

Mouwasat
Mouwasat Medical Services Co.



المواساة
شركة المواساة للخدمات الطبية

A Trustworthy Experience

Mouwasat Medical Services Co.
Annual Report for the Year 2021



Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud
King of the Kingdom of Saudi Arabia



**His Royal Highness Prince Mohammad
bin Salman bin Abdulaziz Al Saud**
crown prince and vice president of the council of Ministers,
Minister of defense and the Chairman of the council of Economic
and development Affairs

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the Name of Allah, the Most Gracious, the Most Merciful.

Report

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Prospects

The main attraction factors in health care section in the Kingdom are:

Structure :The healthcare structure in the Kingdom is designed to provide basic healthcare services to all, while providing specialized treatment in both private and public hospitals.

Population Growth: Based on the World Bank's estimation of the increase in the population of Saudi Arabia, the demand for health care services is expected to increase significantly.

Increased Private Sector Participation : As the public sector gradually becoming more regulated, private investors are being motivated to play a larger role in the healthcare sector. Foreign investors can now acquire up to 100% ownership in the healthcare sector.

Strong Public-Private Sector Partnerships: The government continues to invest in developing healthcare infrastructure with various medical cities under construction. The private sector is expected to act as an operator in form of partnerships between public and private sectors.

Budget Increase : The annual increase in budget allocated to social services for healthcare in Saudi Arabia reflects a strong signal of potential demand as well as the government's willingness to increase growth and improvement within the sector.

Opportunities for the healthcare sector in Saudi Arabia :

Increasing Demand for Private Health Care: Year after year, the size and the share of the private sector keeps increasing.

Increasing Demand for Health Care quality: Generally, health care facilities in the Kingdom are accredited by international health care accreditation bodies such as JCI and ACHSI.

Long-term Care and Rehabilitation: With changing life expectancy, Saudi Arabia needs a large number of long term cases facilities.

Daycare Surgical Centers: Due to the advancing in healthcare technology and the increasing in the prevalence of diseases resulting from following different lifestyle, there is an increase in the demand for daycare surgery centers.

Increasing Demand for Maternity and Childhood: The private health facilities in Saudi Arabia focus on maternity and childhood due to the increasing demand for these specialties.

Increasing Demand for Specialized Services: It is expected for the centers of excellence that focus on some specializations to increase.

Laboratory and Diagnostic Center: There is an increasing need for independent laboratories and diagnostic centers in Saudi Arabia to support the expansion of outpatient facilities.

Primary Care: Due to the large population in the Kingdom and the high occupancy rates in hospitals, the country needs more healthcare clinics and medical centers to meet the increasing demand of the population.

Population by 2050

77.2 Million

Life expectancy is expected to increase by 2050

**78.4 For Males
81.3 For Females**

Number of additional beds by 2035

20,000 Beds

What will be privatized by 2030

**295 Hospitals
2,259 Centers**

Source: Global Health Exhibition



VISION:

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



MESSAGE:

Providing our clients with sustainable, first-class medical services of the highest quality, with a constant commitment to continuously improve our medical services and to improve the skills and expertise of our employees, taking into account the desired future based on innovation and team spirit.

VALUES:

The hospital adopts values and ethical principles that guide us in fulfilling our mission and determines how we work in our organization.



Excellence

through quality, patient care, and resource development



Ethics

integrity, honesty, honor, privacy, and confidentiality.



Principles

trust and respect for the individual.



Team work

working cooperatively to achieve goals.



Responsibility

loyalty and commitment



Safety

commitment to patient and environmental safety.



Accountability

effective work and financial responsibility.

A Message from

The Vice Chairman
and CEO

Mr. Nasser Sultan Al Subaie



Dear Shareholders of Mouwasat Medical Services Company

In this report, we proudly present to you the result of our achievements during the fiscal year 2021, and we seek to continue our growth and progress and to use all our capabilities towards sustainable growth.



Experience for more than four decades

We, in **Mouwasat Medical Services company**, have relied through our journey for more than four decades on attracting the most qualified Saudi and foreign medical staff in all main and sub-specialties, through a consistent approach that ensures the sustainability of services development in all our hospitals. The company also pays great attention to attracting citizens, raising their efficiency, developing them on the job, and activating the women's empowerment program.



Investing in technology systems

It has also become necessary to keep pace with technological development by **investing in technology systems** in all our hospitals. Therefore, we have started to use artificial intelligence, which has added more professionalism in achieving the best medical results and contributed to creating a unique patient experience while ensuring his safety and we seek to continue expanding in this field

We **spared no effort in obtaining national and international accreditations** in order to improve our performance and to apply the best international practices. Because we believe in quality, we took it upon ourselves to continue obtaining the accreditation of centers of excellence in the main specialties.



Mouwasat and the Kingdom's Vision 2030

Since taking care of the citizen and his safety is one of the most important foundations of the Kingdom's Vision 2030 and because the advancement of health care is the first dimension of the eight dimensions of the National Transformation Program to preserve the safety of citizens and residents, Mouwasat sought to keep pace with this ambitious vision to improve the quality of life.

Looking forward to more successes during 2022

Sincerely, Nasser Sultan Al Subaie,

Vice Chairman and CEO

A Message from

The Managing
Director

**Mr. Mohammed Suleiman
Al-Saleem**



Dear Shareholders of Mouwasat Medical Services Company



Sustainable growth

Following the strategic plan of Mouwasat Medical Services Company that is keen on sustainable growth in its results, the net profits have grown by 10% during the year 2021 compared to the previous year.



The expansion approach on the vertical and horizontal levels

The company continues its expansion approach on both vertical and horizontal levels, which is evident through its operation of Dammam's Mouwasat Hospital's expansion project. In addition, the company will soon open Mouwasat Digital Hospital in Knowledge Economic City in Medina, which will be operated during the second quarter of the year 2022 after completing its licenses from the Ministry of Health and the relevant authorities. It is also expected to start evaluating the offers for Mouwasat Hospital project in Yanbu during the next short period.



Openness to the available opportunities in the medical services market in the Kingdom

The management team of the company is open to the available opportunities in the medical services market in the Kingdom, in order to choose the appropriate projects that achieve the interests of the company and its shareholders and that serve the country, citizens and residents on our beloved kingdom's lands.

**Sincerely, Mohammed Suleiman
Al-Saleem**
Managing Director



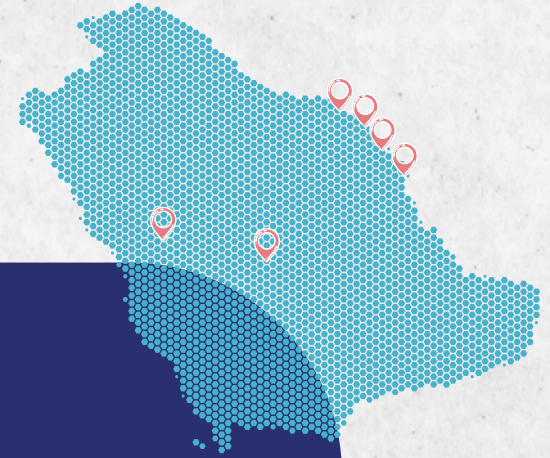
1

The Company's Main Activity

The company's main activity is based on providing medical services to patients through a network of hospitals that it owns 100% or has majority stakes in and rented medical facilities, as well as selling medicines through its pharmacies. The following is a summary of this medical network



