

Mouwasat
Mouwasat Medical Services Co.



المواساة
شركة المواساة للخدمات الطبية

Annual
Report

20
20



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Dear Shareholders, Mouwasat Company, Respected

Peace be upon you and God's mercy and blessings

The Board of Directors of your Company is pleased to have in your hands its annual report for the fiscal year 2020, explaining the Company's activities, performance, results of its business and future plans, and as the report shows, your Company has been able to achieve remarkable growth and continuous progress evidenced by a set of key metrics.

1- General Vision

The management of the Mouwasat Medical Services Company sees evidence of remarkable progress in the healthcare sector in the Kingdom of Saudi Arabia, as inspired by the vision of the Kingdom 2030 and its implications of creating a qualitative leap in developing the health system, improving the quality of health services, expanding the base of beneficiaries of the health insurance system, developing and activating the legislative system. This encourages more private sector investment in health services, as the features of the private sector

obtaining new shares from the healthcare sector become evident to begin to assume its role and responsibilities to become the strategic partner of the public sector and an extension of it, to provide the best medical services, the management of Mouwasat Medical Services Company continues to implement its vision of the healthcare sector in the Kingdom of Saudi Arabia on its firm conviction that this sector still has promising prospects, especially as it is considered one of the largest healthcare sectors in the Middle East and has attractions, growth for the coming years supported by these Factors in the approach of the Kingdom's Vision 2030, and the company's management agrees with many experts and researchers that the private sector should continue to invest in the healthcare sector.

2 -Company Main Activity

The Company's main activity is to provide medical services to patients through its 100% owned or majority-owned hospital network and rented medical facilities as well as to sell medicines through its pharmacies. The following is a summary of this medical network:





Mouwasat Hospital - Dammam

Built in 1988 to the highest standards of quality, the Mouwasat Hospital in Dammam was built on a large area of 31,500 square meters in Uhud District on King Fahd International Airport Road, located in a lively and accessible area of all directions. The hospital operates at the highest international standards of quality and safety of patients, where the accreditation of the Joint Commission International (JCI) was obtained in 2006 , and the approval of the Saudi Central Board For Accreditation Of Health Institutes (CBAHI) and the adoption of the HACCP. In 2014, accreditation of American Association of Blood Banks (AABB) was also obtained in 2017, and the certificate was also obtained for Centers Of excellence for Metabolic & bariatric, Neurosurgery and orthopedic surgery. It is worth mentioning that Mouwasat Hospital - Dammam has received the accreditation of College of American Pathologists (CAP) since 2013, and the most important achievement is that the hospital has received the accreditation of the American College of Radiology (ACR) for Radiology services since 2016. In addition, the hospital has obtained HIMSS - Stage 6.



100%
Ownership



240
beds



Eastern
Region





Mouwasat Hospital - Jubail Industrial City

The journey of Mouwasat Hospital in Jubail Industrial City started 21 years ago in the form of a health center, which is considered the first stage of the current Mouwasat Hospital - Jubail Industrial City, the company then decided in next stage to expand the health services provided by adding new facilities for In-Patients. The expansion was completed and became a multidisciplinary hospital in 2004. In line with the national efforts to improve the health service industry and with the increase in the population of Jubail, Mouwasat Hospital - Jubail Industrial City was expanded in 2016 to include various medical specialties that operate 16 hours a day 8am to midnight. Mouwasat Hospital - Jubail Industrial City operates the highest standards of health care quality and patient safety by obtaining the accreditation of the Joint Commission International (JCI) in 2009, and the Saudi Central Board For Accreditation Of Health Institutes (CBAHI) was approved in 2014. The Accreditation of HACCP system 2014, as well as the accreditation of the American College of Radiology (ACR) for Radiology services since 2016. Mouwasat Hospital - Jubail Industrial City attracts the highest medical qualifications and many of the world's countries



Ownership
100%



214
beds



Eastern
Region





Mouwasat Hospital - Riyadh

In the north-east of Riyadh, the Mouwasat Medical Services Group was crowned with its fifth star, and the Mouwasat Hospital is to be opened in one of its most beautiful areas near the Hilton Riyadh hotel in Granada district, extending the group's services in the Kingdom's major cities.

The hospital was built on an area of 22,000 square meters with a total area of 50,000 square meters, with a range of residential buildings for doctors and staff surrounded by large green areas that add a comfortable and peaceful atmosphere for visitors. Parking for more than 420 cars was provided to facilitate the service of patients.

The hospital has 165 beds distributed across all medical specialties including intensive care departments for adults, children, newborns, isolation rooms and emergency beds, as well as single and double rooms with luxury hotel suites.



Ownership
%100



165
beds



Central
Region





Mouwasat Hospital - Qatif

In the pearl of the Kingdom, a new pearl appeared in the heart of Al-Mashaei district in Qatif City, an exceptional pearl, glowing and sparkling, a typical hospital in terms of engineering design, modern facilities, high-tech services and infrastructure includes in addition to the hospital building housing buildings for doctors and nurses and car parking areas to facilitate customer service.

The hospital has 120 beds distributed in single and double rooms, luxurious suites and different medical specialties, an intensive care unit, an intensive care unit for newborns and Premature, a long-term care department, a fully-equipped surgical section for all types of surgical operations, and an integrated dialysis unit. These departments are equipped with the best medical equipment according to the latest international standards, as well as attracting medical professionals with international expertise.

The hospital is also characterized by a modern and integrated section of radiology, including X-ray, CT, MRI, mammography, and jaw imaging, as well as ultrasound and bone density measurement, which is the best section in the Eastern region. It therefore serves patients transferred from hospitals and other medical centers in the region as a pioneer in this field.



Ownership
51%



120
beds



Eastern
Region





Mouwasat Hospital - Madina Al Munawrah

In the city of safety and mercy is the city that gives the pond all it has. From there, a new sun has been set for our group to spread the highest medical standards. The Mouwasat Hospital is located on the airport road on an area of 18,120 square meters, and the medical complex consists of the main hospital building, the residence of doctors, nursing and the paramedics pharmacy, as well as a large parking to facilitate the patients and visitors experience. With 120 beds distributed over single, double and deluxe rooms, the hospital offers services in all medical specialties, an intensive care unit for newborns and premature, an adult intensive care unit, a fully-equipped surgical section for all types of surgical operations, endoscopy unit and a dedicated Physiotherapy and rehabilitation center. These departments have been created and equipped to the latest international standards and are managed by a skilled and experienced team. The doctors are equipped with the latest equipment in all its departments, Emergency and Ambulance Department, as well as the Radiology, laboratories and pharmacy departments in the hospital operate around the clock. The hospital was approved by the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI) and approved by the American College of radiology, the hospital also received the accreditation of the (HACCP) system, as well as the Certificate of (HIMSS) - Stage 6 in 2018.



**Rented
Premises**



**120
beds**



**Western
Region**





Mouwasat Hospital - Khobar

As part of the steps taken by Mouwasat Medical Services to expand its health services in various areas of the Kingdom, Mouwasat Hospital-Khobar, located in Al-Morouj district in the north of Khobar, has a total capacity of 220 beds, the company's sixth hospital with a total land area of 53,000m² and a building surface area of 48,000m².

Mouwasat Hospital-Khobar, is the Company's sixth digital hospital where the Company has implemented healthcare electronic systems, promoting significant improvements in the healthcare service by linking patient information and ease of access while ensuring complete confidentiality and rapid exposure of medical results as well as the smooth process of work. The hospital provides advanced customer services to facilitate their experience through electronic appointment booking system via the mobile application or website and the patient can easily access his laboratory investigation and medical records electronically.



Ownership
100%



220
beds



Eastern
Region



3- Affiliates and Associates

3.1 Affiliates

(A) Eastern Medical Services Company Limited:

It is a Saudi-origin company with limited liability for the capital of 60 million SR and is headquartered in Khobar, Eastern Region, Saudi Arabia and is based on the Company's main activity in establishing hospitals, dispensaries, and private medical clinics.

Mouwasat Medical Services has a %51 stake in the Eastern Medical Services Company, which owns Mouwasat Hospital in Qatif, Eastern Province, and operates within the Mouwasat medical network.

B) Specialized Medical Clinic Company Limited:

It is worth mentioning that it was decided to stop the services offered by the dermatologist and plastic surgery center in Khobar, which is owned by the specialized medical clinic company, with the liquidation of the company and the transfer of services to Mouwasat hospital in Khobar, as the company administration considered that this would lead to operational advantages and upgrading the services offered. A bank was appointed according to the Saudi Arabian corporate system and the liquidation procedures were completed on 18th of October 2020 and the remaining returns were distributed on the shareholders of the subsidiary, which had no substantial impact

The following is a Table summarizing the data of Affiliates:

Affiliate name	Its capital	The percentage of ownership of the company	Their main activity	Country Head Office of its operations	The country is in the place of foundation
Eastern Medical Services Company Limited	60 million SR	51%	Establishment and Construction of Hospitals, Clinics, and Private Medical Clinics	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Specialized Medical Clinic Company Limited	The liquidation procedures were completed on 18th October 2020 and the remaining returns were distributed on the shareholders of the subsidiary				



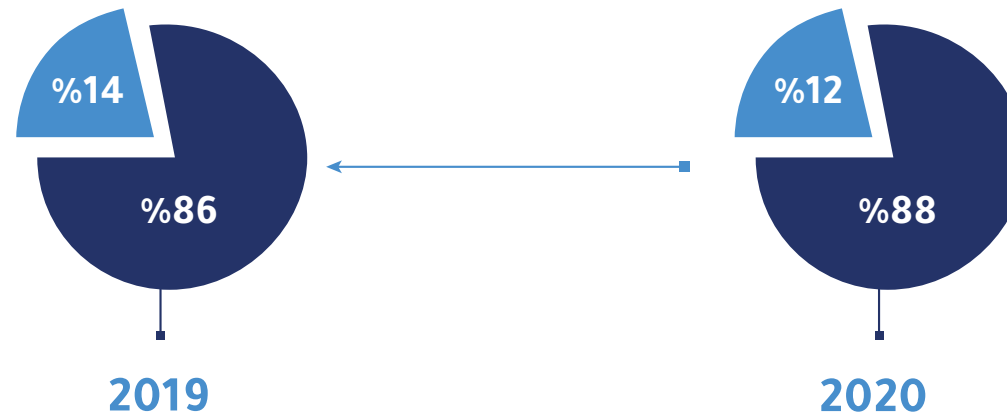
A Description of the Main Activity Types of the Company "The Group" and its subsidiaries

Company "The Group" Primary Activity Types

Main Activity types	2020		2019	
	Million SR	Contribution ratio	Million SR	Contribution ratio
Medical Services (Hospitals)	1,801	88%	1,597	86%
Medicines / Pharmacies	244	12%	260	14%
Total	2,045	100%	1,857	100%

Ratios of the main activities of the Company (Group)

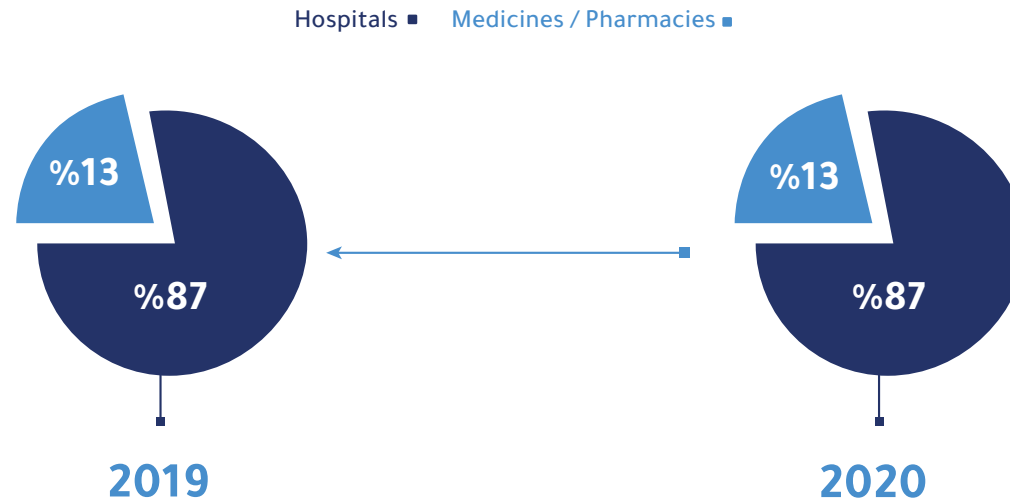
Hospitals ■ Medicines / Pharmacies ■



Main types of activity of Eastern Medical Services Limited (Subsidiary)

Main Activity types	2020		2019	
	Million SR	Contribution ratio	Million SR	Contribution ratio
Medical Services (Hospitals)	213	87%	186	87%
Medicines / Pharmacies	31	13%	29	13%
Total	244	100%	215	100%

Ratios of the main activities of Eastern Medical Services Company Limited (Subsidiary).



