Manager **CEO** **Chairman**

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

		For the year ended	
	Notes	**December 31, 2024**	December 31, 2023
Revenue	20	**110,802,879**	100,342,402
Cost of revenue	21	**(82,356,584)**	(68,801,541)
Gross profit		**28,446,295**	31,540,861
General and administrative expenses	22	**(12,602,042)**	(7,328,504)
Selling and marketing expenses	23	**(3,801,229)**	(1,845,836)
Expected credit loss on trade receivables	9	**(377,701)**	(6,470,054)
Operating profit		**11,665,323**	15,896,467
Fair value changes of investments at FVTPL		**74,253**	-
Finance cost	24	**(747,533)**	(657,438)
Other income, net	25	**1,902,229**	2,623,169
Net profit before Zakat		**12,894,272**	17,862,198
Zakat	19-A	**(2,625,141)**	(2,151,733)
Net profit for the year		**10,269,131**	15,710,465
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss in subsequent periods:			
(Loss) / gain on remeasurement of employees' benefits obligations	15-A	**(1,298,479)**	658,482
Total comprehensive income for the year		**8,970,652**	16,368,947
Basic and diluted earnings per share	28	**0.13**	0.20

The accompanying notes from 1 to 32 form an integral part of these financial statements.

Finance Manager **CEO** **Chairman**

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

(All amounts expressed in Saudi Riyals)

	Share capital	Statutory reserve	Actuarial reserve	Retained earnings	Total
Balance at January 01, 2023	77,000,000	5,187,069	(216,466)	5,039,310	87,009,913
Net profit for the year	-	-	-	15,710,465	15,710,465
Other comprehensive income for the year	-	-	658,482	-	658,482
Total comprehensive income for the year	-	-	658,482	15,710,465	16,368,947
Transfer to statutory reserve	-	1,571,046	-	(1,571,046)	-
Dividends (note 29)	-	-	-	(11,550,000)	(11,550,000)
Balance at December 31, 2023	**77,000,000**	**6,758,115**	**442,016**	**7,628,729**	**91,828,860**
Net profit for the year	**-**	**-**	**-**	**10,269,131**	**10,269,131**
Other comprehensive loss for the year	**-**	**-**	**(1,298,479)**	**-**	**(1,298,479)**
Total comprehensive income for the year	**-**	**-**	**(1,298,479)**	**10,269,131**	**8,970,652**
Transfer to retained earnings (note 14)	**-**	**(6,758,115)**	**-**	**6,758,115**	**-**
Dividends (note 29)	**-**	**-**	**-**	**(6,930,000)**	**(6,930,000)**
Balance at December 31, 2024	**77,000,000**	**-**	**(856,463)**	**17,725,975**	**93,869,512**

The accompanying notes from 1 to 32 form an integral part of these financial statements.

Finance Manager | **CEO** | **Chairman**

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY

(A Saudi Joint Stock Company)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

(All amounts expressed in Saudi Riyals)

	Notes	For the year ended December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITES			
Net profit before zakat		**12,894,272**	17,862,198
Adjustments for non –cash items:			
Depreciation of property and equipment	6	**2,003,037**	916,327
Depreciation of right-of-use assets	7	**2,030,145**	819,636
Employees' benefits obligations	15	**866,816**	1,221,362
Finance cost	24	**747,533**	657,438
Loss on disposal of property and equipment		**7,665**	43,788
Expected credit loss on trade receivables	9	**377,701**	6,470,054
Profit on deposits – Murabaha		**-**	(27,499)
Fair value changes of investments at FVTPL		**(74,253)**	-
Impairment in other receivables	10	**545,130**	-
		19,398,046	27,963,304
Changes in working capital			
Inventories		**711,218**	434,002
Trade receivables		**(7,206,898)**	(9,155,060)
Prepayments and other receivables		**(6,384,288)**	(2,984,939)
Trade and other payables		**930,558**	477,052
Due to a related party		**720,747**	195,064
Cash generated from operations		**8,169,383**	16,929,423
Employees' benefits obligations paid	15-A	**(1,390,247)**	(1,889,598)
Zakat paid	19-A	**(2,645,171)**	(2,273,911)
Net cash generated from operating activities		**4,133,965**	12,765,914
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from short-term deposits encashed		**-**	45,921,500
Purchases of investments at FVTPL	11	**(35,000,000)**	-
Purchases of property and equipment	6	**(8,030,666)**	(3,373,207)
Proceeds from disposal of property and equipment		**109,913**	81,451
Net cash (used in) / generated from investing activities		**(42,920,753)**	42,629,744
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	29	**(6,930,000)**	(11,550,000)
Repayment of lease liabilities	17	**(2,983,800)**	(1,140,000)
Net cash used in financing activities		**(9,913,800)**	(12,690,000)
Net change in cash and cash equivalents		**(48,700,588)**	42,705,658
Cash and cash equivalents at beginning of the year		**53,360,555**	10,654,897
Cash and cash equivalents at end of the year		**4,659,967**	53,360,555

The accompanying notes from 1 to 32 form an integral part of these financial statements.

Finance Manager	CEO	Chairman

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

1- ORGANIZATION AND ACTIVITIES

Canadian General Medical Center Complex Company (the "Company") is a Saudi joint stock company initially incorporated as a limited liability company registered in Dammam, Kingdom of Saudi Arabia under Commercial Registration No. 2050058605 dated Safar 13, 1429H (corresponding to February 20, 2008).

During the year 2020, the Company increased its share capital in several stages from SR 2 million to SR 77 million in addition to the entry of new partners / shareholders. Later on, the shareholders of the Company decided to convert the Company from a Limited Liability Company to a Saudi Joint Stock Company under the same Commercial Registration. The Company obtained Ministerial approval for the said conversion on 15 Jumada Al-Awwal 1442 H, corresponding to December 30, 2020.
The Capital Market Authority, in its decision issued on Dhu al-Qi'dah 18, 1442 -H (corresponding to June 28, 2021), approved the Company's request to register its shares for direct listing in the Parallel Market – Nomu.

During the year 2023, the Board of Directors of the Company resolved, in its meeting held on July 6, 2023, to approve the transition of the Company from the parallel market (Nomu) to the main market which is subject to regulatory approvals. The Company has also appointed a financial advisor for the purpose of the said transition.

The main activities of the Company are management of hospitals and health centers and trade in hospital tools and equipment and ambulances under License No. 10045 dated Jumada Al-Awwal 18, 1436 -H (corresponding to March 9, 2015). The Company's registered office is located at Dammam, Kingdom of Saudi Arabia.

These financial statements include the assets, liabilities and financial results of the Company and its following branches:

Branch CR NO.	CR Date (Hijri)	CR Date (Gregorian)	City
2050116858	03/11/1439-H	16/07/2018-G	Dammam
2055026411	22/04/1439-H	09/01/2018-G	Jubail
2059004078	08/06/1438-H	07/03/2017-G	Abqaiq
2051056715	15/05/1435-H	16/03/2014-G	Khobar
1009042659	18/11/1445-H	26/05/2024-G	Riyadh

2- BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

b) Basis of measurement

These financial statements have been prepared using the accrual basis of accounting under the historical cost convention except for certain employees' benefits obligations which are measured at present value using Projected Unit Credit Method and investments at FVTPL which are measured at fair value.

c) Functional and presentation currency

These financial statements are presented in Saudi Riyal, which is also the Company's functional currency. All amounts are rounded off to the nearest Saudi Riyal unless otherwise stated.

d) Financial year

The Company's financial year begins on January 1 and ends on December 31 each year.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

3-STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 New standards, interpretations and amendments effective from January 1, 2024

A number of amendments to standards enlisted below are effective this year but they do not have a material impact on the Company's financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after
IFRS 16	Amendments - Liability in a Sale and Leaseback	January 1, 2024
IAS 1	Amendments - Classification of Liabilities as Current or Non-Current	January 1, 2024
IAS 1	Amendments - Non-current Liabilities with Covenants	January 1, 2024
IAS 7 & IFRS 7	Amendments - Supplier Finance Arrangements	January 1, 2024

3.2 New standards, amendments and revised IFRS issued but not yet effective

The Company has not early adopted the following new and amended IFRSs and amendments that have been issued but are not yet effective. These standards will be adopted by the Company when they become effective.