Mouwasat Hospital Dammam



Region
Eastern



City
Dammam



440

Beds

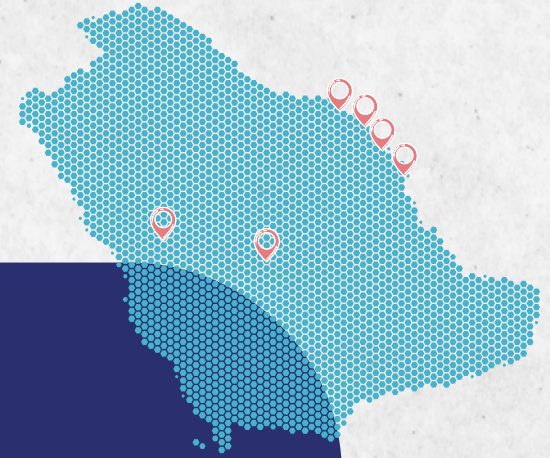


100%

Owned



Mouwasat Hospital Jubail



Region
Eastern



City
**Jubail
Industrial**



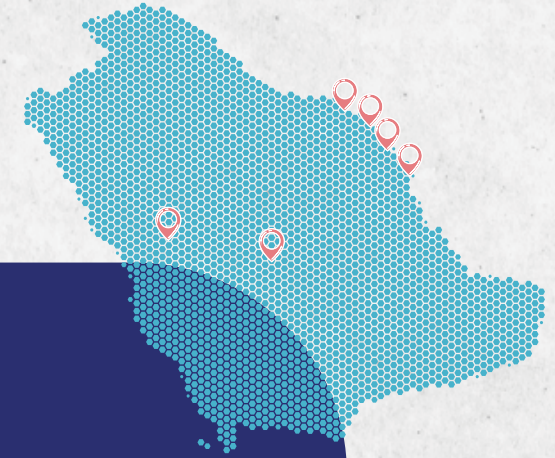
214
Beds



100%
Owned



Mouwasat Hospital Riyadh



Region
Central



City
Riyadh



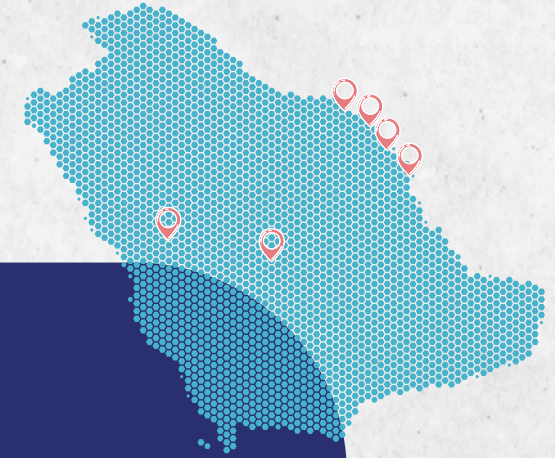
165
Beds



100%
Owned



Mouwasat Hospital Qatif



Region
Eastern



City
Qatif



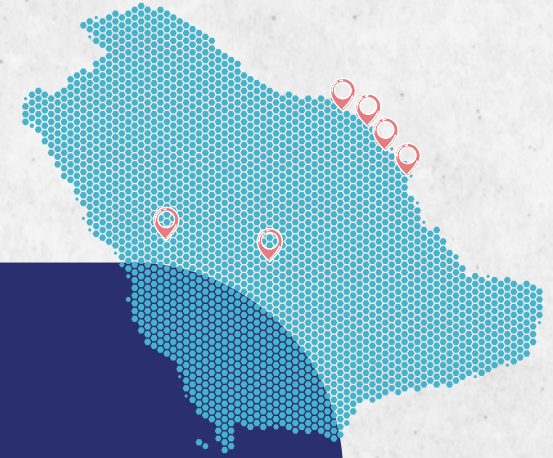
120
Beds



51%
Owned



Mouwasat Hospital Medina



Region

Western



City

Medina



120

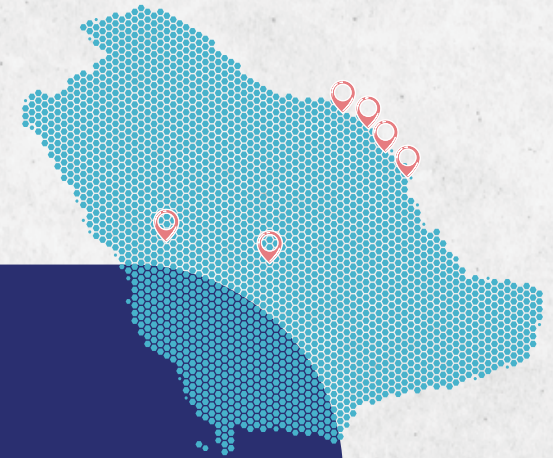
Beds



**Rented
Buildings**



Mouwasat Hospital Khobar



Region
Eastern



City
Khobar



220
Beds



100%
Owned

2 - Subsidiaries and Associates

2-1 Subsidiaries :

Eastern Company for Medical Services Limited :

It is a Saudi company of limited liability with a capital of 60 million riyals and its head office is in the city of Al-Khobar in the Eastern Province - Saudi Arabia. The main activity of the company is based on the establishment of hospitals, clinics and private medical centers. Mouwasat Company owns a 51% stake in Eastern Company for Medical Services, which in return owns Mouwasat Hospital in the city of Qatif in the Eastern Province, which is operated by the medical network of the Mouwasat Company.

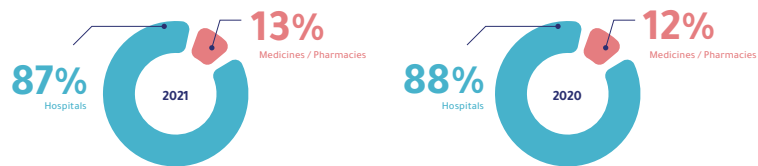
Below is a table summarizing the subsidiary's data:

Subsidiary name	Its capital	The company's ownership percentage	Its main activity	Country that is the main place of its operations	Country of establishment
Eastern Company for Medical Services Ltd	60 million riyals	51%	Establishment of hospitals, clinics and private medical centers	Saudi Arabia	Saudi Arabia

Description of the main types of activity of the company "Group" and its subsidiaries The main types of activity of the company "Group"

Main types of activity	2021		2020	
	Million Riyals	Contribution percentage	Million Riyals	Contribution percentage
Medical Services (Hospitals)	1,866	87%	1,801	88%
Medicines / Pharmacies	278	13%	244	12%
Total	2,144	100%	2,045	100%

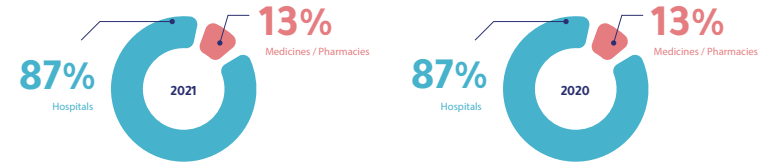
Review the proportions of the main activities



Description of the main types of activity of the Eastern Company for Medical Services (subsidiaries)

Main types of activity	2021		2020	
	Million Riyals	Contribution percentage	Million Riyals	Contribution percentage
Medical Services (Hospitals)	211	87%	213	87%
Medicines / Pharmacies	31	13%	31	12%
Total	242	100%	244	100%

Review the proportions of the main activities



2-2 Associates :

Advanced Medical Complexes Limited:

It is a Saudi company of limited liability with a capital of 10 million riyals and its head office is in the city of Dammam in the Eastern Province - Saudi Arabia. The main activity of the company is based on wholesale and retail trade in medical and surgical devices, equipment and tools. Mouwasat owns a 50% stake in the Advanced Medical Complexes Company, which in return owns a center specialized in eye treatment and surgery in the name of Magrabi Eye Center located next to Mouwasat Hospital in Dammam.

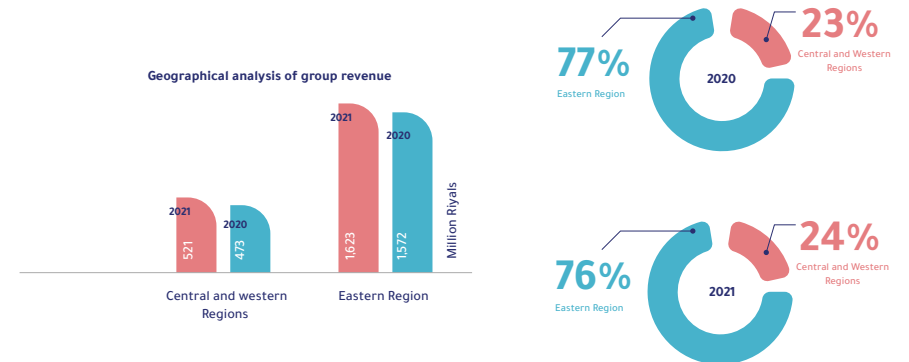
3- Geographical analysis of the total revenues of the company and its subsidiaries:

The following tables show the geographical distribution in the Kingdom of Saudi Arabia of the total revenues of the company and its subsidiaries :

Geographical analysis of group revenue

Statement	2021		2020	
	Percentage	Million Riyals	Percentage	Million Riyals
Eastern Region	76%	1,623	77%	1,572
Central and Western Regions	24%	521	23%	473
Total	100%	2,144	100%	2,045

Geographical analysis of group revenue



Geographical analysis of the total revenues of Eastern Company for Medical Services Ltd.

Statement	2021		2020	
	Million Riyals	%	Million Riyals	%
Eastern Region	242	100%	244	100%
Total	242	100%	244	100%

Summary of business results

996
Gross
profit

578
Net
profit

2,144
Revenues

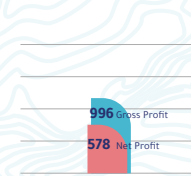
1,148
Revenue
costs



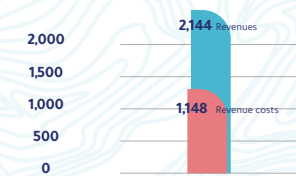
2021



2021



2021



Million Riyals

2021

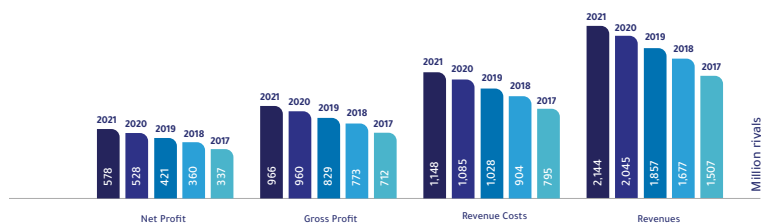
4- Summary of business results

A review of the company's operations results for the last five fiscal years :

Statement	Million Riyals				
	2021	2020	2019	2018	2017
Revenues	2,144	2,045	1,857	1,677	1,507
Revenue costs	1,148	1,085	1,028	904	795
Gross profit	996	960	829	773	712
Net profit	578	528	421	360	337

The company's revenues have grown steadily over the past five years from 1,507 million riyals in 2017 to 2,144 million riyals in 2021, while net profits increased from 337 million riyals in 2017 to 578 million riyals in 2021. The reasons behind this continuous growth are due to the continuous expansion of the operational capacity in line with the company's strategic plan for growth, the continued efficiency in operating the available assets, the continuous development of the medical systems operating in the service of the patients, the expansion of the services provided to them, and the improvement of some contractual terms with the company's clients.

A review of the results of operations for the period from 2017 to 2021



A clarification of any differences in the operating results from the results of the previous year

Statement	Million Riyals		The Change	Percentage Change
	2021	2020		
Revenue/sales	2,144	2,045	99	4.8%
Direct costs	1,148	1,085	63	5.8%
Gross profit	996	960	36	3.7%
Other operating income	0	0	0	0
Other operating expenses	374	382	(8)	-2%
Operating profit	622	578	44	7.6%

The reason for the increase in operating profit during the year 2021 compared to the year 2020 is due to:

- Revenue growth as a result of:
 - the continuous performance improvement in the new specialized departments in the company's hospitals.
 - improving some contractual terms with the company's clients.
 - the continuous increasing of the efficiency of the operation of available resources.
- The decrease in some items of selling and distribution expenses during this year compared to the previous year.
- The increase in the company's share in the profits of an associate company during this year compared to the previous year.
- Low financing cost due to the decrease in the balance of loans in the value of the installments paid.