3.2 Associate Companies:

Advanced Medical Projects Company Limited:

It is a Saudi-origin company with limited liability for the capital of 10 Million SR and is headquartered in Khobar, Eastern Region, Kingdom Saudi Arabia and the company's main activity is wholesale and retail trade in medical and surgical equipment.

Mouwasat Medical Services has a %50 share in the Advanced Medical Projects Company, which has a specialized center in Ophthalmology in the name of Magrabi Eye Center located next to Mouwasat hospital in Dammam.

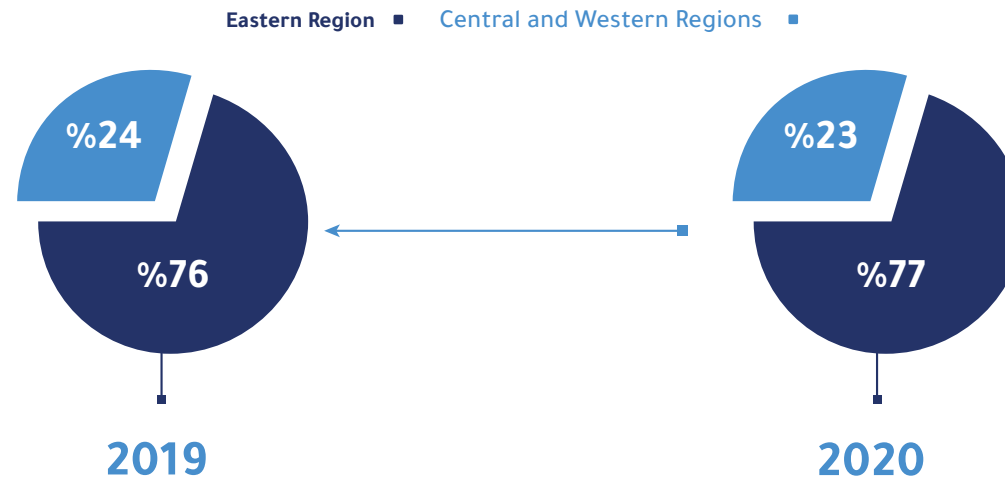


4 - Geographical Analysis of the Total Income of the Company and its subsidiaries:

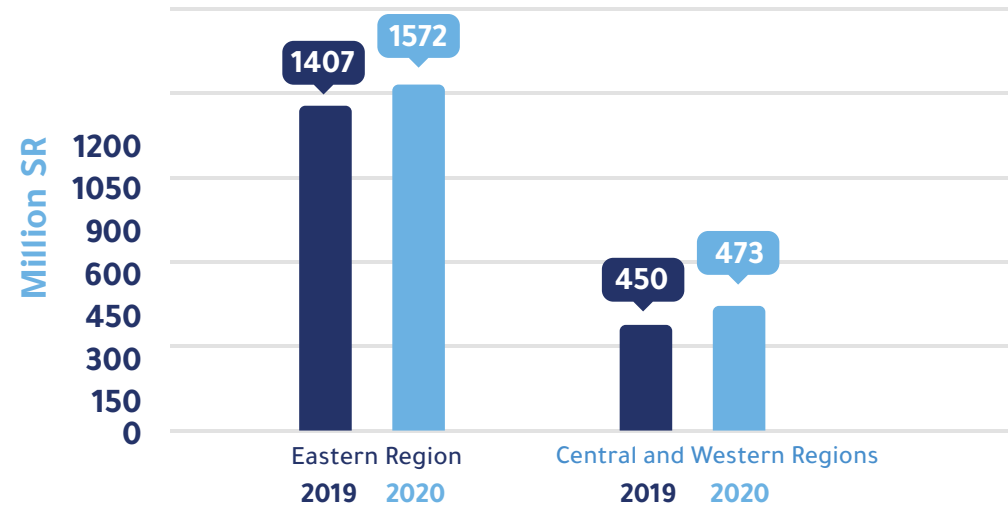
The following tables illustrate the geographical distribution in Saudi Arabia of the total revenues of the Company and its subsidiaries:

Geographical Analysis of Total Revenues of the (Group)

Statements	2020		2019	
	Million SR	Ratio	Million SR	Ratio
Eastern Region	1,572	77%	1,407	76%
Central and Western Regions	473	23%	450	24%
Total	2,045	100%	1,857	100%



Geographical Analysis of Group Revenues



Geographical Analysis of the Total Revenues of the Eastern Medical Services Company Ltd.

Statements	2020		2019	
	Million SR	%	Million SR	%
Eastern Region	244	100%	215	100%
Total	244	100%	215	100%



5- Summary of Business Results:

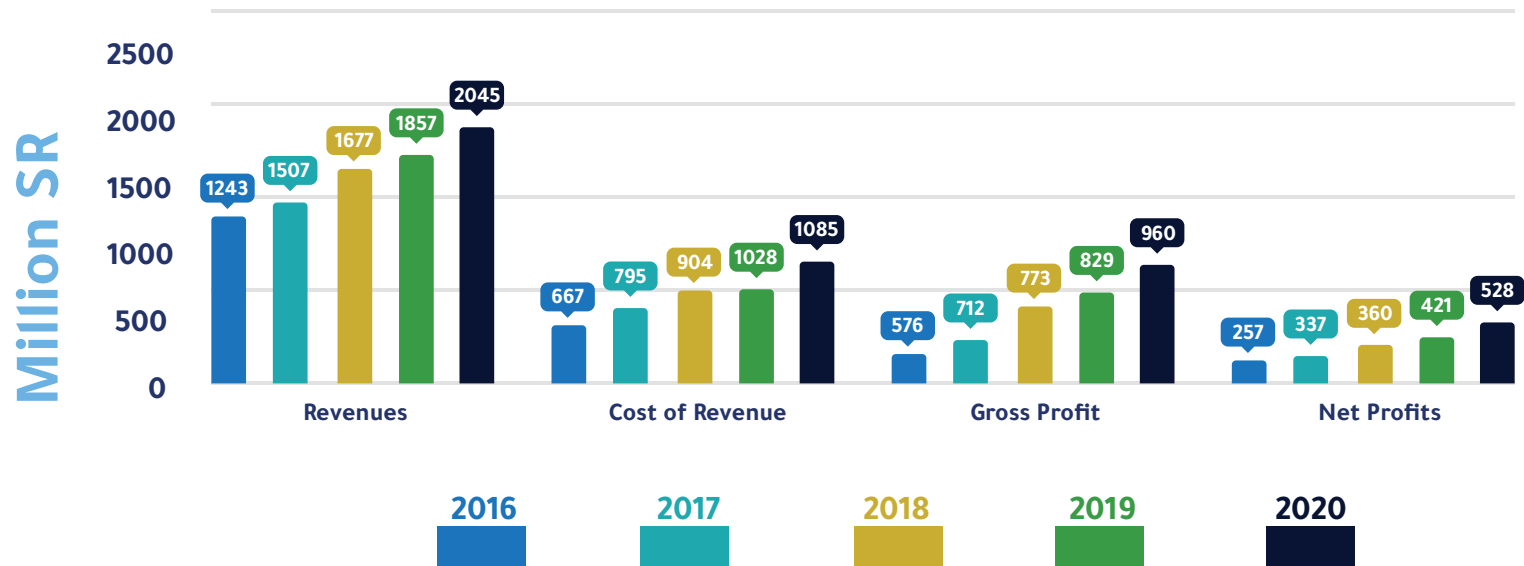
Company's Operations and Operating Results for the last five fiscal years:

Statements	Millions of SR				
	2020	2019	2018	2017	2016
Revenues	2,045	1,857	1,677	1,507	1,243
Cost Of Revenue	1,085	1,028	904	795	667
Gross Profit	960	829	773	712	576
Net Profit	528	421	360	337	257

During the past five years, the company's revenues grew steadily from 1,243 million SR in 2016 to 2,045 million SR in 2020, while the net profit increased from 257 million SR in 2016 to 528 million SR in 2020. The reasons for this continued growth are due to continued expansion of operational capacity in line with the company's strategic growth plan, the continued efficiency in the operation of available assets, the continued development of medical systems which serve Patients , the expansion of services provided to them and the improvement of certain contractual terms with the company's customers.



Review of operations results for the period from 2016 to 2020



An explanation of any material differences in the operating results compared to the results of the previous year

Statements	Millions of SR			Change Ratio
	2020	2019	change	
Revenues / Sales	2,045	1,857	188	10.1%
Direct Cost	1,085	1,028	57	5.5%
Gross Profit	960	829	131	15.8%
Other operating income	-	-	-	-
Other Operating Expenses	382	359	23	6.4%
Operating Profit	578	470	108	23%

The reason for increase in net profit during the current year compared with the previous year is due to:

1-Increase in revenue because of:

- A. Addition of new specialized departments and due to the continuous efficient utilization of available resources.
- B. Increase in revenues of medical services segment due to the increase in occupancy rates in this segment positively affected by the increase in transfers of Ministry of Health.

2- Positive contribution from Khobar branch during the current year compared to negative contribution of 48 Million SR during the previous year.



6. The Company's Assets and Liabilities for the last five Fiscal years:

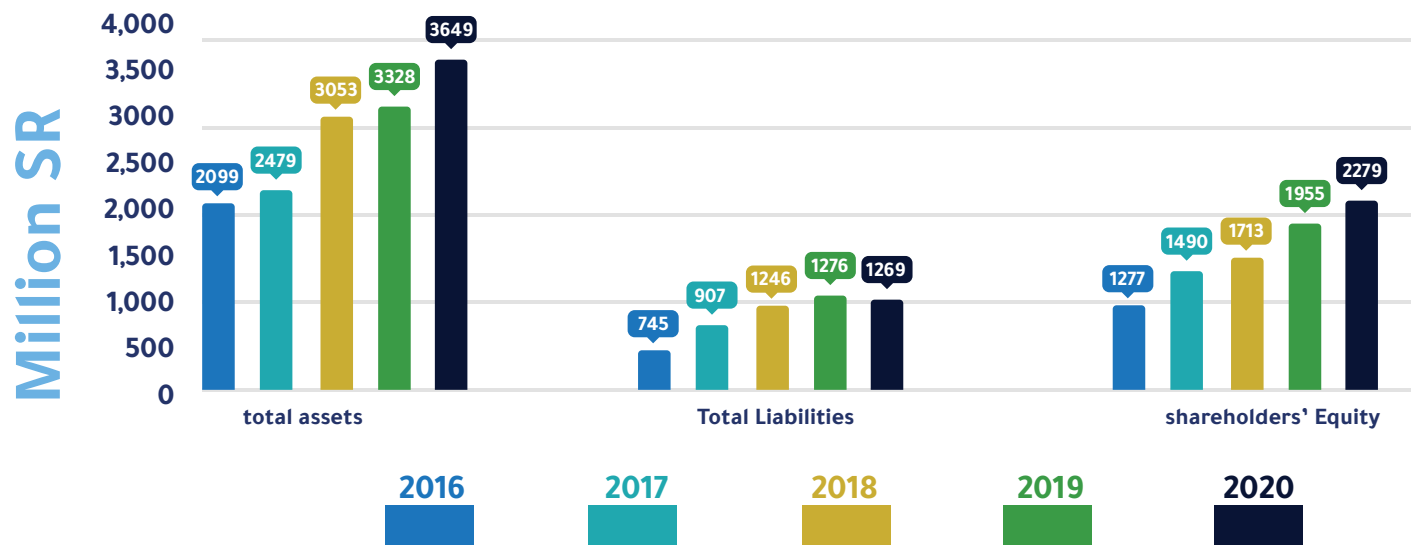
Statements	Millions of SR				
	2020	2019	2018	2017	2016
Current assets	1,196	1,066*	1,040	774	629
Non-current assets	2,453	2,262	2,013	1,705	1,470
Total Assets	3,649	3,328	3,053	2,479	2,099
Current liabilities	551	543*	565	378	356
Non-current Liabilities	718	733	681	529	389
Total Liabilities	1,269	1,276	1,246	907	745
Equity Attributable to Shareholders of the company	2,279	1,955	1,713	1,490	1,277
Non-controlling Interest	101	97	94	82	77

* Certain comparative amounts as of 31st of December 2019 have been reclassified to be in line with the presentation of the current period. Refer to note 39, attached to the consolidated financial statements for the period ended 31st of December, 2020

The Company's assets have grown steadily over the past five years from 2,099 million SR in 2016 to 3,649 million SR in 2020 in line with the company's strategic plan, which aims to acquire a more substantial share of the expected increase in demand for medical services. The Company's financial statements showed a growth in Equity Attributable to Shareholders during the last five years from 1,277 million SR in 2016 to 2,279 million SR in 2020.