New IFRS and amendments to standard	Description	Effective for annual years beginning on or after
IAS 21	Amendments - Lack of Exchangeability	January 1, 2025
IFRS 9	Amendments - Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

4- MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

A) Classification of assets and liabilities to current and non-current

The asset is current when:

- Expected to be realized or intended to be sold 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 Company classifies all other liabilities as non-current.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

B) Fair value measurement
The Company measures the financial instruments such as financial derivatives at fair value at each reporting date.

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 Company must have the ability to access the main market or the most advantageous market. The fair value of assets and liabilities is measured using the assumptions that market participants would use when pricing assets and liabilities, assuming they are pursuing what is in their best economic interests.

When measuring the fair value of non-financial assets, the ability of financial market participants to realize economic benefits from the asset, is taking in the consideration, through the best and maximum use of it or by selling it to other market participants who use the asset in the highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing use of relevant observable inputs and minimizing use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

C) Property and equipment
Property and equipment are recorded at cost less accumulated depreciation and/or accumulated impairment losses, if any. Capital work-in-progress is not depreciated. Cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are replaced at certain intervals, the Company recognizes those parts as individual assets with a specific useful life and depreciation. All other repair and maintenance costs are recognized in profit or loss when incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Category	Years
Machineries and equipment	4-8 years
Motor vehicles	4 years
Furniture, fixture and office equipment	4-8 years
Leasehold building improvements	10 years or the lease term whichever is less

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or sale. Any gain or loss arising from the disposal of the asset is calculated as the difference between the net disposal proceeds and the book value of the asset and is recorded in profit or loss when the assets are disposed of. The useful lives and methods of depreciation of property and equipment are reviewed at the end of each financial year and adjustments are made on a prospective basis, as appropriate.

D) Borrowing costs
Borrowing costs that are 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 recognized as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs are the interest costs and other costs incurred by the entity in connection with the borrowing of funds.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

E) Leases

The Company assesses whether a contract is, or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability in respect of all lease agreements in which it is a lessee, except for short-term leases (defined as leases of 12 months or less) and leases of low-value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis or another systematic basis if that basis is more representative of the pattern of the lessee's benefits. At the commencement date of the lease, the lease liability is 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. If this rate cannot be determined easily, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability consist of:

- Fixed lease payments (including fixed payments), less any lease incentives.
- Variable lease payments that depend on an index or rate,
- The amount the lessee is expected to pay under the residual value guarantees,
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options, and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of the option to terminate the lease.

The lease liability is presented separately in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by decreasing the carrying amount to reflect the lease payments.

Lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives. If the lease transfers the ownership of the specific asset or the cost of the right-of-use asset reflecting that the Company expects to exercise the purchase option, the related Right-of-use asset is depreciated over the useful life of the asset. Depreciation begins on the lease commencement date.

Right-of-use assets are presented as a separate line item in the statement of financial position.

The Company applies International Accounting Standard No. (36) "Impairment of Assets" to determine if there is any impairment in the value of the right of use assets.

F) Inventories

Inventory includes ambulances, medicines and other consumables used in medical services. Inventories are stated at cost or net realizable value, whichever is lower. Cost is measured on a weighted average cost basis. Allowance is made wherever necessary, for obsolete or slow-moving inventory. The net realizable value (NRV) is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Any write-down to NRV is recognized as an expense in the period in which the write-down occurs.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

G) Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in other comprehensive income are recognized in other comprehensive income and items for which fair value gain or loss is recognized in profit or loss are recognized in profit or loss).

H) Impairment of non-financial assets

The Company assesses at the reporting date whether there is an indication of impairment in the value of an asset. If any indication exists, or when an annual impairment test for the asset is required, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the assets or Cash-Generating Unit's fair value less costs to sell or value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash flows that are largely independent of those generated by other assets or groups of assets. When the carrying amount of an asset or Cash-Generating Unit exceeds its recoverable amount, the carrying value of the asset shall be reduced to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-Zakat discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company relies on detailed budgets and estimations to calculate impairment losses, which are prepared separately for each Cash-Generating Unit within the Company to allocate individual assets accordingly. These detailed budgets and estimations usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year. Impairment losses of continuing operations are recognized in profit or loss as an expense that is appropriate to the function of the impaired assets.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or Cash-Generating Unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

I) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss. All financial assets are recognized at fair value plus, in the case of assets not measured at fair value through profit or loss, transaction costs attributable to the acquisition of the financial asset.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

I) Financial assets (continued)

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost
After initial measurement, these financial assets are measured at amortized value using the effective interest rate method and are subject to impairment. Gain or losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

Debt instruments at fair value through other comprehensive income
Regarding debt instruments at fair value through other comprehensive income, interest income, foreign currency revaluations, impairment losses or adjustments are recognized in profit or loss and accounted for in the same way as for financial assets measured at amortized cost. Remaining fair value changes are recognized in other comprehensive income. On disposal, the cumulative change in fair value recognized in other comprehensive income is recycled to profit or loss. The Company does not have any debt instruments at fair value through other comprehensive income.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are included in the statement of financial position at their fair value, with net changes in fair value recorded in the statement of profit or loss.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not carried at fair value through profit or loss. An allowance for expected credit losses is recognized in two stages. For a credit exposure that has not witnessed a significant increase in credit risk since its initial recognition, expected credit losses are recognized for the credit risk resulting from possible default in payment within 12 months (expected credit losses over a period of 12 months). As for the credit exposure that witnessed a significant increase in credit risk since initial recognition, a provision should be recognized for expected credit losses over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade receivables, the Company applies a simplified approach to calculate expected credit losses. Therefore, the Company has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for forward-looking factors specific to the customers and the economic environment.

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

J) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss, as loans and Trade payables, or as financial derivatives that are used as hedging instruments in an effective hedge to cover the risks.

All financial liabilities are recognized initially at fair value, and in the case of loans and advances and Trade payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on these liabilities are recognized in profit or loss.

The Company has no financial liabilities at FVTPL.

Loans and borrowings

After initial recognition, loans and borrowings are measured at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss on derecognition of liabilities, as well as through the effective interest rate amortization process.

Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation is paid, canceled or the obligation under the contract is expired.

K) Offsetting of financial instruments

An offset is made between financial assets and liabilities, with the net amount shown in the statement of financial position in the event that there is a right guaranteed by law to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

L) Cash and cash equivalent

Cash and cash equivalents in the statement of financial position consist of cash at banks, cash on hand and short-term deposit with original maturity 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.

M) Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from past events, it is probable that resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. In cases where the Company expects to recover some or all of the provisions, for example under an insurance contract, the refund amounts are recognized as a separate asset when the recovery process is virtually certain. The expense relating to a provision is presented in the statement of profit or loss only after deducting any amounts recovered.