5- The company's assets and liabilities for the last five fiscal years :

Statement	Million Riyals				
	2021	2020	2019	2018	2017
Current Assets	1,315	1,196	1,066	1,040	774
Non-current Assets	2,744	2,453	2,262	2,013	1,705
Total Assets	4,059	3,649	3,328	3,053	2,479
Current Liabilities	640	551	543	565	378
Non-current Liabilities	717	718	733	681	529
Total Liabilities	1,357	1,269	1,276	1,246	907
Shareholders' Equity	2,604	2,279	1,955	1,713	1,490
Non-controlling Equity	98	101	97	94	82

During the past five years, the company's assets witnessed a steady growth from 2,479 million riyals in 2017 to 4,059 million riyals in 2021 in line with the company's strategic plan, through which it aspires to acquire a larger share of the expected increase in demand for medical services. The company's financial statements showed a growth in shareholders' equity over the past five years, from 1,490 million riyals in 2017 to 2,604 million riyals in 2021.

Review of the company's assets and liabilities for the last five fiscal years



6- Possible Challenges And Risks

The company's management continues with great care to diagnose and study potential challenges and risks and to measure their impact on achieving strategic goals, and considers them to be summarized as follows

Challenges

- The continuous increase in operating costs for medical facilities that aspire to achieve the high level of quality hoped for in providing their medical services.
- Harmful and negative behaviors that may be pushed by competition factors and severe pressures on medical service providers.
- The lack of qualified medical and technical staff.
- The continuous increase in the cost of qualified medical and technical staff to work in the health sector.
- The need to attract foreign expertise and the difficulty that this poses in establishing a legal, operational and financial environment that supports the growth of the private sector and reduces future risks facing its investments.

Risks

- The increase in the costs of high-tech medical systems and the decrease in the lifespan of their use, especially due to the rapid pace of innovation and technological developments in an advanced digital world.
- Price competition, which is one of the serious risks facing the company.
- The shortage of trained manpower, especially doctors, nurses and technicians.
- The increase in the costs of skilled and trained workers, which is a constant challenge for the company in order to reach the required quality levels.

To overcome these challenges and potential risks, the company is following a dynamic path represented by the following:




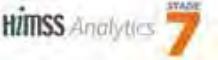









- Continuing to develop operational key performance indicators for all available resources in the company, activating tools for controlling direct and indirect operational burdens, and continuing to develop and automate administrative, medical, technical and financial systems in order to enhance the company's competitiveness and reduce future risks that may arise from negative competition.
- Continuing to accept only the first and second levels of classification of beneficiaries in the

cooperative health insurance program to reduce price competition with other medical service providers

- Continuing to increase the efficiency of operating the available resources in order to overcome the increase in the costs of bringing in skilled and trained labor and the increase in the costs of high-tech medical systems
- Continuing to implement programs to qualify and develop the company's workforce and create an attractive environment that helps retain workers, especially national ones, for longer periods and reduce the dropout rate so that this does not pose a challenge to the management and does not negatively affect the company's future expansion operations.
- Continuing to expand the company's client base and increase its share in the private medical services sector and create a strategic relationship with all relevant parties in this sector, whether patients, medical insurance companies, the Council of Health Insurance, the general directorates of health affairs, the Ministry of Health and other actors in this sector in order to achieve the interest for all parties, ensure the expected growth in revenues and maintain the planned profitability ratios.
- Reliance on computer technologies, better use of interconnected programs and continuous development of computer hardware technologies, main servers and networks used in all company facilities to ensure the upgrading of its operational system, the continuation of its success and the achieving of the highest benefit available from it. The company took it upon itself to rely on these modern and developed applications since 2014 to make all its operational processes automated and allow data exchange with all stakeholders.
- Work on creating programs to measure the quality of the services provided by the company to its clients and the level of satisfaction with these services to enable it to work continuously on creating service features that are attractive to the company's clients, whether at the level of the direct service provided to the patient or at the technical level
- Obtaining accreditation certificates from national and international bodies, whereby the company obtained 74 quality marks in the various hospitals of the company, which led to an increase in the technical level of the operational performance of the medical network. Below are some of the accreditation certificates and the quality marks obtained by the group



ACCREDITATIONS:

		
COLLEGE of AMERICAN PATHOLOGISTS	Joint commission international	Saudi Central Board for Accreditation of Healthcare Institutions
		
American association for blood banks	Healthcare Information And Management Systems Society	American College Of Cardiology
		
Centre Of Excellence Of The Surgery Of Obesity And Metabolic Disorders	Hazard Analysis Critical Control Points	CARDIAC CATH LAB ACCREDITATION
		
Sic Master Endoscopist In Interventional And Advanced Endoscopy	Center Of Excellence Neurosurgery	Center Of Excellence Minimally Invasive Surgery
		
CENTER OF EXCELLENCE ORTHOPEDIC SURGERY	CENTER OF EXCELLENCE MINIMALLY INVASIVE GYNECOLOGY	CENTER OF EXCELLENCE KIDNEY STONE MANAGEMENT

		
center of Excellence of Urology	center of excellence ENDOSCOPY	American collage of Radiology - PET scan
		
American collage of Radiology	American collage of Radiology	American collage of Radiology
		
American collage of Radiology	American collage of Radiology - Nuclear Medicine	ASHP
		
National cardiovascular Data Registry		

7- General directions and strategic plan of the company

The company insists on continuing to confirm its presence as one of the main providers of medical services in the private sector in the Kingdom of Saudi Arabia and on continuing with the highest degree of diligence in implementing its plans and achieving its strategic goals represented in the following:

1

Ensuring continued growth in the company's revenues through the implementation of vertical and horizontal expansion programs for the operational capacity.

2

Achieving the highest operational rates for all the company's resources and assets, in order to achieve the best rates of return for its shareholders.

3

Continuing to achieve the highest levels of quality to ensure the provision of a safe treatment environment for patients.

4

Reaching the highest satisfaction rate for all those dealing with the company and the beneficiaries of its services.

5

Continuing to support national labor replacement programs at all administrative and technical levels to achieve the highest rates of job stability.

Key Achievements at mowasat during 2021 :

- Completion of the construction work of the company's hospital project in Madinah and the start of its pilot operation as of 05/08/2021. In its announcement posted on Tadawul on 21/03/2022, the company announced the end of the pilot operating phase and expected that the actual operation of this project will begin in May 2022.
- Completing the expansion project of Mouwasat Hospital in Dammam by completing all the construction works, starting the trial run and conducting all the necessary tests for the medical and building's systems as of 05/04/2021. On 30/09/2021, the company announced the end of the trial run after reaching the verification of full readiness and achieving all the requirements for actual operations. After receiving the approval of the competent authorities, the operation of the expansion building was started on 01/12/2021, as stated in the company's announcement on 28th November 2021
- Obtaining the final approval from the Royal Commission in Yanbu on the initial and final illustrative, planning and engineering plans and specifications for the new Mouwasat Hospital project in Al-Sawari neighborhood in Yanbu Industrial City.
- Applying all new terms to the international JCI re-accreditation programs and accreditation from the Central Board for Accreditation of Health Institutions (CBAHI) in all hospitals affiliated with the medical network owned and operated by the company.
- Continuing to develop programs of service provided to the company's clients
- Continuing to develop continues education and training programs in cooperation with many international bodies.



Leadership

Mouwasat Medical Services Company is the **First public joint stock company** to be listed on the stock market "Tadawul" in Saudi healthcare sector

Mouwasat Hospital in Khobar was **The First hospital in the Kingdom to obtain the seventh level classification from the American Society** as the highest classification for hospitals regarding the application of clinical information technology. Mouwasat Medical Services has obtained this classification in all its hospitals in the Kingdom.

Mouwasat Medical Services Company was ranked among

100 The Most Powerful
Companies in the Middle East in 2021

The number of scientific researches published by the company's employees reached

450 Scientific Research
In various fields

Mouwasat Hospital in Khobar has been selected among the **world's 250** best smart digital hospitals according to Newsweek rating.

The first center of excellence for Urology in the Kingdom was accredited at Mouwasat Hospital in Dammam according to the American Board of Surgical Specialties (SRC).

The first smart intensive care unit and the Middle East and North Africa region (Tele-ICU) to support intensive care units in the Kingdom is in Mouwasat Hospitals according to Philips.

The first hospital group outside the United States to receive accreditation from American Society of Health-System Pharmacists according to the American Board of Pharmaceutical Health Regulations.

The first pediatric emergency separate from the adult emergency in the Eastern Province is at Mouwasat Hospital in Dammam.

The Heart Center at Mouwasat Hospital in Dammam is **the first hospital** that obtained accreditation from American Heart Association outside the USA according to the Heart Association American (ACC).



Artificial Intelligence

Being up to date with the technological development became a necessity by investing in technology systems in all our hospitals. Therefore, we started using artificial intelligence, which enhanced our professionalism to achieve the best medical outcomes and create a unique patient experience thus ensuring his safety, and we will continue to expand that based on our belief in quality, which we will achieve through implementing the best international standards

Mouwosat Control & Command Center

of Intensive Care Units (Tele-ICU) using Tele-Medicine and Artificial Intelligence

TELE-ICU Benefits

- Reducing the length of stay in the intensive care unit.
- Reducing the cost of patient care.
- Take advantage of the artificial intelligence program that alerts the treating doctor about the risks that the patient may be exposed to.
- Unifying medical procedures based on scientifically proven references such as:
Certified Clinical Practice Protocols. Implementation of procedures related to the best medical practices globally.
- Improving the quality of care, patient safety, and patient medical outcomes.
- Giving priority treatment based on the level of severity of the patient's condition.