The Company's assets and liabilities for the last five Fiscal years:



7. Challenges and Potential Risks:

The company management continues with great care identify and recognize of potential challenges and risks and measure their impact on achieving strategic objectives, and considers that it could be summarized to the following:

First: Challenges

- The continued increase in operational costs of medical facilities that aspire to a high level of quality in the provision of medical services.
- Adverse and negative behaviors which might be driven by the competition factors and severe pressure on providers of medical services.
- Gap of qualified medical and technical staff.
- The continued increase in the cost of medical and technical staff qualified to work in the health sector.
- The need to attract foreign expertise and the difficulty this poses in establishing the legal, operational, and financial environment that supports private sector growth and reduces future risks to its investments.

Second: Risks

- The high cost of high-tech medical systems and the low timeframe for their use, especially given the rapid pace of innovation and technological developments in a developed digital world.
- Price competition, which is considered a serious risk to the company.
- Shortage of trained manpower, especially from doctors, nursing, and technicians.
- The rise in the cost of attracting skilled and trained workers is a constant challenge for the company to reach the required levels of quality.

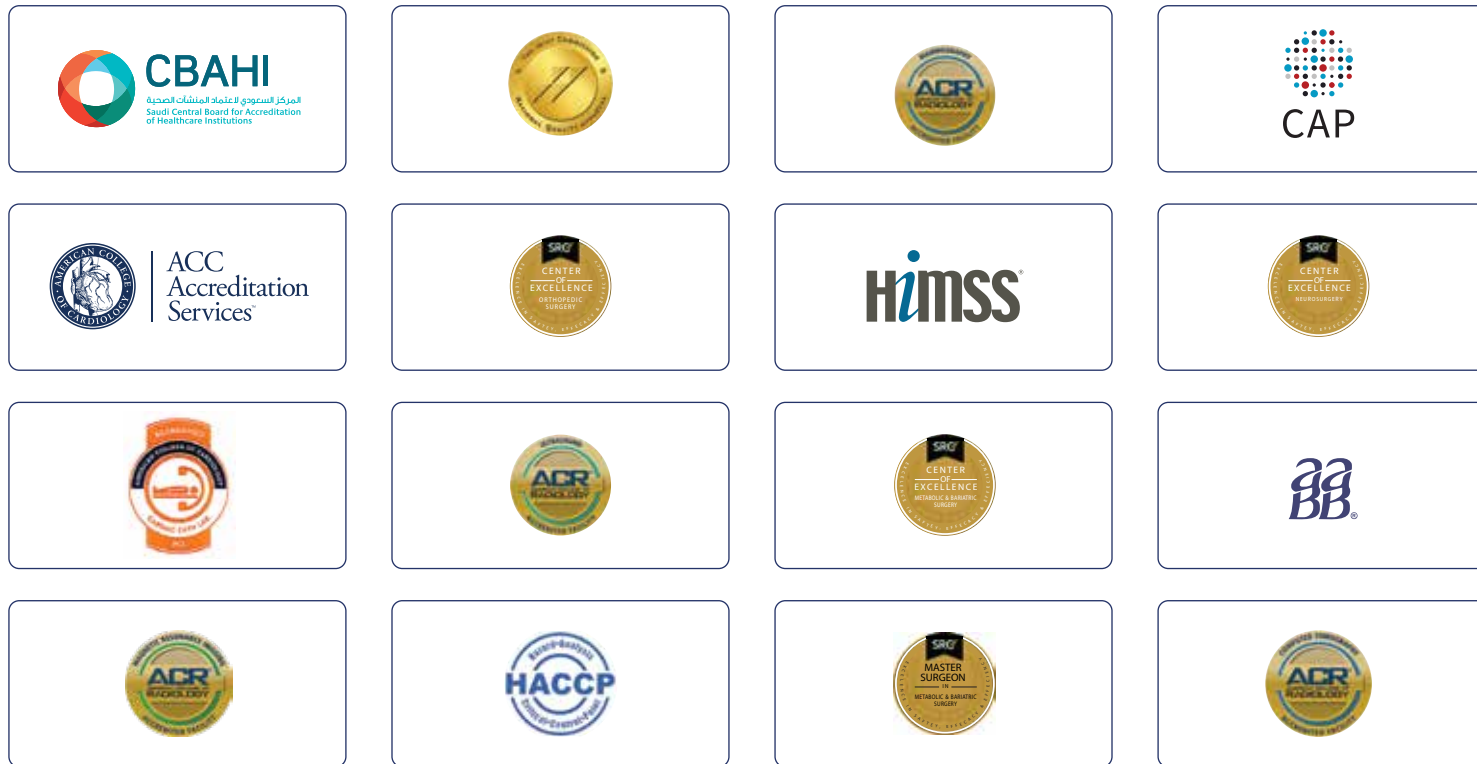
For the sake of overcoming these challenges and potential risks, the Company is following a dynamic path as follows:

- Further development of operational performance indicators for all resources available to the company and activate the control and the oversight of the direct and indirect operational burdens, as well as continue to develop and automate administrative, medical, technical and financial systems to enhance the company's competitiveness and reduce future risks that may arise from negative competition.
- Continue to accept only the first and second levels of beneficiary classification in the Cooperative Health Insurance Program to reduce price competition with other medical service providers.
- Continue to increase the operational efficiency of available resources in order to overcome the rise in the cost of bringing skilled and trained labor and the high cost of high-tech medical systems.
- Continue to implement workforce rehabilitation and development programs and create a more attractive employment environment that helps to keep workers, especially the Saudi nationals for longer duration and reduce drop-out rates, so that this does not be a challenge for the management and does not adversely affect future expansion of the Company.
- Continue to expand the company's customer base, increase its share in the private medical services sector and create a strategic relationship with all parties involved, including patients, medical insurance companies, the Council Of Cooperative Health Insurance, the Ministry of Health and other parties in the sector , with the aim of achieving the benefit of all Parties, ensuring expected growth in revenue and maintaining planned profitability ratios .



- Relying on technology, better use of interlinked software, and continuous development of computer technologies, major servers, and networks used throughout the Company to ensure that its operating system is upgraded, continues to be successful, and benefits are the highest available. The Company has committed itself to operating its resources on these latest and advanced applications since 2014, making all of its operational procedures fully automated and allowing the data exchange with all relevant stakeholders.
- Develop programs to measure the quality and satisfaction about the services provided by the company to its customers to enable them to continuously create service features that are attractive to the company's customers on both patient's direct service or technical aspects.
- Obtaining certification from local and international organizations where the company has received 57 Quality certificates for all Mouwasat hospitals, resulting in a high level of technical performance of the medical network, a number of accreditation certificates and a number of quality markers:

Certification:



8 - General Trends and Strategic Plan of the Company

The Company insists on continuing to confirm its presence as one of the major medical service providers in the private sector in Saudi Arabia and continues to implement the highest degree of care in implementing its plans and achieving its strategic objectives as follows:

- 1- Ensure continued growth in revenue through vertical and horizontal expansion programs of operational capacity.
- 2- Reach the highest operating rates for all company resources and assets to achieve the best return rates for their shareholders.
- 3- Continue to achieve the highest levels of quality to ensure a safe treatment environment for patients.
- 4- To reach the highest satisfaction scores for all corporate clients and users of their services.
- 5- Continue to support national employment replacement programs at all administrative and technical levels to achieve the highest job stability ratios.

The most important objectives achieved by Mouwasat Medical Services Co. in the year 2020 was:

- Carry out planned vertical expansion of the operational capacity of outpatient clinics in the company's hospitals by adding new specialized departments and expanding the sub-specialty clinics.
- Operating rates for Muawasat Hospital in Khobar during the year 2020 reached to levels in which the positive contribution to the company's results has been achieved compared to a negative contribution of 48 million SR during the previous year.





- The company's hospital project in Al Medina Al Monawara is in the final stages of the construction work as the completion percentage reached %90 till 24th of February 2021 despite the circumstances imposed by the new corona virus pandemic (COVID-19). All schedules related to this project have been affected by the severe slowness in carrying out the construction work due to the difficulty of labor access to the work site during the precautionary procedures period, as well as delays in the supplies, construction materials, electrical and mechanical materials to the site. In its announcement published on Tadawul website on 24th of December 2020, the company had announced that it expected the pilot operation of this project to start in the second quarter of 2021.





- Despite the circumstances imposed by the new corona virus pandemic (COVID-19), the company succeeded in achieving 90% to 24th of February 2021, of construction work for the expansion project of Mouwasat hospital in Dammam. The company's management is expected to complete the construction work of this project by the end of the first quarter of 2021 according to its announcement published on a trading site on 24th of December 2020. It should be noted that the expansion of Mouwasat Hospital in Dammam is represented by the establishment of a multi-story building dedicated to treat the patients in need of a long stay which is connected to the main hospital with an upper bridge.





- Complete the requirements of the Yanbu Royal Authority in relation to the initial and final engineering and demonstration plans and specifications of the project and continue to complete the final approval of the plans and obtain the building license in accordance with the land agreement signed based on the conditional allocation notice for the construction and operation of the new Mouwasat Hospital in Al-Sawari district of Yanbu Industrial City at a cost of 325 million SR.



- Applying all new provisions on JCI & CBAHI re-accreditation programs in all hospitals belongs to the medical network owned and managed by the company.
- Continue to develop service programs for corporate customers.
- Further development of education and ongoing training programs in cooperation with several international bodies.
- Under the conditions of the spread of COVID-19, the management of the company focused its actions on crisis management in terms of cost control, overcoming expected risks and dealing with the situation requirements. In this context, the company's management efforts continued to sustain the supply chain for medicines, medical and non-medical materials. The availability of sufficient cash to fund operational requirements to ensure that they continue to operate and achieve the desired results in these circumstances, which witnessed a decrease in patient visits during the period of the pandemic compared with an improvement in the operating ratios of the inpatient sector and with the help of God Almighty achieved the desired results under these circumstances.

The company has developed during the period of precautionary measures a new services for patient excellence and improved financial performance, including:

- Remote virtual medical consultation clinics service for giving medical advice and dispensing medicines.
- Home visit service for consultation and treatment.
- Home Medication delivery Service.



9. The Company's Policy of Distributing Dividends:

According to Article no. 45 of the company bylaw, the net annual profit distribution policy is as follows:

- 10% of the net profit is to be set aside for the formation of statutory reserve, and the General Assembly may suspend such formation once the mentioned reserve reaches 30% of the paid capital.
- The General Assembly may decide to set up other reserves to the extent that is in the interests of the Company or ensure that fixed profits are distributed to shareholders as much as possible, and the Assembly may also deduct from the net profits for the establishment of social institutions for the Company's workers or to assist those institutions.
- The balance then distributes to shareholders a ratio of 5% of the paid capital.
- Subject to the provisions set in Article no. 18 of the Company's bylaw, and Article 76 of Law OF Company's, if the members of the Board are paid a certain percentage of the company's profits, this percentage may not exceed (10%) Net profit after deducting the reserves decided by the General Assembly of the Company, after a profit distribution to shareholders not less than (5%) of the company's paid capital, the entitlement to this award shall be proportional to the number of sessions attended by the Member.
- The remainder is then distributed to shareholders as an additional share of profits.

After completing the controls established by the competent authorities, the Company may distribute semi-annual and quarterly profits.