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

N) Employees' benefits obligations

Short term employees' benefits

The cost of short-term employee benefits (due within 12 months after termination of service, such as paid vacation, tickets, bonuses and non-monetary benefits such as medical care) is recognized in respect of employee services up to the end of the financial reporting period, and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

N) Employees' benefits obligations (continued)
Employees' benefits obligations
The Company's net obligation in respect of employee's end of service is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount. The calculation of employees' end of service obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the employees' benefits obligations, which comprise actuarial gains and losses are recognized immediately in OCI. Net interest is calculated by applying the discount rate to the employee's end of service liability or asset. Net interest expense and other expenses related to employee's end of service are recognized in the statement of profit or loss and other comprehensive income.

Actuarial reserves

Actuarial reserves represent the cumulative re-measurement gains or (losses) arising from experience adjustments and changes in actuarial assumptions used for estimating the employees' end-of-service benefits obligation at end of each financial position date.

O) Revenue
Revenue represents the fair value of the consideration received or receivable for goods sold, net of returns or services provided. The Company has evaluated the revenue contracts against specific criteria and has determined that it is acting as principal in all revenue contracts. Revenues are mainly derived from selling ambulances and providing medical services to the customers.

The Company satisfies performance obligation and recognize revenue over time if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

c) The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations, where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied**.**

Medical services

The Company has contracts with customers to provide various medical services including supply of medicines, drugs, manpower (doctor, nurses and medical staff), medical equipment and consumables etc to customers. Price for each service is separately mentioned in the contract. Based on the services provided, the Company invoices to the customer on monthly basis which is approved by the customer. Sales of medicines, drugs, medical equipment and consumables generally include one performance obligation satisfied at the point in time when control of the goods is transferred to the customers generally on delivery / dispensing of medicines, drugs, medical equipment and consumables. Revenue from certain medical services including manpower services are recognised over time.

Sale of ambulances
The Company recognizes revenue at point in time when a control is transferred to a customer, generally on delivery.

Patient services
This constitutes an insignificant part of the Company's revenue. The patient services revenue is recognized when the services are rendered to the patient net off for any discount or rebates expected at the time of providing services to the patients. Revenue from outpatient is recognized at point in time. There is no revenue from inpatients.

There is no material variable consideration in revenue contracts. Further, no element of financing component is deemed present as the sales are made on credit terms of less than 12 months

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4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

N) Expenses
All operating expenses are allocated on a fixed basis to the cost of revenue, general and administrative and selling and marketing expenses using fixed distribution factors that are determined in proportion to the Company's activities.

O) Dividends
Dividends are recognized as liabilities in the period in which these are approved by the shareholders of the Company. Interim dividends are approved by the Board of Directors in accordance with the authority given by the General Assembly.

P) Earnings per share
The Company presents basic and diluted earnings per share information for the ordinary shares. Basic earnings per share is calculated by dividing the Company's profit or loss for the year by the weighted average number of the outstanding ordinary shares held during the period. Diluted earnings per share is calculated by adjusting the Company's profit or loss for the year and the weighted average number of outstanding ordinary shares for the effects of all diluted potential ordinary shares.

Q) Zakat and tax
Zakat
The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Any differences between the provision and the final assessment are recorded at the approval of the final assessment, when the provision is closed.

Withholding taxes
The Company withholds tax on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required by the Saudi Income Tax Law.

5- CRITICAL JUDGEMENTS, SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure of contingent liabilities at the date of preparing the financial statements. Uncertainty about these assumptions and estimates could result in making material adjustments to the carrying amount of asset or liabilities affected in future years. The key assumptions concerning the future and other key sources of estimation uncertainty at the date of preparing the financial statements, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the subsequent financial periods, are described below. The Company based its assumptions and estimates on parameters available at the date of preparing the financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

<u>A) Allowance for expected credit loss on trade receivables</u>
By adopting IFRS 9, the Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are 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 Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in note 9.

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5- CRITICAL JUDGEMENTS, SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

B) Zakat assessments

Provision for zakat is determined by the Company in accordance with the requirements of the Zakat, Tax and Custom Authority ("ZATCA") and is subject to change based on final assessments received from the ZATCA. The Company recognizes liabilities for any anticipated zakat based on management's best estimates of whether additional zakat will be due. The final outcome of any additional amount assessed by the ZATCA is dependent on the eventual outcome of the appeal process which the Company is entitled to. Where the final Zakat outcome of these matters is different from the amounts that were initially recorded, such differences could impact the statement of profit or loss in the period in which such final determination is made.

C) Provision for employees' benefits obligations

The cost of defined benefit liabilities regarding employee's end of service are determined using actuarial valuations. An actuarial valuation requires making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each annual reporting date.

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6- PROPERTY AND EQUIPMENT

	Machinery and equipment	Motor vehicles	Furniture, fixture and office equipment	Leasehold buildings improvements	Capital work in progress	Total
Cost:						
Balance at January 1, 2024	5,023,606	6,114,499	2,124,658	11,723,683	-	24,986,446
Additions	824,112	4,026,701	735,944	145,500	2,298,409	8,030,666
Transfers	-	-	-	2,015,426	(2,015,426)	-
Disposals	(24,000)	(353,099)	-	-	-	(377,099)
Balance at December 31, 2024	**5,823,718**	**9,788,101**	**2,860,602**	**13,884,609**	**282,983**	**32,640,013**
Accumulated depreciation:						
Balance at January 1, 2024	3,635,317	2,489,653	1,723,590	6,127,056	-	13,975,616
Charge for the year	350,038	632,617	103,467	916,915	-	2,003,037
Disposals	(16,213)	(243,308)	-	-	-	(259,521)
Balance at December 31, 2024	**3,969,142**	**2,878,962**	**1,827,057**	**7,043,971**	**-**	**15,719,132**
Net book value:						
At December 31, 2024	**1,854,576**	**6,909,139**	**1,033,545**	**6,840,638**	**282,983**	**16,920,881**

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6- PROPERTY AND EQUIPMENT (CONTINUED)

	Machinery and equipment	Motor vehicles	Furniture, fixture and office equipment	Leasehold buildings improvements	Total
Cost:					
Balance at January 1, 2023	4,436,660	3,926,229	1,963,867	11,723,683	22,050,439
Additions	676,946	2,535,470	160,791	-	3,373,207
Disposals	(90,000)	(347,200)	-	-	(437,200)
Balance at December 31, 2023	**5,023,606**	**6,114,499**	**2,124,658**	**11,723,683**	**24,986,446**
Accumulated depreciation:					
Balance at January 1, 2023	3,475,237	2,569,911	1,681,375	5,644,727	13,371,250
Charge for the year	239,822	151,961	42,215	482,329	916,327
Disposals	(79,742)	(232,219)	-	-	(311,961)
Balance at December 31, 2023	**3,635,317**	**2,489,653**	**1,723,590**	**6,127,056**	**13,975,616**
Net book value:					
At December 31, 2023	**1,388,289**	**3,624,846**	**401,068**	**5,596,627**	**11,010,830**

The annual depreciation is allocated as follows:

		For the year ended	
	Note	**December 31, 2024**	December 31, 2023
Cost of revenue	21	**1,774,099**	663,697
General and administrative expenses	22	**211,785**	247,073
Selling and marketing expenses	23	**17,153**	5,557
		2,003,037	916,327

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7- RIGHT-OF-USE ASSETS

The Company leases buildings and vehicles. The average term of the lease contracts ranges from 3 to 19 years. Below is information about the lease contracts in which the Company is a lessee:

December, 31 2024	**Buildings**	**Vehicles**	**Total**
Cost:			
At January 01,2024	**7,826,100**	**-**	**7,826,100**
Additions during the year	**4,203,806**	**1,207,635**	**5,411,441**
At December 31, 2024	**12,029,906**	**1,207,635**	**13,237,541**
Accumulated depreciation:			
At January 01, 2024	**3,918,891**	**-**	**3,918,891**
Charge for the year	**1,788,345**	**241,800**	**2,030,145**
At December 31, 2024	**5,707,236**	**241,800**	**5,949,036**
Net book value at December 31, 2024	**6,322,670**	**965,835**	**7,288,505**

December 31 2023	Buildings	Vehicles	Total
Cost:			
At January 01,2023	7,826,100	227,987	8,054,087
Adjustments during the year	-	(227,987)	(227,987)
At December 31, 2023	7,826,100	-	7,826,100
Accumulated depreciation:			
At January 01, 2023	3,099,255	227,987	3,327,242
Adjustments during the year	-	(227,987)	(227,987)
Charge for the year	819,636	-	819,636
At December 31, 2023	3,918,891	-	3,918,891
Net book value at December 31, 2023	3,907,209	-	3,907,209

The annual depreciation is allocated as follows:

		For the year ended	
	Note	**December 31, 2024**	December 31, 2023
Cost of revenue	21	**829,284**	582,072
General and administrative expenses	22	**425,799**	237,564
Selling and marketing expenses	23	**775,062**	-
		2,030,145	819,636

8- INVENTORIES

	December 31, 2024	December 31, 2023
Medical supplies	**2,434,207**	2,214,867
Ambulance cars	**987,530**	1,918,088
	3,421,737	4,132,955

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9- TRADE RECEIVABLES

	December 31, 2024	December 31, 2023
Trade receivables	**48,435,930**	41,229,032
Less: Expected credit loss	**(6,671,401)**	(6,293,700)
	41,764,529	34,935,332

Analysis of trade receivables aging:

December 31, 2024

		Past due			
	Not past due	**Less than 120 days**	**From 120 -365 days**	**More than 365 days**	**Total**
Gross receivables	**25,632,226**	**11,610,473**	**3,225,949**	**7,967,282**	**48,435,930**
Expected credit loss	**(7,642)**	**(140,572)**	**(507,717)**	**(6,015,470)**	**(6,671,401)**
	25,624,584	**11,469,901**	**2,718,232**	**1,951,812**	**41,764,529**

December 31, 2023

		Past due			
	Not past due	Less than 120 days	From 120 -365 days	More than 365 days	Total
Gross receivables	25,447,798	6,207,784	2,370,234	7,203,216	41,229,032
Expected credit loss	(4,643)	(58,030)	(264,375)	(5,966,652)	(6,293,700)
	25,443,155	6,149,754	2,105,859	1,236,564	34,935,332

Receivables include an amount of SR 17.4 million (2023: SR 17.5 million) from a single customer.

Movement of Expected Credit Loss

	For the year ended	
	December 31, 2024	December 31, 2023
Opening balance	**6,293,700**	1,020,000
Charged during the year	**377,701**	6,470,054
Written off during the year	**-**	(1,196,354)
Closing balance	**6,671,401**	6,293,700

10- PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2024	December 31, 2023
Advances to suppliers	**4,742,918**	1,018,516
Less: Impairment	**(545,130)**	-
	4,197,788	1,018,516
Prepayments	**3,977,443**	2,989,729
Employees advances	**754,506**	459,903
Security deposits	**462,795**	410,815
LG margin	**1,353,088**	
Accrued profit on short-term deposits – Murabaha	**-**	27,499
	10,745,620	4,906,462

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11- INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)
During the year 2024, the Company's management entered into a local Discretionary Portfolio Management ("DPM") agreement managed by the investment manager. The Company has elected to classify such investments at fair value through profit or loss (FVTPL). The value of said investments as at December 31, 2024 amounted to SR 35,074,253 including cash amounted to of SR 3,600,000.

	December 31, 2024	December 31, 2023
Additions	**35,000,000**	-
Fair value changes of investments at FVTPL	**74,253**	-
	35,074,253	-

12- CASH AND CASH EQUIVALENTS

	Note	**December 31, 2024**	December 31, 2023
Cash in hand		**8,600**	2,986
Cash at banks		**4,651,367**	8,357,569
Murabaha deposits	12.A	**-**	45,000,000
		4,659,967	53,360,555

12.A These represent Murabaha deposits with local banks, with an average return of approximately 5.5% per annum and having an original maturity of 3 months or less.

Changes in liabilities arising from financing activities

2024	**January 01, 2024**	**Non-cash items**	**Payment**	**Interest charged**	**December 31, 2024**
Leases (note 17)	4,379,035	5,411,441	(2,983,800)	509,102	7,315,778
	4,379,035	**5,411,441**	**(2,983,800)**	**509,102**	**7,315,778**

2023	January 01, 2023	Non-cash items	Payment	Interest charged	December 31, 2023
Leases (note 17)	5,193,766	-	(1,140,000)	325,269	4,379,035
	5,193,766	-	(1,140,000)	325,269	4,379,035

Dividends declared during the years 2023 and 2024 have been paid.

13- SHARE CAPITAL

	December 31, 2024		December 31, 2023	
	Number of shares	**Amount**	Number of shares	Amount
Share capital – paid up	**77,000,000**	**77,000,000**	77,000,000	77,000,000
	77,000,000	**77,000,000**	77,000,000	77,000,000

On June 20, 2023, the shareholders in their Extraordinary General Assembly Meeting approved the splitting of shares. Accordingly, nominal value per share has been reduced from SR 10 per share to SR 1 per share and number of shares have been increased from 7,700,000 to 77,000,000. However, there is no change in the Company's total capital amount before and after the said share split. The legal formalities in this regard have been duly completed in 2023.

14- STATUTORY RESERVE
On June 24, 2024, the shareholders, in their Extraordinary General Assembly Meeting, approved transferring the entire statutory reserve balance of SR 6,758,115 to the retained earnings of the Company.

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15- EMPLOYEES' BENEFITS OBLIGATIONS
15-A Movement in employees' benefits obligations:

	For the year ended	
	December 31, 2024	December 31, 2023
Balance at the beginning of the year	**5,683,230**	6,677,779
Expenses charged to profit or loss	**1,105,247**	1,553,531
Actuarial remeasurement loss / (gain) charged to OCI	**1,298,479**	(658,482)
Paid during the year	**(1,390,247)**	(1,889,598)
Balance at the end of the year	**6,696,709**	5,683,230

15-B Charged to profit or loss

	For the year ended	
	December 31, 2024	December 31, 2023
Current service cost	**866,816**	1,221,362
Interest cost	**238,431**	332,169
	1,105,247	1,553,531

15-C Significant actuarial assumptions

	December 31, 2024	December 31, 2023
Discount rate per annum	**4.86%**	4.78%
Salary increase rate per annum	**3.00%**	1.00%

The sensitivity of employees' benefits obligations to changes in the significant assumptions is as follows:

	December 31, 2024	December 31, 2023
Discount rate +0.5%	**6,619,635**	5,633,764
Discount rate -0.5%	**6,794,868**	5,734,475
Salary increase rate +0.5%	**6,796,028**	5,736,160
Salary increase rate -0.5%	**6,615,689**	5,631,691

16- TRADE AND OTHER PAYABLES

	December 31, 2024	December 31, 2023
Trade payables	**4,939,561**	4,377,918
Accrued expenses	**2,605,328**	2,138,458
Value added tax -VAT	**1,373,966**	1,471,921
	8,918,855	7,988,297

17- LEASE LIABILITY

	December 31, 2024	December 31, 2023
Non-current portion of lease liabilities	**4,744,896**	3,510,135
Current portion of lease liabilities	**2,570,882**	868,900
	7,315,778	4,379,035