Mouwosat Control & Command Center of Intensive Care Units (Tele-ICU) using Tele-Medicine and Artificial Intelligence

In line with Mouwasat Medical Services' strategy and vision to invest in advanced technology and artificial intelligence programs in order to improve medical services, this center was launched as the first smart intensive care center in the Kingdom called Tele-ICU to support intensive care units in Mouwasat hospitals, as a continuation of the artificial intelligence and medicine projects Tele-ICU as an extension of the agreement concluded with Philips International, which was signed at the Ministry of Health pavilion in Dubai during Arab Health Conference in the year 2020.

This project, which has been implemented in AI-Mouwosat Medical Services Company, aims to:

- Standardization of treatment plans and performance standards.
- Quality improvement.
- Reducing patient length of stay in intensive care departments and reducing treatment costs.
- Standardizing medical care for patients and providing best treatment practices.

TELE-ICU Smart Intensive Care Center functionality:

- **Clinical pathways and care plans:** Monitoring and supervision of clinical cases and patient data including laboratory, radiology, and any other examinations performed on the patient.
- **Artificial Intelligence:** Warns the treating physician of the risks of complications that the patient may develop based on the collection of electronic patient data.
- **Evidence - based Medicine:** Implementation of physicians' requests in addition to the medical and nursing care plan in accordance with international best practices.
- **Calculating ratios and outcomes:** Utilizing the scoring system to identify symptom risk.
- **The capabilities of the TELE-ICU smart intensive care center.**
The total bed capacity of the project is 1500 beds, of which 350 beds will be operated.

Availability of an intensive care specialist, an integrated team of nursing, and specialized medical staff around the clock.

Communication between the command center and the intensive care unit through audio-visual technology.

Integration of services of health information system, laboratory information system and cardiac archiving and communication system.

Robotic Pharmacy

In line with the strategic plan of Mouwasat Medical services company to constantly develop our services and applying the latest technology in the field of healthcare, Mouwasat is committed to deliver world class medical service to our customers in all Mouwasat hospitals all over the kingdom.

Mouwasat Medical Services Company has started its project for Smart Robotic Outpatient Pharmacy at Mouwasat Hospital - Khobar, Jubail & Madinah Mouwasat Hospital - Khobar is the first private hospital in the kingdom to implement this project and it will be implemented subsequently in all other Mouwasat Hospitals in Riyadh, Dammam and Qatif.

The new smart robotic outpatient pharmacy is using the latest German technology that is based on product unique identifier (GTIN - Global Trade Item Number) and the 2-dimensional (2D) barcode which guarantee high accuracy in medications dispensing, inventory/stock management, and automatic checking for medications validity/expiry dates.

The use of Smart Robotic Outpatient Pharmacy in healthcare sector which has many added values



Automatic preparation of medications with a dispensing speed that can reach up to 4000 packs per hour.



Can serve up to 6000 customers per day.



Less waiting times



High accuracy in medication dispensing.



More time will be available for patient counseling and drug therapy education.



Enhance customer experience.



Building Management System (BMS)

The BMSs' core function is to manage the internal environmental conditions within a building, i.e., temperature, in a way that is as energy-efficient as possible.

A Building Management System (BMS) is a computer-based system installed in buildings to control and monitor mechanical and electrical plants, including HVAC (heating, ventilation, air conditioning), lighting, power systems, fire systems, and security systems.

Effective well-utilized Building Management Systems (BMS) provide the core management tool required by building managers to ensure monitoring and efficient management of energy and occupant comfort. It enables Building Managers to provide the optimal working environment while minimizing the cost. Effective BMS utilization allows for optimal building performance by extending equipment and systems' operational life by reducing loads and operating hours. Therefore, maintenance and capital costs are reduced, and less embedded energy is consumed through equipment replacement and upgrades.

BMS will show increases in energy use due to equipment failure or adjustments to operating parameters. For example, heating valves open when the building requires cooling. BMS may also indicate that air-conditioning is starting up hours before the building is fully occupied due to security staff activities. With this information in hand, the Engineering manager may rectify such issues through consultation or engineering solutions.

In the absence of a BMS, the impact of such events can be disguised by seasonal variations, changes in occupancy levels, or technology upgrades. A correctly configured BMS with an adequate number of precisely located monitoring points is the only way a building manager can quickly alert problems that could otherwise remain undetected until annual inspections or external audits are undertaken.

A BMS is also a primary tool for identifying energy intensity improvement opportunities, for example, refining the size and number of lighting time blocks, providing meaningful reports to the Environment of Care Committee on issues and opportunities, and enabling identification of faults, maintenance planning, and energy-saving upgrades.

A Smart Building is one in which the essential equipment and assets, like air handlers, chillers, boilers, lighting, etc. can communicate machine-to-machine. There's an elaborate management system in place to control and optimize all the pieces.

A Smart Building aims to deliver useful services that help make occupants more productive and safer, at the lowest cost and with the least environmental impact. A Smart Building optimizes and minimizes energy usage and can operate using clean energy sources. It makes occupant security and quality of life top priorities. These priorities mean not only physical safety, such as connected fire suppression and alarm systems, but also health security—high-quality air and water, and more.

The equipment and systems in a Smart Building need to be connected and able to communicate from machine to machine. For example, a building's chiller could receive weather data from outside and occupancy information from inside, so it operates only when needed to maintain its occupants' optimal temperature.

What makes all this work? The availability of small, sophisticated, affordable sensors connected via the building automation software analyzes and uses the data generated by these sensors to manage and optimize operations. Smart Building systems can use the data generated to monitor performance, track the physical location of assets, detect potential operating issues, and improve preventive maintenance efforts.

Buildings today are complex concatenations of structures, systems, and technology. Over time, each of the components inside a building has been developed and improved, allowing us to select lighting, security, heating, ventilation, and air conditioning systems independently. Today, we seek to build, work, and live-in smart buildings as the right thing to do. Many governments and industry regulators set standards for constructing and managing facilities to meet environmental, safety, and sustainability requirements. LEED Leadership in Energy and Design Engineering is a certification program adopted by building owners and managers to certify their intent to comply with government and self-driven requirements.

Smart Buildings, which are one of the eight Smart principles behind Smart Cities, are expected to make up 7% of the total global smart city market in 2025. Smart Cities, cities that monitor all critical infrastructure conditions, including bridges, streets, water, electric systems, and more, are on the rise, as well. Frost & Sullivan estimates that by 2025, there will be more than 26 of them worldwide.



8- The company's policy in distributing dividends:

In accordance with Article 45 of the company's bylaws, the annual net profit distribution policy is summarized as follows:

- Ten percent (10%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may discontinue this set-up when the said reserve reaches thirty percent (30%) of the paid-up capital.
- The Ordinary General Assembly may decide to form other reserves to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to the shareholders.
- After that, a percentage representing five percent (5%) of the paid-up capital shall be distributed to the shareholders.
- Subject to the provisions stipulated in Article Eighteen (18) of the company's articles of association, and Article seventy-six (76) of the Companies Law, if the remuneration of the members of the board of directors is a certain percentage of the company's profits, this percentage may not exceed (10%) of the company's net profits after deducting the reserves decided by the company's general assembly, and after distributing a profit to shareholders of no less than (5%) of the company's paid-up capital, provided that the entitlement to this reward is proportional to the number of sessions attended by the member.
- The remainder is then distributed to the shareholders as an additional share in the profits.

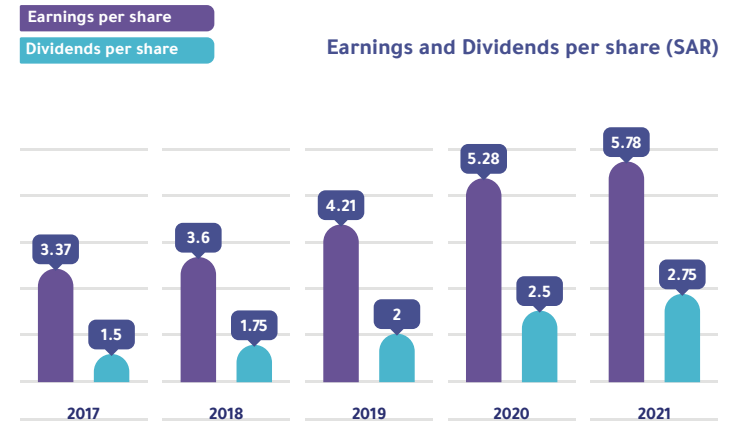
The company may, after fulfilling the regulations set by the competent authorities, distribute semi-annual and quarterly profits.

Regarding the fiscal year 2021, the Board of Directors recommended in its session held on 06/14/1443 - 17/01/2022 the distribution of cash dividends to the company's shareholders as follows:

- The total amount distributed is 275 million riyals.
 - The number of shares entitled to dividends is 100 million shares.
 - Each share of the distribution is 2,75 riyals.
 - Dividend ratio to nominal share value is 27.5%.
 - The date of eligibility for profits will be for the shareholders owning shares on the day of the company's general assembly and who are registered in the company's shareholders register with the Securities Depository Center Company (Depository Center) at the end of the second trading day following the date of the company's general assembly, which will be announced later after obtaining the approval of the authorities competent.
 - The distribution date will be announced after the company's general assembly.
- Note that cash dividends were distributed during 2021 in the amount of 250 million riyals at 2.5 riyals per share, equivalent to 25% of the paid-up capital (1,000 million riyals) for the financial year ending on 31 December 2020.