For the fiscal year 2020, the Board recommended at its meeting on 13\07\1442H, 25th of February 2021, that cash dividends be distributed to shareholders of the Company as follows:

The total amount distributed is 250 million SR

- The number of shares due for profits is 100 million shares
- The share of one share of the distribution is 2.5 SR
- The distribution ratio to the nominal arrow value is %25
- The dividend will be awarded to shareholders who own the shares on the day of the company's general assembly and are registered in the company's shareholders' register with the Securities Depository Center Company (Deposit Center) at the end of the second trading day following the date of the general assembly of the company, which will be announced later after obtaining the approval of the competent authorities, God willing.
- The distribution date will be announced after the Company's General Assembly meeting.

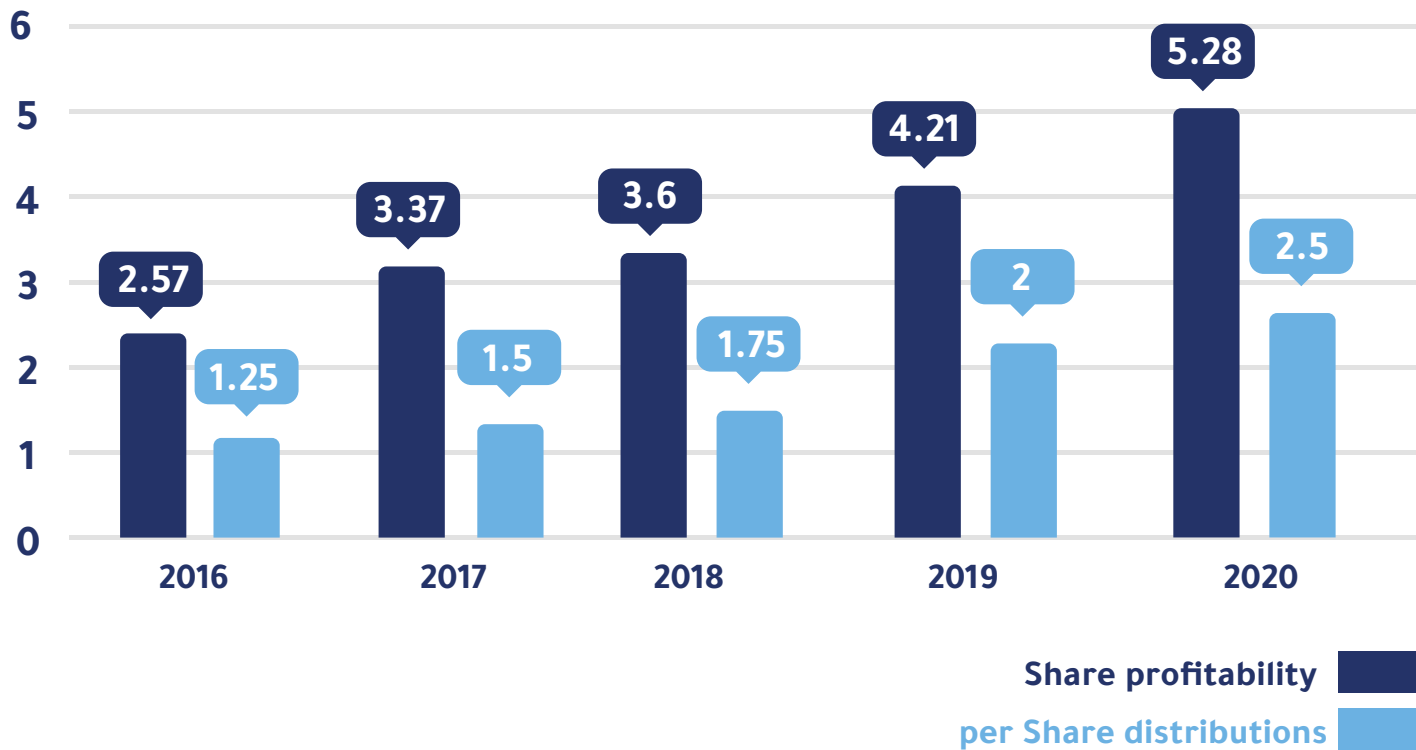
During the year 2020, cash dividends of 200 million SR were distributed at 2 SR per share, equivalent to 20% of the paid capital (1,000 million SR) for the financial year ended 31st of December 2019.



Per Share Profit for the last five fiscal years:

Profit on the share continued to grow during the last five fiscal years, with earnings per share up from 2.57 SR in 2016 to 5.28 SR in 2020.

Share Profitability and Distribution (SR)



10- loans Information:

For the purpose of financing the strategic growth plan in the company's assets and expanding its medical network, the Company obtained loan facilities from the Ministry of Finance, at the end of 2020 its balances reached 96 million SR. The company also obtained Shariah compliant loan facilities from local banks with a balance of 649.6 million SR at the end of 2020. .



Table showing loans granted to Mouwasat Medical Services Company (million SR)

Name of the lender	The principal amount of the loan	Loan period		Paid during 2020	As of 31 st December 2020
		From	to		
Ministry of Finance					
Loan of the Ministry of Finance - Qatif Hospital - a subsidiary	30.9	2006	2021	1.9	1.9
Ministry of Finance Loan - Dammam Medical Tower	10.3	2011	2026	0.6	3.9
Ministry of Finance Loan - Mouwasat Hospital, Riyadh	106.0	2018	2036	5.3	90.2
Total Ministry of Finance loans	147.2			7.8	96.0
Arab National Bank					
Arab National Bank Loan No. 12	103.4	2020	2025	13.8	89.6
Total Arab National Bank loans	103.4			13.8	89.6
Samba Financial Group					
Samba Group Loan No. 2	150.0	2018	2023	30.0	80.0
Samba Group's Total Financial Loans	150.0			30.0	80.0
THE SAUDI BRITISH BANK					
Samba Group Loan No. 8	210.0	2019	2022	60.0	120.0
Samba Group Loan No. 11	115.0	2021	2024	0.0	115.0
Total Arab National Bank loans	325.0			60.0	235.0
National Commercial Bank					
Arab National Bank Loan No. 3	205.0	2021	2026	0.0	205.0
Total Arab National Bank loans	205.0			0.0	205.0
Al Bilad Bank					
Al Bilad Bank Loan No. 1	40.0	2022	2026	0.0	40.0
Total Al Bilad Bank loans	40.0			0.0	40.0
Total	970.6			111.6	745.6

The current portion of long-term loans as at 31st of December 2020 amounted to 170.5 million SR and the long-term amounted to 575.1 million SR.



11. Board of Directors:

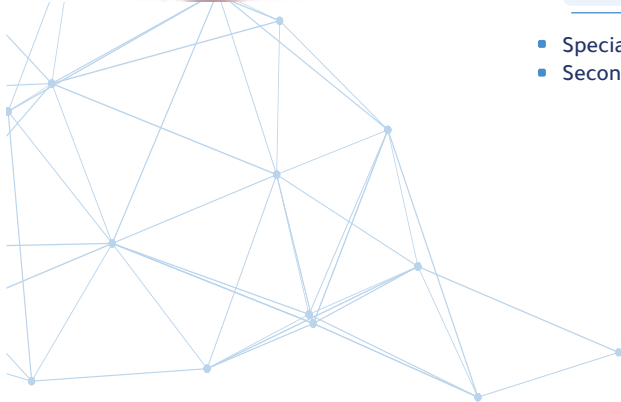
According to article no.13 of the Company's Bylaw, the Company's Board of Directors consists of seven members elected by the General Assembly for a period of three years, and the General Assembly, at its meeting on 16th of December 2019, elected the members of the Board of Directors for its new session, which started on 4th of January 2020. The following are the names of the members elected using the accumulative voting method:

Name of the Member	Classification of Membership
Mr. Mohammed Sultan Al Subaie	Non-Executive
Mr. Nasser Sultan Al Subaie	Executive
Mr. Mohammed Sulaiman Al Saleem	Executive
Mr. Khalid Sulaiman Al Saleem	Executive
Dr. Mohammed Ibrahim Atwajjri	Independent
Dr. Sami Abdulkarim Alabdulkarim	Independent
Mr. Fahad Ayed Al Shammari	Independent



The qualifications and experience of the members of the Board and their current and previous functions:

Mr. Mohammed Sultan Al Subaie



Current Functions

- Chairman of the Board of Directors of Mouwasat Medical Services Company.
- Chairman of the Board of Directors of the Mouwasat International Company.

Qualifications

- Specialized Courses in Business Management
- Secondary School Study

Previous Functions

- Chairman of the Board of Directors of Mouwasat Medical Services.
- Chairman of the Board of Directors of Mouwasat International Company.

Experiences

- Free trading and establishment of the Mouwasat Dispensary in Dammam in 1394 H.
- Chairman of the Board of Directors of Mouwasat Medical Services.
- Chairman of the Board of Directors of International Mowsat Company.



The qualifications and experience of the members of the Board and their current and previous functions

Mr. Nasser Sultan Al Subaie



Current Functions

- Vice Chairman of the Board of Directors of Mouwasat Medical Services Company.
- Member of the Executive Committee of Mouwasat Medical Services Company.
- Chairman of the Board of Directors of the Advanced Medical Complexes Company
- Executive Director of the Eastern Medical Services Company
- Member of the Board of Directors of Al Mouwasat International Company.
- Vice President of Kanaf Charity.
- Member of the Saudi Health Council based on the decision of his Excellency the Minister of Health.

Qualifications

- Diploma in Medical Services Administration
- Many intensive training courses in the management of health services inside and outside the Kingdom in addition to scientific conferences in the field of health
- Participation in many scientific conferences in the health field.

Previous Functions

- Director-General of Health Services for the project of the management and operation of Residential District clinics In Jubail Industrial City.
- Executive Director of Mouwasat Medical Services Company.
- Chairman of the Health Committee of the Chamber of Commerce and Industry Eastern Province.
- Vice Chairman of the Health Committee of the Chamber of Commerce and Industry Riyadh.
- Member of the Council of Cooperative Health Insurance under the distinguished Cabinet resolution represented for the Private Health Sector.
- Member of the Investment Committee of Council of Cooperative Health Insurance.
- Member of the Medical Services Board representing the Private Sector based on the decision of the venerable Council of Ministers.

Experiences

- Management and operation in the medical services sector
- Membership and chairmanship of governing bodies in the medical services sector.
- Membership and Chairmanship of health committees in the Chambers of Commerce and Industry .
- Membership of the Council of Cooperative Health Insurance and its Investment Committee
- Membership of the Medical Services Board



The qualifications and experience of the members of the Board and their current and previous functions

Mr. Mohammed Sulaiman Al Saleem



Current Functions

- Managing Director of Mouwasat Medical Services Company.
- Member of the Executive Committee of Mouwasat Medical Services Co.
- Member of the Board of Directors of Mouwasat International Company
- Member of the Board of Directors for Advanced Medical Projects Company

Qualifications

- Bachelor of Administrative Sciences, Accounting Division

Previous Functions

- Managing Director of the United Medical Services Company.
- Managing Director of Mouwasat Medical Services Company.
- Executive Director of Mouwasat Medical Services Company.
- Member of the Board of Directors of Mouwasat International Company.
- Member of the Board of Directors for the Advanced Medical Projects Company.
- Member of the Board Arab Hospital Management Association Sharjah, United Arab Emirates.
- General Manager of the Specialized Medical Clinic Company.

Experiences

- Management and Operation in the Medical Services Sector
- Membership of Boards of Directors in the Medical Services Sector.
- Member of the Board of Trustees of the Arab Hospital Management Association - Sharjah, United Arab Emirates.



The qualifications and experience of the members of the Board and their current and previous functions

Mr. Khalid Sulaiman Al Saleem



Current Functions

- Member of the Board and Deputy Managing Director of Mouwasat Medical Services Company.
- Member of the Executive Committee of Mouwasat Medical Services Company.
- Member of the Health Committee of the Chamber of Commerce and Industry Eastern Province.
- Chairman of the National Committee of Hospitals of the Council of Chambers of Commerce.
- Chairman of the Council of Chambers of Commerce's Hospitals Committee.
- Member of the Insurance Strategic Committee (Council of Cooperative Health Insurance and the Saudi Arabian Monetary Agency).
- Member of the Board of Directors of the Council of Cooperative Health Insurance.