The table below summarizes the contractual maturity (undiscounted) of lease liabilities:

	December 31, 2024	December 31, 2023
Less than one year	**3,024,622**	1,140,000
From 1 year to 5 years	**4,556,083**	3,274,375
More than 5 years	**905,363**	1,045,363
	8,486,068	5,459,738

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17- LEASE LIABILITY (CONTINUED)
Amounts recognized in profit or loss

	For the year ended	
	December 31, 2024	December 31, 2023
Depreciation of right-of-use assets (note 7)	**2,030,145**	819,636
Interest of lease liabilities	**509,102**	325,269
Expense related to short-term leases (included in cost of revenue) (note 21)	**916,067**	701,686
Expense related to short-term leases (included in general and administrative expenses) (note 22)	**59,436**	70,000
	3,514,750	1,916,591

Movement of lease liabilities

	For the year ended	
	December 31, 2024	December 31, 2023
January 01	**4,379,035**	5,193,766
Interest charged during the year	**509,102**	325,269
Additions during the year	**5,411,441**	-
Payments during the year	**(2,983,800)**	(1,140,000)
December 31	**7,315,778**	4,379,035

18- TRANSACTIONS AND BALANCES WITH RELATED PARTIES
It includes entities under common directorship, Board of Directors (executive and non-executive members) and the key management personnel of the Company

	Relationship
Mehan for Human Resources Company	Under common directorship
Academy of Learning Company	Under common directorship
Khayrat Amariya Real Estate Company	Under common directorship

18.A The significant transactions with related parties during the year are as follows:

Related party	**Nature of transaction**	**2024**	2023
Mehan for Human Resources Company	Recruitment service	**3,233,565**	1,264,725
Mehan for Human Resources Company	Revenue	**29,550**	-
Academy of Learning Company	Service	**133,811**	-
Khayrat Amariya Real Estate Company	Lease	**1,029,600**	-
Khayrat Amariya Real Estate Company	Commission	**25,740**	-
Khayrat Amariya Real Estate Company	Leasehold improvement	**1,876,300**	-

18.B Remuneration of directors and key management personnel:

	For the year ended	
	December 31, 2024	December 31, 2023
Salaries and other benefits	**2,799,667**	1,843,000
Remunerations and allowances of Board of Directors	**286,500**	387,500
End of service benefits	**235,105**	25,852
	3,321,272	2,256,352

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

18- TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

18.C Due to a related party

	December 31, 2024	December 31, 2023
Mehan for Human Resources	**915,811**	195,064
	915,811	195,064

19- PROVISION FOR ZAKAT
19-A Movement of zakat provision

	For the year ended	
	December 31, 2024	December 31, 2023
Balance at beginning of the year	**2,178,857**	2,301,035
Charged during the year	**2,158,827**	2,151,733
Under provision	**466,314**	-
Payments	**(2,645,171)**	(2,273,911)
Balance at the end of the year	**2,158,827**	2,178,857

19-B Status of Zakat assessment
The Company submitted its Zakat returns till the year ended December 31, 2023 and obtained the Zakat certificates. During the year 2024, ZATCA reviewed the zakat return pertaining to the year 2023 and issued final assessment clearance without any additional obligation against the Company.

20- REVENUE

	For the year ended	
	December 31, 2024	December 31, 2023
Corporate customers – Projects contract for medical clinic	**106,538,152**	97,126,215
Individual customers – Medical clinic	**4,264,727**	3,216,187
	110,802,879	100,342,402

	December 31, 2024	December 31, 2023
Cash revenue	**65,426**	70,515
Credit revenue	**110,737,453**	100,271,887
	110,802,879	100,342,402

	December 31, 2024	December 31, 2023
At point in time	**16,176,687**	19,465,339
Over time	**94,626,192**	80,877,063
	110,802,879	100,342,402

All the revenue are earned inside the Kingdom of Saudi Arabia.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
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21- COST OF REVENUE

	For the year ended	
	December 31, 2024	December 31, 2023
Employees and other related cost	**63,728,256**	50,953,755
Purchases of medical supplies and others	**7,201,682**	10,688,470
Government fees	**4,843,830**	4,263,150
Depreciation of property and equipment (note 6)	**1,774,099**	663,697
Depreciation of right-of-use assets (note 7)	**829,284**	582,072
Rent	**916,067**	701,686
Training	**123,924**	307,090
Travelling	**217,149**	210,254
Others	**2,011,075**	1,832,894
	81,645,366	70,203,068
Net change in inventory	**711,218**	(1,401,527)
	82,356,584	68,801,541

22- GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended	
	December 31, 2024	December 31, 2023
Employees' cost	**6,894,623**	4,659,219
Depreciation of property and equipment (note 6)	**211,785**	247,073
Depreciation of right-of-use assets (note 7)	**425,799**	237,564
Rent	**59,436**	70,000
Utilities	**441,151**	448,119
Governmental fees	**574,242**	189,158
Professional fees	**1,486,477**	499,585
Remunerations and allowances of Board of Directors	**286,500**	387,500
Impairment of advance to suppliers (note 10)	**545,130**	-
Others	**1,676,899**	590,286
	12,602,042	7,328,504

23- SELLING AND MARKETING EXPENSES

	For the year ended	
	December 31, 2024	December 31, 2023
Employees' cost	**2,466,335**	963,526
Advertisement	**-**	20,543
Conferences	**-**	545,242
Depreciation of right-of-use assets (note 7)	**775,062**	-
Depreciation of property and equipment (note 6)	**17,153**	5,557
Insurance	**89,607**	38,930
Others	**453,072**	272,038
	3,801,229	1,845,836

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

24- FINANCE COST

	For the year ended	
	December 31, 2024	December 31, 2023
Employees' benefits obligations	**238,431**	332,169
Lease liabilities	**509,102**	325,269
	747,533	657,438

25- OTHER INCOME, NET

	For the year ended	
	December 31, 2024	December 31, 2023
Loss on disposal of property and equipment	**(7,665)**	(43,788)
Profit on Murabaha deposits	**1,829,279**	2,400,284
Others	**80,615**	266,673
	1,902,229	2,623,169

26- FINANCIAL INSTRUMENTS BY CATEGORY
26-1 Financial assets and liabilities
26-1-1 Financial assets

	December 31, 2024	December 31, 2023
Financial assets – amortized cost		
Trade receivables	**41,764,529**	34,935,332
Other receivables	**1,815,883**	438,314
Cash and cash equivalents	**4,659,967**	53,360,555
	48,240,379	88,734,201
Financial assets – fair value		
Investments at FVTPL	**35,074,253**	-
	35,074,253	-
Total financial assets	**83,314,632**	88,734,201

26-1-2 Financial liabilities – amortized cost

	December 31, 2024	December 31, 2023
Trade payables	**4,939,561**	4,377,918
Other payables	**2,605,328**	2,138,458
Lease liabilities	**7,315,778**	4,379,035
Due to a related party	**915,811**	195,064
	15,776,478	11,090,475

26-2 Measurement of fair value of the financial instruments

The Company uses the hierarchy of the fair value which is classified in level one, two and three, according to the degree of the inputs in measuring the fair value of all assets and liabilities as described below:

• Level 1: Quoted prices in an active market for an identical assets or liabilities that the Company can value at the measurement date.
• Level 2: Inputs other than the quoted prices that are included in Level 1 that can be considered as the value of the assets or liabilities, either directly or indirectly.
• Level 3: inputs for assets and liabilities not based on observable market information.