Earnings per share for the last five fiscal years:

Earnings per share continued to grow during the last five fiscal years, as earnings per share increased from 3.37 riyals in 2017 to 5.78 riyals in 2021



9- Information related to any loans on the company:

A table showing the loans granted to the Mouwasat Medical Services Company (in millions of riyals)

N	Name of the loan donor	Original loan amount	Loan period		What has been paid during 2021	As on December 2021,31
			From	To		
1 Ministry of Finance						
1-1	Loan from the Ministry of Finance Mouwasat Hospital in Qatif - a subsidiary company	30.9	2006	2021	1.9	0.0
1-2	Loan from the Ministry of Finance Medical Tower in Dammam	10.3	2011	2026	0.6	3.2
1-3	Loan from the Ministry of Finance Mouwasat Hospital, Riyadh	106.0	2018	2036	5.3	84.9
Total loans from the Ministry of Finance		147.2			7.8	88.1
2 Arab National Bank						
2-1	Arab National Bank loan No. 12	103.4	2020	2025	20.7	68.9
Total loans from Arab National Bank		103.4			20.7	68.9
3 Samba Financial Group						
3-1	Samba Group Loan No. 2	150.0	2018	2023	30.0	50.0
Total loans from Samba Financial Group		150.0			30.0	50.0
4 British Saudi Bank						
4-1	Saudi British Loan No. 8	210.0	2019	2022	60.0	60.0
4-2	Saudi British Loan No. 11	150.0	2021	2024	31.6	118.4
4-3	Saudi British Loan No. 12	70.0	2022	2028	0.0	70.0
4-4	Saudi British Loan No. 13	100.0	2022	2026	0.0	100.0
Total loans from British Saudi Bank		530.0			91.6	348.4
5 National Commercial Bank						
5-1	National Commercial Bank loan No. 3	205.0	2021	2026	30.8	174.2
Total loans of the National Commercial Bank		205.0			30.8	174.2
6 Bank Albilad						
6-1	Bank Albilad Loan No. 1	40.0	2021	2026	3.3	36.7
6-2	Bank Albilad Loan No. 2	30.0	2023	2028	0.0	30.0
Total loans from Bank Albilad		70.0			3.3	66.7
المجموع الكلي		1205.6			184.2	796.3

The current portion of long-term loans as on December 31, 2021 amounted to **232.5** million riyals, and the non-current portion amounted to **563.8** million riyals.



Board of Directors

10- Board of Directors:

In accordance with Article 13 of the company's articles of association, the company's board of directors consists of 7 members elected by the ordinary general assembly for a period of three years. The General Assembly, in its meeting on 2019/12/16, elected the members of the Board of Directors for its new session, which started on 2020/04/01. The following are the names of the members who were elected using the cumulative voting method:

Member name	Membership Classification
Mr. Mohammed Sultan Al-Subaie	non-executive
Mr. Nasser Sultan Al-Subaie	executive
Mr. Mohammed Suleiman Al-Saleem	executive
Mr. Khaled Suleiman Al-Saleem	executive
Dr. Mohammed Ibrahim Al-Tuwaijri	independent
Dr. Sami Abdulkarim Al-Abdulkarim	independent
Mr. Fahad Ayed Al-Shammari	independent

Qualifications and experience of the members of the Board of Directors and their current and previous positions



Mr. Mohammed Sultan Al-Subaie

Chairman of the Board of Directors of Mouwasat Medical Services Company

Current Jobs

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

Previous jobs

- 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 administration
- High school education

Experiences

- Self-employment and establishment of Mouwasat clinic in Dammam in 1394
- Chairman of the Board of Directors of Mouwasat Medical Services Company
- Chairman of the Board of Directors of the Mouwasat International Company



Mr. Nasser Sultan Al-Subaie

Vice Chairman of the Board of Directors of Mouwasat Medical Services Company
CEO of Mouwasat Medical Services Company

Current Jobs

- Vice Chairman of the Board of Directors of Mouwasat Medical Services Company
- CEO 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 Eastern Medical Services Company
- Member of the Board of Directors of the Mouwasat International Company
- Vice-President of Kanaf Charitable Association
- Member of the Saudi Health Council according to the decision of His Majesty

Previous jobs

- Director General of Health Services for project of managing and operating neighborhood clinics in Jubail Industrial City
- General Manager of Mouwasat Medical Services Company
- Chairman of Health Committee of Chamber of Commerce and Industry in Eastern Region
- Vice Chairman of the Health Committee of the Council of Chambers of Commerce and Industry in Riyadh
- Member of Health Insurance Council in accordance with the Council of Ministers decision, to represent private health sector
- Member of the Investment Committee of the Health Insurance Council
- Member of Medical Services Council representing the private sector in accordance with the decision of Council of Ministers

Qualifications

- Diploma in Medical Services Management
- Intensive training courses in the management of health services inside and outside the Kingdom
- Participation in many scientific conferences in the health field

Experiences

- Management and operation in the medical services sector
- Membership and chairmanship of boards of directors in the medical services sector
- Membership and presidency of health committees in chambers of commerce and industry
- Membership of the Health Insurance Council and its Investment Committee
- Membership of the Medical Services Council
- Management and operation in the medical services sector

Qualifications and Experience of the Audit Committee Member (from outside the Board of Directors)



Mr. Mohammed Suleiman Al-Saleem

Managing Director of Mouwasat Medical Services Company

Current Jobs

- Managing Director of Mouwasat Medical Services Co
- Member of Executive Committee of Mouwasat Medical Services Co
- Member of Board of Directors of Mouwasat International Co
- Member of Board of Directors of Advanced Medical Complexes Co

Previous jobs

- Managing Director of the United Medical Services Co
- Managing Director of Mouwasat Medical Services Co
- CEO of Mouwasat Medical Services Company
- Member of Board of Directors of Mouwasat International Co
- Member of Board of Directors of Advanced Medical Complexes Co
- Member of Board of Trustees of Arab Society for Hospital Management - Sharjah - UAE

Qualifications

- Bachelor of Administrative Sciences, Accounting Division

Experiences

- Management and operation in the medical services sector
- Membership of boards of directors in the medical services sector
- Membership of Board of Trustees of Arab Society for Hospital Management - Sharjah - UAE



Mr. Khaled Suleiman Al-Saleem

Member of the Board of Directors and Deputy Managing Director of Mouwasat Medical Services Company

Current Jobs

- Member of Board of Directors & Deputy Managing Director of Mouwasat Medical Services Co
- Member of Executive Committee of Mouwasat Medical Services Co
- Member of Health Committee of Chamber of Commerce and Industry in the Eastern Region
- Chairman of National Committee for Private Hospitals of Council of Chambers of Commerce
- Chairman of Private Hospitals Committee of the Council of Chambers of Commerce
- Member of Insurance Strategy (Council of Guarantee & SAMA)
- Member of the Board of Directors of the Council of Cooperative Health Insurance

Previous jobs

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

Qualifications

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

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



Dr. Sami Abdulkarim Al-Abdulkarim
CEO and Managing Director of Care & Medical Sciences Company

Current Jobs

- CEO and Managing Director of the Care & Medical Sciences Company
- Chairman of Board of Trustees - Inaya Medical University
- Member of Board of Directors of Royal Investment Company
- Chairman of the Remuneration and Nominations Committee of the Royal Investment Company
- Member of Board of Directors of Mouwasat Medical Services
- Member of Audit Committee of Mouwasat Medical Services Company
- Member of the Executive Committee of Mouwasat Medical Services Company
- Chairman of Remuneration and Nominations Committee of the Mouwasat Medical Services Co
- Member of Board of Directors of Al-Htiqa Medical Services Co

Previous jobs

- Vice Chairman of the Board of Directors of the Chamber of Commerce in Riyadh
- Chairman of the National Health Committee in the Council of Chambers
- Chairman of the Medical Committee of the Riyadh Chamber
- 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 the Dental Department - Al Yamama Hospital
- Part-time work in the Ministry of Health - Responsible for medical licenses for private dental centers
- Head of the Dental Department - Riyadh Medical Complex - Outpatient Clinics
- Deputy Director of the Dental Center - Riyadh Medical Complex

Qualifications

- Master of Dental Implants Prosthodontics (International Commission for Dental Implants - USA)
- Fellowship in Dental Implantology (International Commission for Dental Implants - USA)
- Fellowship in Maxillofacial Surgery (American College of Maxillofacial Surgery)
- Bachelor of Dental Medicine & Surgery (Sindh University - Pakistan)

Experiences

- Dental medicine and surgery
- Business Administration
- Membership of boards of directors in the medical services sector
- Membership of the board of directors and chairing of medical committees at the Saudi Chambers of Commerce
- Memberships with (Saudi Health Council, Cooperative Health Insurance, Board of Trustees of the Health Specialties Authority)



Dr. Mohammed Ibrahim Al-Tuwajri
CEO and Managing Director of Care & Medical Sciences Company

Current Jobs

- Member of Board of Directors of Mouwasat Medical Services Co
- Chairman of Audit Committee of Mouwasat Medical Services Co
- Member of Remuneration and Nominations Committee of Mouwasat Medical Services Co
- Head of Almedra Office for Administrative Consultations
- Head of Almedra Financial Consulting Office
- Head of Almedra Training Office

Previous jobs

- Assistant Secretary-General of the League of Arab States for Economic Affairs

Qualifications

- Doctor of Philosophy, Business Administration, Arizona State UNIV, USA
- MBA in Finance, University of Denver- Colorado - USA
- B.S. in Business Administration, University of Denver - Colorado - USA

Experiences

- In the field of procurement and movement of goods - Saudi Aramco
- In the field of teaching, education, university research and consultancy
- In field of administrative development in Arab Administrative Development Org.
- In the field of Arab economy in the League of Arab States Board membership
- Membership of the Board of Directors of Mouwasat Medical Services Company