Qualifications

- Diploma in English Language from Rice University - Houston - USA
- King Saud University (Public Administration) 1987-1985
- Comprehensive Secondary (Business Administration)

Previous Functions

- Deputy Managing Director of the United Medical Services Company.
- Deputy Managing Director of Mouwasat Medical Services Company.
- Deputy Executive Director of Mouwasat Medical Services Company.
- Member of the Hospitals Committee of the Chamber of Commerce and Industry Riyadh.
- Founding Member of the Arab Society for Hospital Management (Sharjah - UAE)
- Member of the Board of Directors of the Council of Cooperative Health Insurance

Experiences

- Management and Operation in the Medical Services Sector.
- Membership of Boards of Directors in the Medical Services Sector.
- Membership and Chairmanship of Health Committees at the Saudi Chambers of Commerce.
- Membership of the Board of Directors of the Cooperative Health Insurance Council.



The qualifications and experience of the members of the Board and their current and previous functions:

Dr. Mohammed Ibrahim ATuwaijri



Current Functions

- Member of the Board of Directors of Mouwasat Medical Services Company
- Chairman of the Audit Committee for Mouwasat Medical Services Company
- Member of the Remuneration and Nominations Committee for Mouwasat Medical Services Company.
- Head of Al-Midra Office for Management Consulting.
- Head of Al-Midra Office for Financial Consulting
- Head of Al-Midra Training Office.

Qualifications

- Ph.D. Philosophy of Business Administration, Arizona State University - United States of America
- M.Sc. of Business Specialty Finance from Denver University - Colorado - United States of America.
- Bachelor of Science, Department of Business Administration, University of Denver, Colorado –United States of America.

Previous Functions

- Assistant Secretary General of the Arab League for Economic Affairs

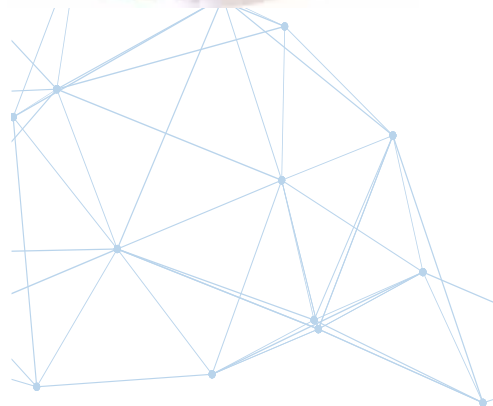
Experiences

- In the area of procurement and movement of goods - Saudi Aramco
- In the field of teaching, education, university research and consulting
- In the area of administrative development in the Arab Organization for Administrative Development
- In the field of Arab Economy at the Arab League
- Membership of Boards of Directors
- Membership of the Board of Directors of Mouwasat Medical Services Company.



The qualifications and experience of the members of the Board and their current and previous functions::

Dr. Sami AbdulKarim Al AbdulKarim



Current Functions

- CEO and Managing Director of Care and Science Medical Co.
- President of the Board of Trustees - University of Medical Care.
- Member of the Board of Directors of Mulkia Investment Company.
- Chairman of the Remuneration and Nominations Committee of Mulkia Investment Company.
- Member of the Board of Directors of Mouwasat Medical Services Company.
- Member of the Audit Committee for Mouwasat Medical Services Company.
- Member of the Executive Committee of the Mouwasat Medical Services Company.
- Member of the Remuneration and Nominations Committee for Mouwasat Medical Services Company.
- Member of the Board of Directors of Al-Ertiq Medical Services Company.

Qualifications

- Master of implanted dental fixtures (World Dental Association - USA).
- Fellowship in Dental Implants (International Dental Implant Authority - USA).
- Fellowship in Oral and Maxillofacial Surgery (American College of Oral and Maxillofacial Surgery).
- Bachelor of Dental Medicine and Surgery (University of Sind - Pakistan).

Previous Functions

- Deputy Chairman of the Board of Directors of the Chamber of Commerce in Riyadh.
- Chairman of the National Committee of Hospitals for the Chamber of Commerce.
- Chairman of the Medical Committee in Riyadh Chamber of Commerce.
- Member of the Saudi Health Council.
- Member of the Health Insurance Board of Directors.
- Member of the Board of Trustees of the Health Specialties Authority.
- Head of Dental Department - Al Yamamah Hospital.
- Part-time work at the Ministry of Health - responsible for Medical licenses for special dental centers.
- Head of Dental Department - Riyadh Medical Complex Outpatient Clinics.
- Deputy Director, Dental Center, Riyadh Medical Complex.

Experiences

- Dental Medicine and Surgery.
- Business Management.
- Membership of Boards of Directors in the Medical Services Sector.
- Membership and Chairmanship of Health Committees at the Saudi Chambers of Commerce .
- Many memberships with (Saudi Health Council, Cooperative Health Insurance, Board of Trustees of Health specialties).



The qualifications and experience of the members of the Board and their current and previous functions::

Mr. Fahad Ayed Al Shammari



Current Functions

- Chief Executive of Finance at the National Housing Company.
- Chairman of the Audit Committee of Solidarity Takaful Company.
- Member of the Board of Trustees of the National Developmental Housing Corporation, representing the National Housing Company.
- Member of the Board of Directors of Mouwasat Medical Services Company.
- Member of the Remuneration and Nominations Committee for Mouwasat Medical Services Company.

Qualifications

- Financial Managers Program Emerging CFO at Stanford University USA.
- Oxford Real Estate Program Oxford UK.
- Chartered Financial Analyst CFA.
- Master of Business Administration - Malaysian Open University - Bahrain.
- High Executive Diploma in Islamic Finance - Malaysian Open University - Bahrain.
- CMA Fellowship.
- Saudi Fellowship for Certified Public Accountants - SOCPA.
- Bachelor of Administrative Sciences, Accounting Major - Imam Muhammad Ibn Saud Islamic University.

Previous Functions

- Financial Director of the Saudi Pharmaceutical Industries and Medical Appliances Company (SPIMACO).
- Director of Accounting Department at Maaden Aluminum ComSATORP Accounting Services Manager.
- Project Manager, Financial Specialist, Accountant) at Saudi Telecom Company.

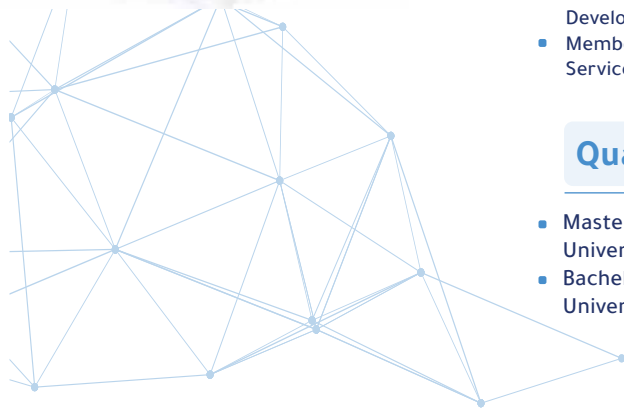
Experiences

- Accounting and Finance.
- Project Management.
- Investment.
- Membership of boards of trustees



Qualifications and experience of the member of the Audit Committee (Outside the Board of Directors)

Mr. Aziz Mohammed Al Qahtani



Current Functions

- Financial and Administrative Advisor at Takamul Holding Company
- Member of the Board of Directors of Alujain Company
- Chairman of the Audit Committee of the Alujain Company
- Member of the Board of Directors of Al Hammadi Company for Development and Investment
- Chairman of the Audit Committee of Al Hammadi Company for Development and Investment
- Member of the Audit Committee of the Saudi Real Estate Company
- Member of the Audit Committee of the Middle East Specialized Cables Co. (MESC)
- Member of the Audit Committee of Jazan Energy and Development Company
- Member of the Audit Committee for Mouwasat Medical Services Company

Qualifications

- Master of Accounting - King Fahad University for Petroleum and Minerals
- Bachelor of Accounting - King Fahad University of Petroleum and Minerals

Previous Functions

- Member of the Audit Committee of Yanbu Cement Company.
- Chief Internal Auditor at the Saudi Company for Technical Development and Investment, and its subsidiaries (Technology).
- Vice President of Internal Audit at the Petroleum, Chemical and Mining Company.
- Financial Director, Business Triangle Company.
- Executive Director of Internal Audit at the Saudi Research and Marketing Group Company.
- Executive Director of Internal Audit of the National Agricultural Development Company (NADEC).
- Director of internal audit at the Saudi Telecom Company.
- Internal Auditor for Saudi Aramco.

Experiences

- Membership of Boards of Directors
- Accounting and Finance



Names of companies in which a member of the Board of Directors is a member of their current and previous Boards of Directors or of their managers

Name of the Member	Current Companies			Previous Companies		
	Company Name	Inside the Kingdom\ Outside the Kingdom	Legal Entity	Company Name	Inside the Kingdom\ Outside the Kingdom	Legal Entity
Mr. Mohammed Sultan Al Subaie	- Mouwasat Medical Services Company. - Mouwasat International Company.	Inside the Kingdom	Public joint stock Limited liability			
Mr. Nasser Sultan Al Subaie	- Mouwasat Medical Services Company - Advanced Medical Projects Company (1) - Mouwasat International Company - Eastern Medical Services Company (2)	Inside the Kingdom	Public joint stock Limited liability Limited liability Limited liability			
Mr. Mohammed Sulaiman Al Saleem	- Mouwasat Medical Services Company - Advanced Medical Projects Company (1) - Mouwasat International Company - Eastern Medical Services Company	Inside the Kingdom	Public joint stock Limited liability Limited liability Limited liability			
Mr. Khalid Sulaiman Al Saleem	- Mouwasat Medical Services Company.	Inside the Kingdom	Public joint stock			
Dr. Mohammed Ibrahim Atuwajri	- Mouwasat Medical Services Company.	Inside the Kingdom	Public joint stock			
Dr. Sami AbdulKarim Al AbdulKarim	- Mouwasat Medical Services Company - Care and Science Medical Co. - Mulkia investment company - Ertiqa Medical Services Company	Inside the Kingdom	Public joint stock Closed joint stoc Closed joint stock Limited liability			
Mr. Fahad Ayed Al Shammari	- National Developmental Housing Est. (Member of the Board of Trustees). - Mouwasat Medical Services Company	Inside the Kingdom	National Establishment			

(1) Mr. Nasser Sultan Al Subaie and Mr. Mohammed Sulaiman Al Saleem are Board members of Advanced Medical Projects Company (Associate Company) representatives of Mouwasat Medical Services which owns 50% of the company's capital, and there is no personal interest for one of them.

(2) Mr. Nasser Sultan Al Subaie is a Board member of Eastern Medical Services Company (Subsidiary company) representative of Mouwasat Medical Services which owns %51 of the capital of this company and has no personal interest.



On 4th of Jan 2020, the elected Board of Directors of the Company for its new session decided the following:

1- Appointing of:

Mr. Mohammed Sultan Al Subaie	Chairman of the Board of Directors
Mr. Nasser Sultan Al Subaie	vice Chairman of the Board of Directors
Mr. Mohammed Sulaiman Al Saleem	Managing Director
Mr. Khalid Sulaiman Al Saleem	Deputy Managing Director

The most important activities of the Board of Directors:

- Formulating the overall strategy of the Company and its main objectives.
- Define the authorities they delegate to executive management and decision-making procedures.
- Establishing policies and procedures which ensure that the Company implements all systems and regulations.
- Develop policies and regulations on internal control systems and supervise the compliance of having them in place.
- Review the performance of the Executive Committee.
- Approving annual budgets.
- Approve the Company's interim and annual financial statements.
- Preparing the Board of Directors' report to be attached to the Company's annual financial statements.
- Supervising the procedures related to the preparation and management of the General Assembly of shareholders.

2- Appointing members of the main committees emanating from the board of directors, which are:

- Executive Committee
- Nomination and Remuneration Committee

Note that the Audit Committee was approved to form, define its tasks, work controls and remuneration for its members at the Ordinary General Assembly meeting on 16th of December 2019.