Investment at fair value through profit and loss mainly represent investments in mutual funds and are classified at Level 2 of fair value hierarchy.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
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FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

26- FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

26-2 Measurement of fair value of the financial instruments (continued)

The Company's management considers that the carrying value of the financial assets and liabilities approximates their fair value due to their short-term nature.

26-3 Financial Risk Management

The Company's activities expose it to various financial risks such as credit risk, liquidity risk, market price risk, currency risk, interest rate risk and price risk.

26-3-1 Credit risk

Credit risk is represented the inability of one party of financial instruments to fulfill its obligations, which leads the other party to incur a financial loss. The Company is exposed to credit risk on cash with banks, trade receivables and other receivables as follows:

	December 31, 2024	December 31, 2023
Cash and cash equivalents	**4,651,367**	53,357,569
Trade receivables	**41,764,529**	34,935,332
Other receivables	**462,795**	438,314
	46,878,691	88,731,215

The carrying amount of financial assets represents the maximum exposure to credit risk.
Credit risk on receivables and cash at banks are managed as follows:
- Balances with banks are kept with banks with high credit ratings.
- Trade receivables are presented with net of expected credit loss.

The Company manages credit risk related to customers and other receivables through monitoring in accordance with set policies and procedures. The Company seeks to limit the credit risk related to customers by setting credit limits for individual customers and monitoring outstanding receivables on an ongoing basis. Trade receivables and other receivable balances are monitored, leading the Company not to be exposed to significant bad debts. The Company records provision for expected credit losses considering various factors including aging of receivable balances, financial position of customers, etc.

26-3-2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments relevant to the financial instruments. Liquidity risk may result from the inability to sell a financial asset as quickly as possible at an amount close to its fair value. The following are the undiscounted contractual maturities at the end of the reporting period for the financial liabilities:

	December 31, 2024			
	Carrying value	**Less than a year**	**From one year to 5 years**	**More than 5 years**
Financial liabilities:				
Trade and other payables	**7,544,889**	**7,544,889**	**-**	**-**
Lease liabilities	**8,486,068**	**3,024,622**	**4,556,083**	**905,363**
Due to a related party	**915,811**	**915,811**	**-**	**-**
	16,946,768	**11,485,322**	**4,556,083**	**905,363**

	December 31, 2023			
	Carrying value	Less than a year	From one year to 5 years	More than 5 years
Financial liabilities:				
Trade and other payables	6,516,376	6,516,376	-	-
Lease liabilities	5,459,738	1,140,000	3,274,375	1,045,363
Due to a related party	195,064	195,064	-	-
	12,171,178	7,851,440	3,274,375	1,045,363

Liquidity risk is managed by monitoring on a regular basis and ensuring that sufficient funds are available to meet the future commitments of the Company.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts expressed in Saudi Riyals)

26- FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)
26-3 Financial Risk Management (continued)

26-3-3 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, which will affect the company's profit or the value of its financial assets. The objective of managing market price risk is to manage and maintain market risk exposure within acceptable limits, while optimizing the return.

26-3-4 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future business transactions and recognized assets and liabilities are denominated in a different currency from the Company's functional currency. The Company's exposure to foreign currency risk is primarily limited to transactions denominated in US dollars. The Company's management believes that its exposure to currency risks linked to the US dollar is limited because the exchange rate of the Saudi riyal is pegged to the US dollar. The fluctuation in exchange rates against other currencies is monitored continuously.

26-3-5 Interest rate risk
Interest rate risk is the exposure related to the effect of fluctuations in prevailing interest rates on the Company's financial position and cash flows. The Company does not have any variable financial liabilities at the reporting date.

26.4 Capital Management
The primary objective of the Company’s capital management is to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value. The Company's overall strategy remains unchanged from the previous year.

The capital structure of the Company consists of equity comprising the Company’s share capital, the statutory reserve and retained earnings. The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company’s activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

The Company’s net debt to equity ratio at the end of the year is as follows:

	31 December, 2024	31 December, 2023
Lease liabilities	**7,315,778**	4,379,035
Less: cash and cash equivalents	**(4,659,967)**	(53,360,555)
Net debt	**2,655,811**	(48,981,520)
Total equity	**93,869,512**	91,828,860
Net debt to equity ratio	**2.8%**	(53%)

27- SEGMENTAL REPORTING
The Company has one segment, which is providing of the medical services. The Company operates only in the Kingdom of Saudi Arabia and has no other geographical sector.

<u>Transactions with major customers</u>
The revenue from one of the major customers is representing 47 % of the total amount of revenue for the year (2023: 51%).

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(All amounts expressed in Saudi Riyals)

28- EARNINGS PER SHARE

	December 31, 2024	December 31, 2023
Net profit for the year	**10,269,131**	15,710,465
Weighted average number of ordinary shares	**77,000,000**	77,000,000
Basic and diluted earnings per share	**0.13**	0.20

Basic earnings per share is the same as dilutive earning per shares as the Company doesn't have any dilutive instruments.

29- DIVIDENDS
On March 25, 2024, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on June 20, 2023, resolved to distribute cash dividend amounted to SR 6,930,000 (SR 0.09 per share) for the second half of the year 2023.

On March 16, 2023, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on August 28, 2022, resolved to distribute cash dividend amounted to SR 3,850,000 (SR 0.05 per share) for the second half of the year 2022.

On August 10, 2023, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on June 20, 2023, resolved to distribute cash dividend amounted to SR 7,700,000 (SR 0.10 per share) for the first half of the year 2023.

30- CONTINGENCIES AND COMMITMENTS
As at December 31, 2024, the Company has letters of credit amounted to SR 442,497 (December 31, 2023: SR Nill) issued from bank in the Kingdom of Saudi Arabia.

31- SUBSEQUENT EVENTS
On March 17, 2025, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on June 24, 2024, resolved to distribute cash dividend amounted to SR 3,850,000 for the year 2024.

32- APPROVAL OF THE FINANCIAL STATEMENTS
These financial statements were approved by the Board of Directors of the Company on March 17, 2025.

8.4 Audited financial statements for the three-month period ended 31 March 2025G

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025 WITH <u>INDEPENDENT AUDITOR'S REVIEW REPORT</u>

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT

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BDO الدكتور محمد العمري وشركاه
Dr. Mohamed Al-Amri & Co.

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Shareholders of
Canadian General Medical Center Complex Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Canadian General Medical Center Complex Company - "Saudi Joint Stock Company" ("the Company") as of March 31, 2025, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 –Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

For Dr. Mohamed Al-Amri & Co.

د. محمد العمري وشركاه محاسبون قانونيون
شركة مهنية رقم ٣٢٣/١١/٢٦٦
س.ت ٢٠٥٠٠١٠٥٨٢٢
Dammam
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Ahmed Al Jumah
Certified Public Accountant
Registration No. 621

Dammam, on: 17 Dhu al-Qidah 1446 (H)
Corresponding to: 15 May, 2025 G

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise mentioned)

	Notes	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
ASSETS			
Non-current assets			
Property and equipment	4	**16,345,085**	16,920,881
Right-of-use assets	5	**6,657,803**	7,288,505
Total non-current assets		**23,002,888**	24,209,386
Current assets			
Inventories		**5,775,138**	3,421,737
Trade receivables		**49,569,898**	41,764,529
Prepayments and other receivables		**10,803,783**	10,745,620
Investment at fair value through profit or loss (FVTPL)	6	**38,005,974**	35,074,253
Due from a related party	8.D	**86,180**	-
Cash and cash equivalents		**990,256**	4,659,967
Total current assets		**105,231,229**	95,666,106
TOTAL ASSETS		**128,234,117**	119,875,492
EQUITY AND LIABILITIES			
Equity			
Share capital		**77,000,000**	77,000,000
Actuarial reserve		**(1,427,332)**	(856,463)
Retained earnings		**21,321,318**	17,725,975
Total equity		**96,893,986**	93,869,512
Liabilities			
Non-current liabilities			
Employees' benefits obligations		**7,439,666**	6,696,709
Lease liabilities	5	**4,304,151**	4,744,896
Total non-current liabilities		**11,743,817**	11,441,605
Current liabilities			
Trade and other payables		**12,886,819**	8,918,855
Due to a related party	8.C	**1,374,340**	915,811
Lease liabilities	5	**2,618,039**	2,570,882
Provision for zakat	7	**2,717,116**	2,158,827
Total current liabilities		**19,596,314**	14,564,375
Total liabilities		**31,340,131**	26,005,980
TOTAL EQUITY AND LIABILITIES		**128,234,117**	119,875,492

The accompanying notes from 1 to 13 form an integral part of these un-audited interim condensed financial statements.