Mr. Fahad Ayed Al-Shammari
Chief Financial Officer at the National Housing Company

Current Jobs

- Chief Financial Officer at the National Housing Company
- Head of the Audit Committee at Solidarity Takaful Company
- Member of Board of Trustees of National Development 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 of Mouwasat Medical Services Co

Previous jobs

- Financial Director at Saudi Pharmaceutical Industries and Medical Appliances (SPIMACO)
- Director of Accounting Department at Maaden Aluminum Company
- Director of Accounting Services for SATOIP
- Project manager, financial specialist, and accountant at STC

Qualifications

- Emerging CFO Program, Stanford University, USA
- Oxford Real State Program from Oxford University, UK
- CFA Charter
- Master of Business Administration, Open UNI of Malaysia - Bahrain
- Higher Executive Diploma in Islamic Finance - Open UNI of Malaysia - Bahrain
- CMA Fellowship
- Fellowship of Saudi Accountants - Saudi Organization for Certified Public Accountants SOCPA
- Bachelor of Administrative Sciences, Accounting - Imam Mohammed bin Saud Islamic University

Experiences

- Accounting and Finance
- Project management
- investment
- Membership of boards of trustees

Qualifications and Experience of the Audit Committee Member (from outside the Board of Directors)



Mr. Aziz Mohammed Al-Qahyani
Audit Committee Member (from outside the board of director)

Current Jobs

- Member of the Board of Directors of Alujain Company
- Chairman of the Audit Committee of 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 Middle East Specialized Cables (MESC)
- Member of Audit Committee of Jazan Energy and Development Company
- Member of the Audit Committee of Mouwasat Medical Services Company
- Member of the Audit Committee of Thamar Development Holding Co.

Previous jobs

- Financial and administrative advisor at Takamol Holding Company (Takamol)
- Member of the Audit Committee of Yanbu Cement Company
- Chief Executive Officer of Internal Audit at the Saudi Company for Development & Technical Investment, and its subsidiaries (Taqnia)
- Vice President of Internal Audit at the Petroleum, Chemical and Mining Company
- Financial Director at Business Triangle Company
- Executive Director of Internal Audit at the Saudi Research and Marketing Group Co.
- Executive Director of Internal Audit at National Agricultural Development Company (NADEC)
- Internal Audit Manager at STC
- Internal auditor at Saudi Aramco

Qualifications

- Master of Accounting - KFUPM
- Bachelor of Accounting - KFUPM

Experiences

- Membership of boards of directors and audit committees
- Financial and accounting advice

Names of the companies in which the board member is a member of their current and previous boards of directors or one of their managers

Member name	Current companies		
	Company Name	Inside the kingdom	Legal Entity
Mr. Mohammed Sultan Al-Subaie	- Mouwasat Medical Services Co. - Mouwasat International Co.	Inside the kingdom	Public joint stock Limited liability
Mr. Nasser Sultan Al-Subaie	- Mouwasat Medical Services Co. - Advanced Medical Complexes Co. (1) - Mouwasat International Co. - Eastern Medical Services Co. (2)	Inside the kingdom	Public joint stock Limited liability Limited liability Limited liability
Mr. Mohammed Suleiman Al-Saleem	- Mouwasat Medical Services Co. - Advanced Medical Complexes Co. (1) - Mouwasat international Co.	Inside the kingdom	Public joint stock Limited liability Limited liability
Mr. Khaled Suleiman Al-Saleem	- Mouwasat Medical Services Co.	Inside the kingdom	Public joint stock
Dr. Mohammed Ibrahim Al-Tuwajri	- Mouwasat Medical Services Co.	Inside the kingdom	Public joint stock
Dr. Sami Abdulkarim Al-Abdulkarim	- Mouwasat Medical Services Co. - Care & Medical Sciences Company - Royal Investment Company - Al-Ertiq Medical Services Co.	Inside the kingdom	Public joint stock Closed joint stock Closed joint stock Limited liability
Mr. Fahad Ayed Al-Shammari	- National Developmental Housing Corporation (Member of the Board of Trustees) - Mouwasat Medical Services Co.	Inside the kingdom	Private foundation

(1) The membership of the Board of Directors of the Advanced Medical Complexes Company (an associate company) is held by Mr. Nasser Sultan Al-Subaie and Mr. Mohammed Suleiman Al-Saleem, representatives of Mouwasat Medical Services Company, which owns 50% of the capital of this company, and there is no personal interest for any of them.

(2) The membership of the Board of Directors of the Eastern Medical Services Company (a subsidiary company) is held by Mr. Nasser Sultan Al-Subaie, representing Mouwasat Medical Services Company, which owns 51% of the capital of this company and there is no personal interest for him.

On 2020/04/01, the elected company's board of directors decided the following for its new session:

1. Assigning:

Mr. Mohammed Sultan Al-Subaie, as Chairman of the Board of Directors
Mr. Nasser Sultan Al-Subaie, as Vice Chairman of the Council
Mr. Mohammed Suleiman Al-Saleem, as Managing Director
Mr. Khaled Suleiman Al-Saleem, as Deputy Managing Director

2. Assigning the members of the main committees originating from the board of directors, which are:

- Executive committee.
- Nomination and Remuneration Committee

Noting that the Audit Committee's formation, tasks, rules of work, and remuneration of members had been approved and determined at the Ordinary General Assembly meeting on 2019/12/16.

The most important activities of the board of directors:

- Formulating the company's comprehensive strategy and its main objectives.
- Determining the powers delegated to the executive management and the procedures for making decisions.
- Setting policies and procedures that ensure the company's implementation of all laws and regulations.
- Setting policies and regulations for internal control systems and supervising the compliance.
- Reviewing the performance of the Executive Committee.
- Approval of annual budgets.
- Approval of the company's interim and annual financial statements.
- Preparing the Board of Directors' report that is attached to the company's annual financial statements.

Supervising the procedures related to the preparation and management of the general assembly of shareholders.

Number of scheduled board meetings held during fiscal year 2021, and member attendance record

Member name	First meeting 2021/02/25	Second meeting 2021/05/24	Third meeting 2021/08/30	Fourth meeting 2021/11/22	Total
Mr. Mohammed Sultan Al-Subaie	✗	✓	✓	✓	3
Mr. Nasser Sultan Al-Subaie	✓	✓	✓	✓	4
Mr. Mohammed Suleiman Al-Saleem	✓	✓	✓	✓	4
Mr. Khaled Suleiman Al-Saleem	✓	✓	✓	✓	4
Dr. Mohammed Ibrahim Al-Tuwajri	✓	✓	✓	✓	4
Dr. Sami Abdulkarim Al-Abdulkarim	✓	✓	✓	✓	4
Mr. Fahad Ayed Al-Shammari	✓	✓	✓	✓	4

Number of unscheduled board meetings held during fiscal year 2021, and member attendance record

Member name	First meeting 2021/03/14	Second meeting 2021/05/09	Third meeting 2021/08/12	Fourth meeting 2021/10/31	Total
Mr. Mohammed Sultan Al-Subaie	✓	✓	✓	✓	4
Mr. Nasser Sultan Al-Subaie	✓	✓	✓	✓	4
Mr. Mohammed Suleiman Al-Saleem	✓	✓	✓	✓	4
Mr. Khaled Suleiman Al-Saleem	✓	✓	✓	✓	4
Dr. Mohammed Ibrahim Al-Tuwajri	✓	✓	✓	✓	4
Dr. Sami Abdulkarim Al-Abdulkarim	✓	✓	✓	✓	4
Mr. Fahad Ayed Al-Shammari	✓	✓	✓	✓	4

Number of shareholders' general assembly meetings held during fiscal year 2021, and member attendance record

Member name	(1) Number of meetings Ordinary General Assembly Meeting ρ2021/04/29
Mr. Mohammed Sultan Al-Subaie	✓
Mr. Nasser Sultan Al-Subaie	✓
Mr. Mohammed Suleiman Al-Saleem	✓
Mr. Khaled Suleiman Al-Saleem	✓
Dr. Mohammed Ibrahim Al-Tuwajri	✓
Dr. Sami Abdulkarim Al-Abdulkarim	✓
Mr. Fahad Ayed Al-Shammari	✓

A table showing the interest of members of the Board of Directors and their relatives in company's shares for fiscal year ending on December 31, 2021

N	The name of the person who has the interest	Beginning of the year		End of the year		Net change	Change percentage
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
1	Mr. Mohammed Sultan Al-Subaie	17,500,000	-	17,500,000	-	0.0	0.0%
2	Mr. Nasser Sultan Al-Subaie	17,500,000	-	17,500,000	-	0.0	0.0%
3	Mr. Mohammed Suleiman Al-Saleem	4,760	-	4,760	-	0.0	0.0%
4	Mr. Khaled Suleiman Al-Saleem	4,760	-	4,760	-	0.0	0.0%
5	Dr. Mohammed Ibrahim Al-Tuwajri	2,000	-	2,000	-	0.0	0.0%
6	Dr. Sami Abdulkarim Al-Abdulkarim	3,933	-	3,933	-	0.0	0.0%
7	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 year ending on December 2021 ,31

N	The name of the person who has the interest	Beginning of the year		End of the year		Net change	Change percentage
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
1	Dr. Amin Mahmoud Al-Nimr	0.0	0.0	0.0	0.0	0.0	0.0%
2	Mr. Youssef Ahmed Suleiman	0.0	0.0	0.0	0.0	0.0	0.0%

11- Committees originating from the Board:

Executive Committee

The Executive Committee was formed according to what was stipulated in the regulations of this committee and citing the best regulations and practices applicable in the health sector locally and globally. The Executive Committee uses all the powers and bears the duties of the Board of Directors during the period between the meetings of the Board in cooperation with the Vice Chairman and Managing Director regarding the distribution of company's resources that aims to achieve alignment between the company's strategic plans and its long-term operational objectives.