The number of scheduled Board of Directors meetings held during the Fiscal Year 2020, and the Attendance Record of members

Number of scheduled meetings (5)

	First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Total
	04 \ 1 \ 2020	16 \ 3 \ 2020	06 \ 5 \ 2020	19 \ 8 \ 2020	18 \ 11 \ 2020	
Mr. Mohammed Sultan Al Subale	√	√	√	√	√	5
Mr. Nasser Sultan Al Subaie	√	√	√	√	√	5
Mr Mohammed Sulaiman Al Saleem	√	√	√	√	√	5
Mr. Khalid Sulaiman Al Saleem	√	√	√	√	√	5
Dr. Mohammed Ibrahim Atuwajjri	√	√	√	√	√	5
Dr. Sami Abdul Karim Al AbdulKarim	√	√	√	√	√	5
Mr. Fahad Ayed Al Shammari	√	√	√	√	√	5

The number of unscheduled Board meetings held during the Fiscal Year 2020, and the attendance record of members

Number of unscheduled meetings (4)

	First meeting	Second meeting	Third meeting	Fourth meeting	Total
	08 \ 3 \ 2020	14 \ 6 \ 2020	18 \ 8 \ 2020	05 \ 11 \ 2020	
Mr. Mohammed Sultan Al Subale	√	√	√	√	4
Mr. Nasser Sultan Al Subaie	√	√	√	√	4
Mr. Mohammed Sulaiman Al Saleem	√	√	√	√	4
Mr. Khalid Sulaiman Al Saleem	√	√	√	√	4
Dr. Mohammed Ibrahim Al Tuwajjri	√	√	√	√	4
Dr. Sami Abdul Karim Al AbdulKarim	X	√	√	√	3
Mr. Fahad Ayed Al Shammari	X	√	√	√	3



Number of General Assembly meetings held during the Fiscal Year 2020, and the attendance record of members

Number of meetings (1)

	Ordinary General Assembly Meeting	
	22 /04 / 2020	
Mr. Mohammed Sultan Al Subaie		√
Mr. Nasser Sultan Al Subaie		√
Mr. Mohammed Sulaiman Al Saleem		√
Mr. Khalid Sulaiman Al Saleem		√
Dr. Mohammed Ibrahim Atuwajjri		√
Dr. Sami Abdul Karim Al AbdulKarim		√
Mr. Fahad Ayed Al Shammari		√

The following table shows the interest of Board members and their relatives in shares for the Financial Year ending on 31st of December 2020

The name of the person to whom the interest belongs	Beginning of the year		End of the year		Net Change	Change Ratio
	Number of shares	Debt Instruments	Number of shares	Debt Instruments		
Mr. Mohammed Sultan Al Subaie	17,500,000	-	17,500,000	-	0.0	0.0%
Mr. Nasser Sultan Al Subaie	17,500,000	-	17,500,000	-	0.0	0.0%
Mr. Mohammed Sulaiman Al Saleem	4,760	-	4,760	-	0.0	0.0%
Mr. Khalid Sulaiman Al Saleem	4,760	-	4,760	-	0.0	0.0%
Dr. Mohammed Ibrahim Atuwajjri	2,000	-	2,000	-	0.0	0.0%
Dr. Sami Abdul Karim Al AbdulKarim	48,933	-	3,933	-	(45.000)	-92%
Mr. Fahad Ayed Al Shammari	0.0	-	0.0	-	0.0	0.0%





A table showing the interest of senior executives and their relatives in the Company's shares for the Fiscal 2020.

The name of the person to whom the interest belongs	Beginning of the year		End of the year		Net Change	Change Ratio
	Number of shares	Debt instruments	Number of shares	Debt instruments		
Dr. Ameen Mahmood Al Nemr	0.0	0.0	0.0	-	0.0	0.0%
Mr. Yusuf Ahmed Sulaiman	0.0	0.0	0.0	-	0.0	0.0%



12- Committees emanating from the Board:

A -Executive Committee

• The Executive Committee was formed according to what was stipulated in the bylaw of this committee and in citing the best regulations and practices in force in the health sector locally and internationally. The Executive Committee exercises all powers and bears the duties of the Board of Directors in the period between Board meetings in cooperation with the Vice Chairman and Managing Director regarding the distribution of Company resources, which aims to achieve alignment between the Company's strategic plans and its long-term operational goals.

• The Executive Committee shall review and prepare recommendations to the Board of Directors on strategic decisions related to operational priorities, financial planning, corporate credit rating, cash flows, borrowing activities and investment deposits, in cooperation with the Executive Management of the Company and the Audit Committee.

• The Executive Committee includes four members of the Board of Directors, which started its session on January 4th,2020, as shown in the below table:

Name of the Member	Nature of Membership
Mr. Nasser Sultan Al Subaie	Chairman of the Committee
Mr. Mohammed Sulaiman Al saleem	Member
Mr. Khalid Sulaiman Al saleem	Member
Dr. Sami AbdulKarim AlAbdulKarim	Member

Number of meetings of the Executive Committee during Fiscal Year 2020 and Attendance Record.

Name of the Member	Nature of Membership	Number of meetings (2)	
		First meeting 16 /03 / 2020	Second meeting 17 /11 / 2020
Mr. Nasser Sultan Al Subaie	Chairman of the Committee	√	√
Mr. Mohammed Sulaiman Al saleem	Member	√	√
Mr. Khalid Sulaiman Al saleem	Member	√	√
Dr. Sami AbdulKarim AlAbdulKarim	Member	√	√

The most important topics on the Agenda of the Executive Committee meetings were:

- Periodic review and review of actual capital expenditures with approved budgets.
- Review the critical risk and event report that may affect the company's expected operational performance.
- Preparing recommendations for the Board of Directors related to annual and long-term financial goals and strategies and preparing performance indicators related to them.
- Review the latest developments related to artificial intelligence projects in the company.
- Reviewing and discussing all new items on JCI & CBAHI re-accreditation programs in all Mouwasat hospitals.
- Study and discuss the best ways and opportunities for future expansion projects in the company with added value to the company under great competition in the general medical services market and the cities where the Company's hospitals are located.



B. Audit Committee

On 16th of December 2019, the Ordinary General Assembly approved the formation of the Audit Committee, defining its tasks, its work controls, and the remuneration of its members, as stipulated in the internal governance regulations and policies, the Company's bylaw, and in accordance with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority for the Board session for the period from 4th of January 2020 to 3rd of January 2023, the audit committee includes two independent members of the board and one member from outside the board, as shown in the below table:

Name of the Member	Member of the Board / from outside the Board of Directors	Nature of membership
Dr. Mohammed Ibrahim Atuwajri	Independent Board Member	Chairman of the Committee
Dr. Sami AbdulKarim AlAbdulKarim	Independent Board Member	Member
Mr. Aziz Mohammed Al Qhatani	From outside the Board of Directors	Member

The number of audit committee meetings during the fiscal year 2020 and the attendance record of members

Name of the Member	Nature of Membership	Number of scheduled meetings (7)						
		First meeting	Second meeting	Third meeting	Fourth meeting	Fifth meeting	Sixth meeting	Seventh meeting
		08 \ 03 \ 2020	16 \ 03 \ 2020	22 \ 03 \ 2020	05 \ 05 \ 2020	14 \ 06 \ 2020	18 \ 08 \ 2020	05 \ 11 \ 2020
Dr. Mohammed Ibrahim Atuwajri	Chairman of the Committee	√	√	√	√	√	√	√
Dr. Sami AbdulKarim AlAbdulKarim	Member	X	√	√	√	√	√	√
Mr. Aziz Mohammed Al Qhatani	Member	√	√	√	√	√	√	√

The most important actions undertaken by the Audit Committee during the past year were:

- 1- Analyze and examine the core risks faced by the Company, which include financial, technical, and operational risks, and review the policies applied by management in identifying, assessing, and addressing those risks.
- 2- Supervising the internal control department and reviewing its systems to verify their effectiveness in carrying out the tasks and tasks set by the Board of Directors, and developing reports and recommendations regarding them.
- 3- Study the internal audit reports and follow up on the implementation of corrective actions for the observations contained in these reports.
- 4- Ensuring the independence of chartered accountants, following up on their performance, studying and evaluating audit plans with them.
- 5- Study the interim and annual financial statements and the accounting policies, express opinion on them, and recommend to the Board of Directors in their regard.



■ Results of the annual review of the effectiveness of the Company's Internal Control procedures Report of the Review Committee

The following is the Audit Committee's report for the fiscal year 2020

The Audit Committee is responsible for monitoring the business of the company and verifying the integrity of the financial reports and the internal control system of the company, in addition to the risk management practices. the duties of the committee included overseeing the following:

Internal Audit Activities

The Internal Audit Department is tasked with assessing the effectiveness of the internal control procedures of the company and monitoring its application, as well as verifying compliance of the company and its personnel with the prevailing regulations and directives , in addition to compliance with the company's policies and procedures which are stipulated to address the financial, operational, legal, and other risks.

The Internal Audit Department submits its report on a quarterly basis to the Audit Committee of the Board of Directors which is approved by the General Assembly. the Audit Committee then oversee and evaluate the activities of the Internal Audit Department , and review the implementation of the department's annual plan, in addition to the corrective actions taken by executive management to address the internal audit observations included therein its audit report , to ensure that they do not recur, and to reinforce the opinion of the Audit Committee . and then the committee discusses the significant issues and observations of high materiality, if any, in the board of directors' meeting.

The scope of Internal Audit Department includes the following:

- 1- Preparing the annual audit plan and approving it by the Audit Committee.
- 2- Preparing a written general report and submitting it to the Board of Directors and the Audit Committee regarding the audit engagements conducted during the fiscal year, and comparing them with the approved plan, and clarifying the reasons for any deviation from the plan, if any, in addition to the effectiveness of the executive management towards it, during the next quarter to the end of the fiscal year.
- 3- Evaluating the development of risk factors faced by the company and the existing risk mitigation practices to tackle radical or unexpected changes in the financial market.
- 4- Evaluating workflow procedures and submitting proposals to verify and ensure the adequacy of those procedures, and to ensure the effectiveness of internal control procedures.
- 5- Verifying that the internal control system conforms with the company's corporate governance regulation, and that those internal control procedures are safeguarding the company's assets and properties.
- 6- The Permanent and continuous interaction with all departments to verify the level of full compliance with the approved policies, procedures, and laws governing the activity.
- 7- Submitting proposals regarding the development of the internal control practices and increasing awareness of its importance, and its improvement.
- 8- Preparing the audit reports and their results, along with their recommendations, following up on their implementation, and submitting them to the Board of Directors and the Audit Committee.

External Auditor's Activities

The Audit Committee is responsible for verifying the external auditor's independence, objectivity, the effectiveness of his audit work and reviewing his work plan, as well as studying the Interim and Annual financial statements of the company before submitting it to the Board of Directors and expressing its opinion and recommendation in this regard to ensure its integrity, fairness and transparency.

Compliance

The Audit Committee shall study the legislation of the regulatory authorities, verify that the company has taken the necessary procedures in its regard, verify the company's commitment to laws, regulations and policies, and raise whatever issues it deems necessary to take action in their regard to the Board of Directors, and make its recommendations of the actions to be taken.



It is worth mentioning that the Audit Committee by practicing its functions and continued work with the Internal Audit Department, the External Auditor, and executive management, the Audit Committee thereon assures:

- That the internal control practices are effectively applied based on an assessment of workflow procedures and a general assessment of the risks facing the company, and that there were no matters of material impact during the year 2020 that required disclosure regarding the applications of financial systems and special reports thereon, as well as the level of compliance with the company's corporate governance rules.
- That the financial statements and the Board of Director's report as of December 31st 2020 include information that allows shareholders and investors to assess the company's financial position, performance, business model and strategy.

The Findings of the Board of Directors

In light of the work carried out by the Board of Directors during the year 2020 to verify the efficiency and effectiveness of internal control procedures and based on the reports and recommendations received from the Audit Committee, the Company's Board of Directors confirms the following:

- That the control systems work effectively and enable a general perception of the risks that the Company may face.
- That there is no deficiency or any fundamental change in the internal control systems, that the internal control procedures are implemented efficiently and effectively to discover errors and prevent them, and that there were no breaches or violations of the internal control systems during the year 2020.

C. Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee assists the Board of Directors in performing its supervisory duties efficiently and effectively, and the committee is concerned with nominating members of the Board of Directors and Executive Directors, studying their qualifications, ensuring their capabilities, conducting an annual review of the performance of the Board of Directors in accordance with the guidelines issued and approved by the Board of Directors, and conducting a periodic review of the structure of the Board of Directors and the required needs for membership and setting standards to determine the independence of the members and to ensure that the member does not lose his independence and that there is no conflict of interests and to raise recommendations regarding the changes that can be made and to develop policies for salaries and programs for rewards and incentives for members of the Board of Directors and Executives of the Company, which aims to maximize the value of the Company and evaluate the personal efforts made from each Member of the Board of Directors and Executive Director in achieving the strategic objectives of the company.