Finance Manager	CEO	Chairman

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise mentioned)

		For the three-month period ended	
	Note	**Match 31, 2025 (Un-audited)**	March 31,2024 (Un-audited)
Revenue		**30,089,173**	24,322,794
Cost of revenue		**(21,244,005)**	(19,944,228)
Gross profit		**8,845,168**	4,378,566
General and administrative expenses		**(2,608,099)**	(2,647,327)
Selling and marketing expenses		**(790,755)**	(861,689)
Expected credit loss on trade receivables		**(259,611)**	(731,220)
Operating profit		**5,186,703**	138,330
Fair value changes of investments at FVTPL		**2,944,063**	-
Finance cost		**(214,843)**	(155,963)
Other income		**87,709**	818,316
Profit before Zakat		**8,003,632**	800,683
Zakat	7	**(558,289)**	(1,021,470)
Net profit / (loss) for the period		**7,445,343**	(220,787)
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Loss on remeasurement of employees' benefit obligations		**(570,869)**	(557,273)
Total comprehensive income / (loss) for the period		**6,874,474**	(778,060)
Basic and diluted earnings /(losses) per share	9	**0.10**	(0.003)

The accompanying notes from 1 to 13 form an integral part of these un-audited interim condensed financial statements.

Finance Manager **CEO** **Chairman**

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise mentioned)

	Share capital	Statutory reserve	Actuarial reserve	Retained earnings	Total
For the three-month period ended March 31, 2024 (un-audited)					
Balance at January 01, 2024	77,000,000	6,758,115	442,016	7,628,729	91,828,860
Net loss for the period	-	-	-	(220,787)	(220,787)
Other comprehensive loss	-	-	(557,273)	-	(557,273)
Total comprehensive loss for the period	-	-	(557,273)	(220,787)	(778,060)
Dividend (note 11)	-	-	-	(6,930,000)	(6,930,000)
Balance at March 31, 2024	**77,000,000**	**6,758,115**	**(115,257)**	**477,942**	**84,120,800**
For the three-month period ended March 31, 2025 (un-audited)					
Balance at January 01, 2025	**77,000,000**	**-**	**(856,463)**	**17,725,975**	**93,869,512**
Net profit for the period	**-**	**-**	**-**	**7,445,343**	**7,445,343**
Other comprehensive loss	**-**	**-**	**(570,869)**	**-**	**(570,869)**
Total comprehensive income for the period	**-**	**-**	**(570,869)**	**7,445,343**	**6,874,474**
Dividend (note 11)	**-**	**-**	**-**	**(3,850,000)**	**(3,850,000)**
Balance at March 31, 2025	**77,000,000**	**-**	**(1,427,332)**	**21,321,318**	**96,893,986**

The accompanying notes from 1 to 13 form an integral part of these un-audited interim condensed financial statements.

Finance Manager   CEO   Chairman

Saad

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025
(All amounts expressed in Saudi Riyals unless otherwise mentioned)

	For the three-month period ended	
	March 31,2025 (Un-audited)	March 31,2024 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before zakat	**8,003,632**	800,683
Adjustments for non-cash items:		
Depreciation of property and equipment	**612,092**	461,127
Depreciation on right-of-use assets	**630,702**	298,035
Employees' benefits obligations – provision	**383,449**	369,156
Finance cost	**214,843**	155,963
Gain on disposal of property and equipment	**(8,696)**	-
Expected credit losses on trade receivables	**259,611**	731,220
Fair value changes of investment at FVTPL	**(2,944,063)**	-
	7,151,570	2,816,184
Changes in working capital		
Inventories	**(2,353,401)**	(638,374)
Trade receivables	**(8,064,980)**	(1,311,021)
Prepayments and other receivables	**(58,163)**	(2,408,867)
Due from a related party	**(86,180)**	(594,900)
Trade and other payables	**117,964**	(268,384)
Due to a related party	**458,529**	174,814
Cash used in operations	**(2,834,661)**	(2,230,548)
Employees' benefits obligations paid	**(290,959)**	(233,272)
Net cash used in operating activities	**(3,125,620)**	(2,463,820)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment at fair value through profit or loss (FVTPL)	**(35,318,854)**	-
Proceed from sale of investment at fair value through profit or loss (FVTPL)	**35,331,196**	-
Purchase of property and equipment	**(36,296)**	(285,419)
Proceed from disposal of property and equipment	**8,696**	-
Net cash used in investing activities	**(15,258)**	(285,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	**(528,833)**	(690,000)
Net cash used in financing activities	**(528,833)**	(690,000)
Net change in cash and cash equivalents	**(3,669,711)**	(3,439,239)
Cash and cash equivalents as at January ,1	**4,659,967**	53,360,555
Cash and cash equivalents as at March, 31	**990,256**	49,921,316

The accompanying notes from 1 to 13 form an integral part of these un-audited interim condensed financial statements.

Finance Manager **CEO** **Chairman**

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CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025

(All amounts expressed in Saudi Riyals unless otherwise mentioned)

1. ORGANIZATION AND ACTIVITY

Canadian General Medical Center Complex Company (the "Company") is a Saudi joint stock company previously incorporated as a limited liability company registered in Dammam, Kingdom of Saudi Arabia under Commercial Registration No. 2050058605 dated Safar 13, 1429H (corresponding to February 20, 2008).

During the year 2020, the Company increased its share capital in several stages from ⃁ 2 million to ⃁ 77 million in addition to the entry of new partners / shareholders. Later on, the shareholders of the Company decided to convert the Company from a Limited Liability Company to a Saudi Joint Stock Company under the same Commercial Registration. The Company obtained Ministerial approval for the said conversion on 15 Jumada Al-Awwal 1442 H, corresponding to December 30, 2020.

The Capital Market Authority, in its decision issued on Dhu al-Qi'dah 18, 1442 -H (corresponding to June 28, 2021), approved the Company's request to register its shares for direct listing in the Parallel Market – Nomu.

During the year 2023, the Board of Directors of the Company resolved, in its meeting held on July 6, 2023, to approve the transition of the Company from the parallel market (Nomu) to the main market which is subject to regulatory approvals. The Company has also appointed a financial advisor for the purpose of the said transition.

The main activities of the Company are management of hospitals and health centers and trade in hospital tools and equipment and ambulances under License No. 10045 dated Jumada Al-Awwal 18, 1436 -H (corresponding to March 9, 2015).

The Company's registered office is located at Dammam, Kingdom of Saudi Arabia.