The Executive Committee reviews and prepares recommendations to the Board of Directors regarding strategic decisions related to operational priorities, financial planning, the company's credit rating, cash flows, borrowing activities and investment deposits, in cooperation with the company's executive management and audit committee.

The Executive Committee includes four members of the Board of Directors, that its term began on January 2020 ,4, as shown in the table below.

N	Member name	Membership type	Number of meetingst (1) p2021/02/24
1	Mr. Nasser Sultan Al-Subaie	Committee Chairman	✓
2	Mr. Mohammed Suleiman Al-Saleem	Member	✓
3	Mr. Khaled Suleiman Al-Saleem	Member	✓
4	Dr. Sami Abdulkarim Al-Abdulkarim	Member	✓

Among the most important topics on the agenda of the Executive Committee meetings were the following:

- Periodic reviewing of the actual capital expenditures and comparing them with their approved budgets.
- Reviewing the report on risks and material events that may affect the expected operational performance of the company.
- Preparing recommendations to the Board of Directors related to annual and long-term financial goals and strategies and preparing associated performance indicators.
- Reviewing the latest developments related to artificial intelligence projects in the company.
- Reviewing and discussing all new items on the international JCI re-accreditation programs and accreditation from the Central Board for Accreditation of Health Institutions (CBAHI) in all hospitals affiliated with the medical network owned and operated by the company.
- Studying and discussing the best ways and opportunities regarding the company's future expansion projects in order to achieve an added value for the company in light of the great competition in the medical services market in general and in the cities where the company's hospitals are located in particular.

B Audit Committee

On December 2019 ,16, the Ordinary General Assembly approved the formation of the audit committee, defining its tasks, work controls, and the remuneration of its members, as stipulated in the internal governance regulations and policies and the company's articles of association, 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 2020/01/04 to 2023/01/03. the Audit Committee includes two independent members of the Board and a member from outside the Board, as shown in the table below:

Member name	Member of the Board of Directors from outside the Board of Directors	Membership type
Dr. Mohammed Ibrahim Al-Tuwajri	Independent board member	Committee Chairman
Dr. Sami Abdulkarim Al-Abdulkarim	Independent board member	Member
Mr. Aziz Mohammed Al-Qahtani	From outside the board of directors	Member

Number of audit committee meetings during the fiscal year 2021 and member attendance record

Member name	First meeting 2021/02/23	Second meeting 2021/03/14	Third meeting 2021/04/03	Fourth meeting 2021/05/09	Fifth meeting 2021/05/23	Sixth meeting 2021/08/12	Seventh meeting 2021/10/31
Committee Chairman Dr. Mohammed Ibrahim Al-Tuwajri	✓	✓	✓	✓	✓	✓	✓
Member Dr. Sami Abdulkarim Al-Abdulkarim	✓	✓	✓	✓	✓	✓	✓
Member Mr. Aziz Mohammed Al-Qahtani	✓	✓	✓	✓	✓	✓	✓

Among the most important actions of the Audit Committee during the past year were:

1. Analyzing and studying the main risks facing the company, including financial, technical and operational risks, and reviewing the policies applied by the management related to the processes of identifying, evaluating and treating those risks.
2. Supervising the Internal Control Department and reviewing its systems to verify its effectiveness in carrying out the tasks and works set by the Board of Directors, and preparing reports and recommendations regarding it.
3. Studying the internal audit reports and following up the implementation of the corrective measures for the observations contained in these reports.
4. Studying the preliminary and annual financial statements and the accounting policies followed, expressing an opinion on them and making recommendations to the Board of Directors in this regard.
5. Ensuring the independence of chartered accountants, following up on their work, and studying and evaluating audit plans with them.

Results of the annual review of the effectiveness of the company's internal control procedures Audit committee report:

The following is the report of the Audit Committee for the fiscal year ending on December 2021.31

The Audit Committee is responsible for monitoring the company's business and verifying the integrity of its financial reports, internal control systems, and risk management. The committee's tasks include, in particular, the following:

- Tasks related to the activities of the internal audit department:

The Internal Audit Department is responsible for evaluating the internal control system and its effectiveness, supervising its application, and verifying the extent to which the company and its employees comply with the applicable laws, regulations and instructions, and the company's policies. It also evaluates the company's procedures to face financial, operational and legal risks and all its activities, and submits its report to the Audit Committee of the Board of Directors that was approved by the General Assembly on a quarterly basis. The Audit Committee of the Board of Directors in turn supervises and evaluates the activities of the Internal Audit Department and reviews its annual plan, methods of implementation and corrective actions taken by the executive management regarding the observations contained in its report, in order to ensure that they are not repeated and to reinforce the opinion of the audit committee's conviction. Then the Audit Committee discusses the notes and important matters (of relative importance - if any) at the Board of Directors meeting. The scope of the Internal Audit Department includes the following:

1. Preparing the annual audit plan and approving it by the audit committee.
2. Preparing a general written report and submitting it to the Board of Directors and the Audit Committee regarding the audits conducted during the financial year and comparing them with the approved plan, clarifying the reasons for any breach or deviation from the plan, if any, and evaluating the effectiveness of the executive management towards it during the quarter following the end of the financial year.

3. Assessing the development of risk factors in the company and the existing systems to face drastic or unexpected changes in the financial market.

4. Evaluating workflow procedures and submitting proposals to verify the adequacy of those procedures to ensure the effectiveness of the internal control systems.

5. Verifying that the internal control system is in line with the company's corporate governance regulations and internal control systems to protect the company's assets and properties.

6. Permanent and continuous interaction with all departments to verify the level of full compliance with the approved internal regulations and the laws governing the activity.

7. Submitting proposals regarding the development of the internal control system and raising awareness of the importance of the role of internal control and its improvement.

8. Preparing audit reports and their results with their recommendations, following up their implementation, and submitting them to the Board of Directors and the Audit Committee.

- Tasks related to the activities of the external auditor of the company:

The Audit Committee is responsible for verifying the independence and objectivity of the auditor and the effectiveness of the audit work and reviewing his work plan. It also studies the company's initial and annual financial statements before presenting them to the Board of Directors and expresses its opinion and recommendation in it to ensure its integrity, fairness and transparency.

- Duties related to ensuring compliance:

The Audit Committee is responsible for studying the legislation of the regulatory authorities, verifying that the company has taken the necessary measures in this regard, verifying the company's compliance with the rules, regulations and policies, submitting the issues it deems necessary to take action on to the Board of Directors, and making its recommendations regarding the actions to be taken.

It is worth noting that through the audit committee carrying out its tasks and continuous work with the internal audit department, the external auditor and the executive management, the audit committee emphasizes:

- That the internal control systems are effectively applied based on an evaluation of workflow procedures and a general assessment of the risks facing the company, and that there were no matters of big impact during 2021 that required disclosure regarding the applications of financial systems and special reports on them, as well as the level of compliance with the company's governance rules.

- The financial statements and the Board of Directors' report as of December 2021.31 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 what was achieved by the Board of Directors during 2021 to verify the efficiency and effectiveness of the internal control procedures, and based on the reports and recommendations received from the Audit Committee, the Company's Board of Directors confirms the following:

- The control systems are working effectively and enabling the development of a general perception of the risks that the company may face.
- That there is no shortcoming or any fundamental change in the internal control systems and that the internal control procedures are implemented efficiently and effectively to discover errors and prevent them from occurring, and that no breaches of the internal control systems occurred during 2021.

Nomination and Remuneration Committee

The Company's Nominations and Remunerations Committee assists the Board of Directors in performing its supervisory duties efficiently and effectively. The Committee is concerned with nominating members of the Board of Directors and executive managers, studying their qualifications, ensuring their capabilities, conducting an annual review of the Board's performance in accordance with the guidelines issued and approved by the Board of Directors, conducting a periodic review of the Board's structure and the required needs for membership, setting standards to determine the independence of members, ensuring that the member does not lose his independence, ensuring the absence of any conflict of interests, making recommendations regarding changes that can be made, and setting policies for salaries, rewards and incentives programs for members of the Board of Directors and executives in the company, which aims to maximize the value of the company and evaluate the personal efforts made by each Board member and executive director in achieving the company's strategic goals.

Member name	Member of the Board of Directors\ from outside the Board of Directors	Membership type
Dr. Sami Abdulkarim Al-Abdulkarim	Independent board member	Committee Chairman
Dr. Mohammed Ibrahim Al-Tuwajri	Independent board member	Member
Mr. Fahad Ayed Al-Shammari	Independent board member	Member

Number of meetings of the Nomination and Remuneration Committee during the fiscal year 2021 and the member attendance record

Member name	Membership type	First meeting 1 p2021/2/24	Second meeting 2 p2021/11/16
Dr. Sami Abdulkarim Al-Abdulkarim	Committee Chairman	✓	✓
Dr. Mohammed Ibrahim Al-Tuwajri	Member	✓	✓
Mr. Fahad Ayed Al-Shammari	Member	✓	✓

Among the most important matters that were discussed in the meetings of this committee during the year 2021 were the following:

1. Discussing the structure of the board of directors.
2. Verifying the independence of the independent members, looking into whether any symptoms of independence occurred in any of them, and making sure that no member of the board of directors has any business that competes with the company's business, contrary to what was approved by the extraordinary general assembly in its meeting on 2021/04/29 - 1442/09/17. The Committee recommended to the Council that it should be submitted to the General Assembly to renew its license, which allows the practice of competing businesses for a period of one year.
3. Discussing the company's need for executive positions, recommending the establishment of a department specialized in information security, and appointing a manager for it from among the qualified national cadres.
4. Recommending the re-formation of the Audit Committee in the fiscal year 2022.
5. Recommending the approval of the payment of a reward of 450 thousand riyals to each member of the Board of Directors for the fiscal year 2021 in return for the membership of the Board.
6. A recommendation to approve the payment of a reward for the fiscal year 2021 in the amount of 500 thousand riyals to the Chairman of the Audit Committee in return for his chairmanship of the committee, and an amount of 150 thousand riyals for each member of the committee in return for membership in the committee.