Members of the Nomination and Remuneration Committee.

Name of the Member	Member of the Board / from outside the Board of Directors	Nature of Membership
Dr. Sami AbdulKarim AlAbdulKarim	Independant Board Member	Chairman of the Committee
Dr. Mohammed Ibrahim Atuwajri	Independant Board Member	Member
Mr. Fahad Ayed Al Shammari	Independant Board Member	Member

Number of Nomination Committee meetings during the Fiscal Year 2020 and the Attendance Record of members

Name of the Member	Nature of Membership	Number of meetings (2)	
		First meeting	Second meeting
		17 \ 11 \ 2020	10 \ 12 \ 2020
Dr. Sami AbdulKarim AlAbdulKarim	Chairman of the Committee	√	√
Dr. Mohammed Ibrahim Atuwajri	Member	√	√
Mr. Fahad Ayed Al Shammari	Member	√	√

The most important points discussed in the meetings of this Committee during the year 2020 were the following:

1- Discussion of the structure of the Board of Directors.

2- To verify the independence of the independent members, investigate any lack of independence of any of them and to ensure that no member of the Board of Directors has any competition for the Company's business, contrary to what the extraordinary General Assembly approved at its meeting on 29\08\1441H (22nd of April 2020). The Committee recommended to the Board to ask General Assembly to renew its license to engage in competitive business for a year.

- Recommendation to approve the payment of a remuneration amount of 450,000 SR to Board members for the fiscal year 2020 for membership of the Board.
- Recommendation to approve the payment of a remuneration amount of 150,000 SR to every Audit Committee member of the for the fiscal year 2020 in return for the committee's membership.



13- Remuneration Policy for members of the Board of Directors and Executive Management

The remuneration of the Board members shall be determined according to the recommendations of the Nomination and Remuneration Committee, taking into consideration that they are in line with the statutory rules and Law Of Companies or any other complementary rules, and that they are consistent with the strategy and objectives of the Company, and the need to attract the best members to the membership of the Board, maintain them and motivate them to perform their tasks and duties with high professionalism and efficiency, taking into consideration the sector in which the Company operates and the performance measurement indicators.

In addition to what senior executives receive in terms of fixed salaries and job allowances, the Board of Directors determines the remuneration of senior executives based on the recommendation of the Nomination and Remuneration Committee based on the annual evaluation that is made in this regard taking into consideration that it is compatible with the objectives of the Company and is appropriate to the nature of its business, its activity and size, and consistent with the Company's need to attract those with the necessary capabilities, qualifications and skills consistent with the level of the position, tasks and responsibilities.



The following are the tables that explain the details of the remunerations, allowances and compensations paid to members of the Board of Directors, members of committees emanating from the Board, and five senior executives during the Fiscal Year 2020.
Board Members Remuneration Table.

Members of Board of Directors	Fixed rewards							Variable rewards						Grand Total	Expense allowance	
	A certain amount	Allowance for attending Board Meetings	Total attendance at committee meetings	Benefits in kind	Allowance received by Board members as workers or administrators	Remuneration for the Chairman, Managing Director, or secretary if he is a member	Total	Percentage of Profits	Periodic reward	Short-term incentive plans	Long-term incentive plans	Granted shares	Total			End of Service Reward
First: Independant members																
1- Mr. Abdulaziz Saad AlMangour ⁽¹⁾	450,000	0.0	0.0	—	—	—	450,000	—	—	—	—	—	—	—	450,000	—
2- Dr. Mohammed Ibrahim Atuwajiri	450,000	12,000	22,500	—	—	—	484,500	—	—	—	—	—	—	—	484,500	—
3- Dr. Sami AbdulKarim AlAbdulKarim	450,000	12,000	24,000	—	—	—	486,000	—	—	—	—	—	—	—	486,000	—
4- Mr. Fahad Ayed AlShammari ⁽²⁾	0.0	12,000	3000	—	—	—	15,000	—	—	—	—	—	—	—	15,000	—
Total	1,350,000	36,000	49,500	—	—	—	1,435,500	—	—	—	—	—	—	—	1,435,500	—
Second: Non-Executive Members																
1- Mr. Mohammed Sultan Al Subaie	450,000	12,000	—	—	—	—	462,000	—	—	—	—	—	—	—	462,000	—
Total	450,000	12,000	—	—	—	—	462,000	—	—	—	—	—	—	—	462,000	—
Third: Executive Members																
1. Nasser Sultan Al Subaie	450,000	6,000	—	—	—	—	456,000	—	—	—	—	—	—	—	456,000	—
2. Mohammed Sulaiman Saleem	450,000	6,000	—	—	—	—	456,000	—	—	—	—	—	—	—	456,000	—
3. Khalid Sulaiman Al Saleem	450,000	6,000	—	—	—	—	456,000	—	—	—	—	—	—	—	456,000	—
Total	1,350,000	18,000	—	—	—	—	1,368,000	—	—	—	—	—	—	—	1,368,000	—

(1) Membership expired Mr. Abdulaziz Saad Al Mangour, as of January 3rd, 2020.

(2) Membership started Mr. Fahad Ayed Al Shammari, as of January 4th, 2020.



Senior Executive Remuneration Table

Remuneration and compensation paid to five of the top executives who received the highest remuneration, including the CEO and CFO	Fixed Rewards				Variable Rewards						End of Service Benefits	Total executives' remuneration for the Board	Grand Total
	Salaries	Allowances	Benefits in kind	Total	Periodic reward	Percentage of Profit	Short-term incentive plans	long-term incentive plans	Granted shares	Total			
For the year 2020	8,820,000	2,370,000	229,500	11,419,500	11,902,470	—	—	—	—	11,902,470	—	6,000	23,327,970

The Company committed to disclose the remunerations of senior executives in aggregate in accordance with the statutory requirements of subparagraph (4/b) of paragraph (a) of article (93) of the Corporate Governance Rules without disclosing them in detail as contained in Annex (1) of senior executive in order to protect the interests of the company, its shareholders and employees and to avoid damage the company may face as a result of the disclosure in detail.



Remuneration of Committee Members

Name of the Member	Fixed remunerations (except for the allowance for attending Meetings)	Allowance to attend Meetings	Total
Audit Committee Members			
1- Dr. Mohammed Ibrahim Atuwajri	150,000	19,500	169,500
2- Mr. Abdulaziz Saad Al Mangour (1)	150,000	0.0	150,000
3- Dr. Sami AbdulKarim AlAbdulKarim	150,000	16,500	166,500
4- Mr. Aziz Mohammed Al Qahtani (2)	0	21,000	21,000
Total	450,000	57,000	507,000
Members of the Remuneration and Nomination Committee			
1- Dr. Sami AbdulKarim AlAbdulKarim	—	3,000	3,000
2- Dr. Mohammed Ibrahim Atuwajri	—	3,000	3,000
3- Mr. Fahad Ayed Al Shammari (3)	—	3,000	3,000
Total	0	9,000	9,000
Executive Committee Members			
1- Nasser Sultan Al Subaie	—	—	—
2- Mohammed Sulaiman Al Saleem	—	—	—
3- Khalid Sulaiman Al Saleem	—	—	—
4- Dr. Sami AbdulKarim AlAbdulKarim	—	4,500	4,500
Total	0	4,500	4,500

(1) Membership expired Mr.Abdulaziz SaadAl-Mangour, as of January 3rd 2020.

(2) Membership started Mr.Aziz Mohammad Al-Qahtani, as of January 4th ,2020.

(3) Membership started Mr.Fahad Ayed Al-Shammari, as of January 4th ,2020.



14- Shareholder relations and actions taken by the Board of Directors to inform its members of their proposals and comments about the Company and its performance.

The Corporate Governance Regulation stipulates that the General Assembly meetings must be attended by the chairpersons of the committees emanating from the Board or whoever represents them from among the members of the committees to answer the shareholders' inquiries and directly review the proposals and notes about the Company and its performance. In the event that any proposal or any note is received during the deliberations and discussions, it shall be included in the minutes of the Assembly's meetings, in addition to the fact that the Company's management intends during the next General Assembly meetings to distribute cards to the shareholders to express opinion and submit proposals about the Company's performance or any observations to be taken into account and inform the members of the Board of Directors .

And as a link between the Company and the external shareholders and stakeholders outside the General Assembly time, the managing director of the Company and the secretary of the Board of Directors who helps him to communicate in two directions, the current shareholders, potential investors and external stakeholders on the one hand, and with the executive management and members of the Board of Directors on the other hand, and with this communication, the opinions, inquiries, complaints, suggestions and remarks of the aforementioned parties are received through various means, and they are shared with the executive management and Board members and interact with them promptly, and In order to keep up to date with the latest developments surrounding the company, investor relations officials are keen to attend conferences and events related to current shareholders and potential investors as well as to host visits of analysts, and the Board of Directors is informed during its regular meetings on all the new investor relations.



15- The Company's requests for the Shareholders' Register

During the fiscal year 2020, the Company requested the shareholders' register 6 times, and the following table shows the number and dates of the company's requests for the shareholders' register and their reasons:

Number of requests	Request date	Date of Ownership file	Reasons for the request
1	30/01/2020	31/12/2019	Company procedures for the end of the fiscal year and preparation of the Board of Directors report.
2	29/03/2020	22/04/2020	Preparing for the Ordinary General Assembly meeting held on 22 nd of April 2020.
3	31/03/2020	31/03/2020	Shareholder relationship procedures for the first quarter of the year.
4	25/04/2020	26/04/2020	Update of the cash dividends file.
5	08/10/2020	30/09/2020	Shareholder relationship procedures for the second quarter of the year.
6	01/12/2020	30/11/2020	Shareholder relationships procedures.



16- The Company's Commitment to Governance Regulations:

The Company is committed to implement the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority, and the Board of Directors supervises the commitment of the relevant departments of the company to the governance standards and regulations issued by the Capital Market Authority and to conduct a continuous review of the company's rules of governance to update them through the committees emanating from the Board which deemed that the commitment has been made in relation to provisions, policies and standards except for the following:

Article/paragraph number	Text of the article/paragraph	Reasons for not applying
Article 41: Evaluation Paragraph (b) Paragraph (e)	B) Performance appraisal procedures must be written and clear and disclosed to members of the Board of Directors and persons concerned with the evaluation. E) The Board of Directors shall make the necessary arrangements to obtain an evaluation by a competent external body of its performance every three years.	As stipulated in the Corporate Governance Regulations regarding the tasks entrusted to the Nomination and Remuneration Committee, which include, but are not limited to: Carry out a periodic review of the board of directors' structure, and set policies for salaries, reward and incentives programs for members of the board of directors and executive directors of the company. To ensure this, it is necessary to evaluate those actions that the board of directors and the executive management carry out.
Article 70	Formation of the Risk Management Committee	The Internal Audit Department covers the field of work of this committee and prepares reports with its views on the risks that the company may face and how to manage these risks, while presenting its recommendations and discussing them with the audit committee during its periodic meetings.
Article 71:	Terms of reference of the Risk Committee	
Article 72	Risk Committee meetings	
Article 85: Motivate workers Paragraph (2) Paragraph (3)	2) Programs granting employees shares in the company or a share of the profits it realizes and retirement programs, and the establishment of an independent fund to spend on these programs. 3) Establishing social institutions for company employees	Under study / paragraphs of guidance material
Ninety-five	The formation of the Corporate Governance Committee	The audit committee is responsible for monitoring the implementation of the provisions of the company's corporate governance regulations and following up on its updates / guidance material



17- Disclosure Policies and its Procedures:

The Company applies an approved disclosure and transparency regulation of the Company's information in accordance with the requirements of the Corporate Governance Regulation issued by the Capital Market Authority and in accordance with the Law Of Companies, and the company's Bylaw. Through a system of classification of information in terms of its nature and the necessity and periodicity of disclosure, Mouwasat Company regularly provides updated and accurate information to all relevant parties without discrimination via TADAWUL website and the company's website: www.mouwasat.com taking into account the need to respond in a reasonable manner to the periodic questions of all interested parties and the media without prejudice to the requirements of the regulations and in a manner that does not constitute a breach of the legal professionalism or a source of serious harm to the competitive position of the Company.