These interim condensed financial statements include the assets, liabilities and financial results of the Company and its following branches:

Branch CR NO.	CR Date (Hijri)	CR Date (Gregorian)	City
2050116858	03/11/1439-H	16/07/2018-G	Dammam
2055026411	22/04/1439-H	09/01/2018-G	Jubail
2059004078	08/06/1438-H	07/03/2017-G	Abqaiq
2051056715	15/05/1435-H	16/03/2014-G	Khobar
1009042659	18/11/1445-H	26/05/2024-G	Riyadh

2. STATEMENT OF COMPLIANCE AND BASIS OF PPREPARATION

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

These interim condensed financial statements do not include all the information and disclosures required in annual financial statements and therefore, should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2024. In addition, results for the three months period ended March 31, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

The significant judgements made by management in applying the Company's key sources of estimation uncertainty are similar to those described in the Company's annual financial statements for the year ended December 31, 2024.

These interim condensed financial statements have been presented in Saudi Riyals ("⃁") which is also the functional currency of the Company. All figures have been rounded off to the nearest Saudi Riyals, unless otherwise stated.

3. MATERIAL ACCOUNTING POLICIES

The methods of computation and accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2024, except for the following amendments which applied for the first time in 2025. However, these are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

CANADIAN GENERAL MEDICAL CENTER COMPLEX COMPANY
(A Saudi Joint Stock Company)

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(All amounts expressed in Saudi Riyals unless otherwise mentioned)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Standards and amendments issued and applied effective in current period
There are no new standards issued, however, there are amendments to the following standards, which are effective in current period and have no material impact on Company's interim condensed financial statement;

Amendments to standard	Description	Effective for annual years beginning on or after
IAS 21	Amendments- Lack of Exchangeability	January 1, 2025

3.2 Impact of accounting standards to be effective in future periods
There are a number of standards and interpretations which have been issued by the International Accounting standards Board that are effective for periods beginning subsequent to December 31, 2025 (the date of the Company's next annual financial statements) that the Company has decided not to adopt early. The Company does not believe that these standards and interpretations will have a material impact on its financial statements once adopted.

4. PROPERTY AND EQUIPMENT

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Net book value at beginning of period / year	**16,920,881**	11,010,830
Additions during the period / year	**36,296**	8,030,666
Depreciation charged during the period / year	**(612,092)**	(2,003,037)
Net book value of disposals during the period / year	**-**	(117,578)
Net book value at the end of the period / year	**16,345,085**	16,920,881

5. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets

The following is a reconciliation of changes in right-of-use assets:

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Net book value at beginning of period / year	**7,288,505**	3,907,209
Additions during the period / year	**-**	5,411,441
Depreciation charged during the period / year	**(630,702)**	(2,030,145)
Net book value at the end of the period / year	**6,657,803**	7,288,505

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5. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Balance at beginning of period / year	**7,315,778**	4,379,035
Interest expense during the period / year	**135,245**	509,102
Additions during the period / year	**-**	5,411,441
Paid during the period / year	**(528,833)**	(2,983,800)
Balance at the end of the period / year	**6,922,190**	7,315,778
Less: current portion	**(2,618,039)**	(2,570,882)
Non-current portion	**4,304,151**	4,744,896

6. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Opening	**35,074,253**	-
Additions during the period / year	**35,318,854**	35,000,000
Fair value changes of investment at FVTPL	**2,944,063**	74,253
Disposal during the period / year	**(35,331,196)**	-
Balance at the end of the period / year	**38,005,974**	35,074,253

During the year 2024, the Company's management entered into a local Discretionary Portfolio Management ("DPM") agreement managed by the investment manager. The Company has elected to classify such investments at fair value through profit or loss (FVTPL). The value of said investments as at March 31, 2025 amounted to ⃁ 38,005,974 (December 31, 2024: ⃁35,074,253) including cash amounted to ⃁12,390 (December 31, 2024: ⃁3,600,000).

7. PROVISION FOR ZAKAT

A- Movement of zakat provision

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Balance at beginning of the period / year	**2,158,827**	2,178,857
Charged during the period / year	**558,289**	2,158,827
Under provision	**-**	466,314
Payments during the period / year	**-**	(2,645,171)
Balance at the end of the period / year	**2,717,116**	2,158,827

B- Status of zakat assessment

The Company has submitted its Zakat returns till the year ended December 31, 2024, and obtained the zakat certificate.

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(All amounts expressed in Saudi Riyals unless otherwise mentioned)

8. TRANSACTIONS WITH RELATED PARTIES

8.A It includes entities under common directorship, Board of Directors (executive and non-executive members) and the key management personnel of the Company. The following are the benefits paid or due to key management personnel for their services:

	March 31, 2025 (Un-audited)	March 31, 2024 (Un-audited)
Short-term employee benefits and salaries	**809,873**	649,145
End of service benefits	**113,740**	50,402
	923,613	699,547

8.B The significant transactions with related parties during the period are as follows:

Related party	**Nature of transaction**	**March 31, 2025 (Un-audited)**	March 31, 2024 (Un-audited)
Khairat Al-Ammariah Real Estate Co.	Lease	**-**	594,900
Mehan for Human Resources	Recruitment services	**1,179,915**	568,314

8.C Due to a related party

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Mehan for Human Resources	**1,374,340**	915,811
	1,374,340	915,811

8.D Due from a related party

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
Khairat Al-Ammariah Real Estate Co.	**86,180**	-
	86,180	-

9. EARNINGS / (LOSS) PER SHARE

Considering the Company doesn't have any dilutive instruments as of March 31, 2025 and March 31, 2024, dilute earnings per share is the same as basic earnings per share which is as follows:

	For the three-months ended	
	March 31, 2025	March 31, 2024
Net profit / (loss) for the period	**7,445,343**	(220,787)
Weighted average number of ordinary shares	**77,000,000**	77,000,000
Basic and diluted earnings /(loss) per share	**0.10**	(0.003)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
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10. SEGMENTAL REPORTING
The Company has one segment, which is providing of medical services, The Company operates only in the Kingdom of Saudi Arabia and has no other geographical segment.

Transactions with major customers
The revenue from one of the major customers represent 46% of the total amount of the revenue for the period ended March 31, 2025 (March 31, 2024: 53%).

11. DIVIDEND

On March 25, 2024, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on June 20, 2023, resolved to distribute cash dividend amounted to ⃁ 6,930,000 (⃁ 0.09 per share) for the second half of the year 2023.

On March 17, 2025, the Board of Directors of the Company, with the authorization of the shareholders in their meeting held on June 24, 2024, resolved to distribute cash dividend amounted to ⃁ 3,850,000 (⃁ 0.05 per share) for the year 2024.

12. MEASUREMENT OF FAIR VALUE
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, on the assumption that market participants act in their economic best interest.
All assets and liabilities that are measured at fair value or whose fair value is disclosed in the interim condensed financial statements are classified according to the scope of the fair value hierarchy shown below:

- Level 1: Quoted (unadjusted) prices quoted in active markets for assets or liabilities that are identical to those being measured.
- Level 2: The inputs that can be observed or monitored for the asset or liability, directly or indirectly, other than the published prices included within the first level.
- Level 3: Inputs that cannot be observed for the asset or liability.

The Company believes that the carrying values of its financial assets and financial liabilities as of March 31, 2025, and March 31, 2024 approximate their fair values. The investments measured at fair value through profit or loss represent investments in equity securities traded in active market and are classified at Level 1 of the fair value hierarchy.

13. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS
The interim condensed financial statements were approved by the Board of Directors of the Company on May 8, 2025

شركة المركز الكندي الطبي
Canadian Medical Center Co.
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Medical Emergency Leaders since 2008

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