18- The Interests of the Board members and related parties:

Contracts and transactions that the Company executed with related parties during the year 2020

Pursuant to Article (2) of the Mouwasat Regulations for the Transparency and Disclosure Policy and Article (90) of the Corporate Governance Regulations, the management of the Mouwasat Company confirms the following:

1- That during the year 2020 there are no businesses or contracts that the company was a party to and have a direct or indirect interest to any of the Chairman and members of the Board or the Executive Directors of the Company or the Financial Director, except for what was approved by the General Assembly at its meeting on 291441/8/H 22nd of April 2020 as follows :

1.1 Supply and lease contracts and annual tickets between Mouwasat Medical Services Company and Mouwasat International Company Limited owned by and associated with an interest with some members of the Board of Directors (Mr. Mohammed Sultan Al Subaie, Mr. Nasser Sultan Al Subaie and Mr. Mohammed Sulaiman Al Saleem), as the value executed from these contracts during the year 2020 is an amount of 20.6 million SR, and the company's management estimates the value of the supply, lease and air tickets contracts expected to be executed during the year 2021 at 35.5 million, which will be contracted according to the company's procurement system without preferential terms for a period of one year.



1.2 Contracts for the implementation and supply of advertising and marketing works between Mouwasat Medical Services Company and Advision Media Solutions, which is associated with an interest with a member of the Board of Directors (Mr. Khalid Sulaiman Al Saleem), as the value of these contracts during the year 2020 amounted to 19.6 million SR, and the company's management is estimated The value of contracts for the supply of works related to advertising and marketing expected to be implemented during the year 2021, at an amount of 30 million SR, which will be contracted according to the company's procurement system without preferential terms and for a period of one year. The independent auditor (KPMG Al Fowzan & Partners) has been assigned to carry out agreed procedures to study these transactions and make any observations on them, and their report is attached to this topic.

The following table summarizes transactions with related parties During fiscal year 2020

Related Party	Nature of Relationship	Nature of contracts	Term of contract	Transaction value
Mouwasat International Company	Mr. Mohammed Sultan Al-Subaie ownership	Procurement, lease and travel tickets contracts	one year	20.6 million SR
	Mr. Nasser Sultan Al-Subaie ownership			
	Linked to an interest with M r. Mohammed Sulaiman Al-Sulaim			
Advision Media Solutions	Linked to an interest with Mr. Khalid Sulaiman Al-Sulaim	Supplying advertising and marketing business	one year	19.6 million SR

- 2- That no member of the Board has any business competing with the business of Mouwasat Medical Services, contrary to what was approved by the General Assembly in its meeting on 29\ 08 \ 1441H(22nd of April 2020).
- 3- That the Company did not provide any cash loan of any kind to any of its board members, nor did it provide any guarantees for the loans that any of its Board members contracted with others.
- 4- The external Auditor during the fiscal year 2020 did not provide any services of an advisory nature and did not receive any other fees in this regard.



19- Approved Accounting Standards

Based on what was stated in the CMA Circular No. S/ 1/ 1223/ 15 dated 12th of August 2015 regarding the adoption of the Implementation of International Accounting Standards in the Kingdom of Saudi Arabia to the financial statements prepared for financial periods start on 1st of January 2017, the Company has prepared its consolidated financial statements for the fiscal year 2020 in accordance with these standards, noting that the implementation of the new international standards No. 9, 15 and 16 has been started from the date of their effectiveness, and accordingly, there are no differences from the standards for preparing financial statements as adopted in The Kingdom.

20- Statutory payments:

It was agreed with the General Authority of Zakat & Tax on the final zakat assessments for the Company for all years up to 2016, and the Company submitted its Zakat returns for the Fiscal Year 2019, and an amount of 17.8 million SR was paid during the fiscal year 2020.

A statement of the value of the regular payments paid and due (in Millions of SR):

Statement	2020		Brief Description	Reasons Statement
	Paid	Due up to the end of the financial period		
Zakat	17.8	30.7	Estimated Zakat base until the year 2020	Payment will be made with submitting the Zakat return during the following year
VAT	147.8	17.2	VAT is paid to GAZT on a monthly basis	Payment is made during the month following the calculation month
withholding Tax	2.0	0.045	For services provided by foreign and non-resident parties, as well as for dividend distributions to non-resident shareholders	Payment is made during the month following the deduction month
General Organization for Social Insurance	27.3	2.3	Due Monthly premiums	Payment is made during the month following the maturity month



21- Board Statements:

The Company's Board of Directors confirms the following:

- That the account records have been prepared correctly.
- The internal control system was set on a sound bases and has been effectively implemented.
- There is no doubt about the ability of the company to continue its activity.

The Board of Directors also acknowledges the following:

- There are no shares or debt instruments issued by the subsidiaries.
- No person has informed the company of any class of shares eligible to vote.
- There are no convertible debt instruments, contractual securities, subscription right notes, or similar rights issued by the Company during the Fiscal Year 2020.
- There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right notes, or similar rights issued or granted by the Company.
- There is no refund, purchase or cancellation by the Company of any redeemable debt instruments.
- There are no arrangements or agreements whereby a member of the company's board of directors or a senior executive waived any remuneration.
- There are no arrangements or agreements whereby any of the shareholders of the company waived any rights to profits.
- There are no treasury shares held by the Company.
- There is no penalty, substantial penalty, or reserve restriction imposed on the Company during the year 2020.
- The auditor's report does not include any reservations about the annual financial statements during the Fiscal Year 2020.
- The Board of Directors has not been recommended to change the Auditor before the expiration of the period for which it is appointed.
- There are no investments or reserves created for the benefit of the Company's employees.

22 -Details of Social Contributions:

In the belief of the Company's Board of Directors, the Company has played its part by actively contributing to the service of the community by participating in many activities and events in a number of cities in the Kingdom where the Company's hospitals are located, and one of its most important contributions in the year 2020 was the following:

Participation in sponsoring some events with a number of official and private bodies, including:

- Participation in the Arab Health Exhibition in Dubai, 27 - 29 January 2020.
- Civil Defense participation in the International Civil Defense Day Exhibition in Dhahran Exhibitions 1 - 5 March 2020.
- Participation in the World Patient Safety Day campaign on September 17, 2020.
- Asharqia Chamber's participation sponsored by the Environment Forum on September 28, 2020.
- Asharqia Chamber sponsored the Small and Medium Enterprises Forum 4- 5 November 2020.
- Asharqia Chamber sponsored the Women's Economic Forum as a diamond sponsor on November 25, 2020.
- The participation of the Arab Administrative Development Organization sponsored a video conference entitled Arab Health Systems in the face of pandemics and crises (Corona Crisis) 14 -15 December, 2020.



Conducting many educational and awareness activities, the most important of which are:

- Lecture on recent developments, rheumatology and immunology, at the Sheraton Hotel, 26 January 2020.
- World Cancer Day campaign at Mouwasat Hospital, Dammam, 4 February 2020.
- Coronavirus Awareness Seminar at Baker Higgs Corporation on February 5, 2020.
- A symposium on Coronavirus awareness in Al-Hussan Private Schools on February 12, 2020.
- Update lecture on treatment of late childbearing and infertility at Mouwasat Hospital in Qatif on 16 February 2020.
- Lecture on developments in the treatment of delayed childbearing and infertility at Mouwasat Hospital in Khobar on February 17, 2020.
- A lecture on developments in pediatric surgery at Mouwasat Hospital, Qatif, on February 19, 2020.
- Lecture on developments in the treatment of delayed childbearing and infertility at Mouwasat Hospital in Jubail Industrial City on February 20, 2020.
- Seminar on developments in the diagnosis and treatment of heart disease, Sheraton, on February 25, 2020.
- Lecture on developments in chest surgery treatment at Mouwasat Hospital in Jubail Industrial City on September 19, 2020.
- Lecture on developments in chest surgery treatment at Mouwasat Hospital in Jubail Industrial City on September 19, 2020.
- Lecture on developments in chest surgery treatment at Mouwasat Hospital in Qatif on September 29, 2020.
- A lecture on the latest developments in otolaryngology at Mouwasat Hospital, Jubail Industrial City, on October 21, 2020.
- Campaign for World Breast Cancer Day at Mouwasat Hospital, Dammam, on October 22, 2020.
- World Diabetes Day campaign at Mouwasat Hospital, Dammam, on November 14, 2019.
- Lecture on developments in children's treatments at the Sheraton Hotel on November 15, 2020.
- A lecture on the latest developments in ENT at Mouwasat Hospital in Khobar on November 18, 2020.
- A lecture on the latest developments in ENT at Mouwasat Hospital in Qatif on November 25, 2020.
- Update on pain management at Mouwasat Hospital, Jubail Industrial City, on December 1, 2020.
- Update on pain management at Mouwasat Hospital, Khobar, on December 2, 2020.
- Update on pain management at Mouwasat Hospital, Qatif, on December 3, 2020.
- Update on pain management at Fakhry Hospital on December 8, 2020.
- A lecture on developments in pediatric neurosurgery at Mouwasat Hospital, Khobar, on December 14, 2020.
- Update on pain management at Al-Yousuf Hospital on December 15, 2020.
- Seminar on developments in stroke treatments at the Sheraton Hotel on December 21, 2020.



Participate in educational and awareness TV programs on:

- Updates on pediatric neurosurgery on September 10, 2020.
- Updates on knee joint replacement on September 17, 2020.
- Updates on chest diseases on October 1, 2020.
- Updates on treatment of neurological diseases on October 8, 2020.
- Updates on catheter treatment on October 22, 2020.
- Updates on surgery on November 5, 2020.
- Updates on Bone surgery dated 12 November 2020.

23- Board Recommendations:

It is the pleasure of the Board of Directors to express its pride in the results reviewed in this report and shown through the consolidated financial statements for the fiscal year 2020, and as the company turns a new page of achievements made during the fiscal year 2020, the Board of Directors recommends the following:

- Approval of the Board report for the fiscal year ending on 31st of December, 2020.
- Approval of the auditor's report for the fiscal year ending 31st of December, 2020.
- Approval of the financial statements for the fiscal year ending on 31st of December, 2020.
- Approval of the appointment of the company's auditor from among the candidates, based on the recommendation of the audit committee, to examine, review and audit the financial statements for the second and third and annual quarters of the fiscal year 2021 and the first quarter of the fiscal year 2022, and determine their fees.
- Approval of the Board recommendation to distribute cash dividends to shareholders for the fiscal year ending on 31st of December, 2020 at an amount of 250 million SR at a rate of 2.5 SR per share, equivalent to 25% of the capital, provided that the eligibility of the profits is to the shareholders who own the shares on the day of the general assembly and those who are registered in the register of the company's shareholders at the Securities Depository Center Company (Depository Center) at the end of the second trading day following the date of the company's general assembly.
- Approval of the works and contracts that will be concluded between the company and the Mouwasat International Company Ltd., which is for the members of the Board of Directors, Mr. Mohammad Sultan Al Subaie and Mr. Nasser Sultan Al Subaie has a direct interest in it. The member of the Board of Directors, Mr. Mohammad Solaiman Al Saleem has an indirect interest in it, which consists of supply contracts, rent and travel tickets according to the company's procurement system without preferential conditions, noting that the value of what was implemented during the year 2020 of supply contracts, leases and tickets amounted to 20.6 million SR.



- Approval of the business and contracts that will be concluded between the company and Advision Media Solutions, which is for a member of the Board of Directors, Mr. Khalid Sulaiman Al Saleem has an indirect interest in it, which is a contract for the implementation and supply of works related to advertising and marketing according to the company's procurement system without preferential terms, noting that the value of what was implemented during the year 2020 of contracts for the implementation and supply of works related to advertising and marketing amounted to 19.6 million SR .
- Approval of the participation of some members of the board of directors in a competitive work due to their membership in the boards of directors of companies operating in the field of medical services.
- Approval to release Board members from liability for the period ending on 31st of December, 2020.
- Approval of a remuneration with an amount of 450,000 SR for each board member for the year ending 31st of December, 2020 for their board membership.

In conclusion

The Board of Directors of the Company takes this opportunity to confirm that the process of hard work will continue with renewed vitality to achieve the goals and maximize the returns of the shareholders of the Company, and extends his thanks and appreciation to the shareholders, government agencies, clients of the company and banks for their support and cooperation, and also extends his thanks to all employees of the company for what has been accomplished with their great efforts.

May Allah protects you

On behalf of Board of Directors

Managing Director
Mohammed Sulaiman Al Saleem

Vice Chairman and CEO
Nasser Sultan Al Subaie