12- Remuneration policy for members of the board of directors and executive management:

The remunerations of the members of the Board of Directors are determined in accordance with the recommendations of the Nominations and Remunerations Committee, taking into account that they are in accordance with the statutory rules and within the limits of the Companies Law or any other complementary systems, and that they are consistent with the company's strategy and objectives. It should also take into account the need to attract the best members to the Board of Directors, maintain them, and motivate them to perform their duties professionally and efficiently, taking into account the sector in which the company operates and the performance indicators.

In addition to the fixed salaries and job allowances that senior executives receive, the board of directors determines the remunerations of senior executives based on the recommendation of the Nomination and Remuneration Committee which is based on the annual evaluation carried out in this regard. It also takes into account that they are compatible with the company's objectives, appropriate to the nature of its business, activity and size, consistent with the company's need to attract those with the necessary capabilities, qualifications and skills and consistent with the job level, tasks and responsibilities.

Board of Directors	Fixed remuneration						Variable remuneration						End of Service Reward	Grand total	Expenses allowance	
	Certain amount	Allowance for attending Board meetings	Allowance for attending committee meetings	1-kind rewards	Allowance for special awards (merit or achievement)	Remuneration of the Chairman of the Board of Directors if he is a director	Total	Percentage of profits	Regular bonus	Short term motivational plans	Long term motivational plans	Granted shares				Total
First: Independent members																
Dr. Mohammed Ibrahim Al-Tuwajri	450,000	12,000	30,000	-	-	-	492,000	-	-	-	-	-	-	-	492,000	-
Dr. Sami Abdulkarim Al-Abdulkarim	450,000	12,000	33,000	-	-	-	495,000	-	-	-	-	-	-	-	495,000	-
Mr. Fahad Ayed Al-Shammari	450,000	12,000	9,000	-	-	-	471,000	-	-	-	-	-	-	-	471,000	-
Total	1,350,000	36,000	72,000	-	-	-	1,458,000	-	-	-	-	-	-	-	1,458,000	-
Second: Non-executive members																
Mr. Mohamed Sultan El Subaie	450,000	9,000	-	-	-	-	459,000	-	-	-	-	-	-	-	459,000	-
Total	450,000	9,000	-	-	-	-	459,000	-	-	-	-	-	-	-	459,000	-
Third: Executive members																
Mr. Nasser Sultan Al-Subaie	450,000	6,000	-	-	-	-	456,000	-	-	-	-	-	-	-	456,000	-
Mr. Mohammed Suleiman Al-Saleem	450,000	6,000	-	-	-	-	456,000	-	-	-	-	-	-	-	456,000	-
Mr. Khaleel Suleiman Al-Saleem	450,000	6,000	-	-	-	-	456,000	-	-	-	-	-	-	-	456,000	-
Total	1,350,000	18,000	-	-	-	-	1,368,000	-	-	-	-	-	-	-	1,368,000	-

Senior Executives Remuneration Table:

	Fixed remuneration				Variable remuneration						End of Service Reward	Total executive remuneration for the board	Grand total
	Salaries	Allowances	In-kind rewards	Total	Regular bonus	Percentage of profits	Short-term motivational plans	Long-term motivational plans	Granted shares	Total			
2021	8,820,000	2,470,000	229,500	11,519,500	14,923,258	-	-	-	-	14,923,258	-	6000	26,448,758

The company has committed to disclose the remuneration of senior executives in total in accordance with the statutory requirements contained in sub-paragraph (4/b) of Paragraph (a) of Article (93) of the Corporate Governance Regulations without disclosing it in detail as contained in Annex (1) regarding remuneration Senior executives, in order to protect the interests of the company, its shareholders and employees, and to avoid any harm that may be caused to the company as a result of detailed disclosure.

Committee member remuneration:

Member name	Fixed remuneration (except for the allowance for attending sessions)	Allowance for attending sessions	Total
Audit Committee Members			
Dr. Mohammed Ibrahim Al-Tuwajri	150,000	21,000	171,000
Dr. Sami Abdulkarim Al-Abdulkarim	150,000	21,000	171,000
Mr. Aziz Mohammed Al-Qahtani	150,000	21,000	171,000
Total	450,000	63,000	513,000

Remuneration and Nominations Committee Members			
Dr. Sami Abdulkarim Al-Abdulkarim	-	9000	9000
Dr. Mohammed Ibrahim Al-Tuwajri	-	9000	9000
Mr. Fahad Ayed Al-Shammari	-	9000	9000
Total	0	27,000	27,000

Executive Committee Members			
Mr. Nasser Sultan Al-Subaie	-	-	-
Mr. Mohammed Suleiman Al-Saleem	-	-	-
Mr. Khalid Suleiman Al-Saleem	-	-	-
Dr. Sami Abdulkarim Al-Abdulkarim	0	3000	3000
Total	0	3000	3,000



13- Shareholder relations and the actions taken by the Board of Directors to inform its members of their suggestions and comments regarding the company and its performance:

The Corporate Governance Regulations stipulate that the general assembly meetings must be attended by the heads of the committees originating from the board or their representatives from 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 should be included in the minutes of the assembly meetings, where these minutes are viewed by all members of the board of directors, in addition to the fact that the company's management intends, during the upcoming general assembly meetings, to distribute cards to the shareholders to express their opinion and submit proposals about the company's performance or any other observations to be taken into account and to inform the members of the board of directors.

As a link between the company and the shareholders and external stakeholders outside the times of the company's general assembly, the managing director of the company, assisted by the Secretary of the Board of Directors, undertakes to communicate in two directions, with 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. With this communication, opinions, inquiries, complaints, proposals and remarks of the aforementioned parties are received through multiple means, and they are shared with the executive management and members of the Board of Directors to interact with them quickly. In order to see the latest developments surrounding the company, those in charge of investor relations are keen to attend conferences and events related to current shareholders and potential investors, as well as host special visits for analysts. During its periodic meetings, the board of directors is informed of all developments in the investor relations file.

14- The company's requests for the shareholders' register

During the fiscal year 2021, the company requested the shareholders' register 6 times, and the following table shows the number and dates of the company's requests to the shareholders' register and their reasons:

Number of requests	Request date	Property profile date	Reasons for request
1	2021/02/03	2020/12/31	Update shareholder file with restrictionst
2	2021/02/03	2020/12/31	The company's procedures for the end of the fiscal year and the preparation of the report of the Board of Directors
3	2021/04/05	2021/04/29	Preparation for the Ordinary General Assembly meeting held on 2021/04/29
4	2021/04/25	2021/04/24	Shareholder Relations Procedures
5	2021/05/04	2021/05/03	Update the cash dividends file
6	2021/08/03	2021/08/02	Shareholder Relations Procedures

15- The company's commitments to corporate governance regulations:

The company is committed to implementing the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority. The Board of Directors supervises the compliance of the concerned company's departments with the corporate governance standards and regulations issued by the Capital Market Authority. It also conducts a continuous review of the company's corporate governance regulations to update them through the committees originating from the Board, which saw that provisions, policies and standards compliance has been achieved, except for the following:

Article / paragraph number	Article/paragraph text	Reasons for not applying
Article 41: Evaluation paragraph (b) paragraph (e)	b) The performance appraisal procedures must be written and clear and disclosed to the members of the Board of Directors and the persons concerned with the appraisal. e) The Board of Directors shall make the necessary arrangements to obtain an evaluation of its performance by a competent third party every three years.	In accordance with the provisions of the corporate governance regulation regarding the tasks entrusted to the Nominations and Remunerations Committee, including, but not limited to: Conducting a periodic review of the structure of the Board of Directors, and setting policies related to salaries, remuneration programs and incentives for members of the Board of Directors and executive managers of the company, to ensure this, it is necessary to evaluate those works carried out by the Board of Directors and the Executive Management.
Article 70	Formation of a 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	Duties of the risk management committee	
Article 72	Meetings of the risk management committee	
Article 85: Motivating employees Paragraph (2) Paragraph (3)	2) Programs for granting employees shares in the company or a share of the profits it achieves, retirement programs, and establishing an independent fund to spend on those programs 3) Establishment of social institutions for employees of the company	Under study / paragraphs of a guiding article
Article 95	Formation of the Corporate Governance Committee	he Audit Committee monitors the implementation of the provisions of the company's corporate governance regulations and follows up on their updates / guiding article

16- Disclosure policies and procedures:

The company applies an approved regulation for disclosure and transparency of information in the company in accordance with the requirements of the corporate governance regulations issued by the Capital Market Authority and in accordance with the companies' system, the rules for offering securities, continuing obligations, and the company's articles of association, and through a system followed by the company to classify information in terms of its nature and the necessity and periodicity of its disclosure. Mouwasat Company is keen to provide updated and accurate information regularly to all related parties without discrimination through the website of the Saudi Stock Exchange (Tadawul) and the company's website www.mouwasat.com, taking into account the need to respond in a reasonable manner to periodic questions from all stakeholders and the media without prejudice to the requirements of laws and regulations and in a manner that does not constitute a breach of legal professionalism or a source of serious damage to the company's market or competitive position.

17- Interests of Board Members and Related Parties:

Contracts and transactions executed by the company with related parties during the year 2021

Following the Article (2) of the Mouwasat Company's Transparency and Disclosure Policy and Article (90) of the Corporate Governance Regulations, the Mouwasat Company's management confirms the following:

1- That during 2021, there were no business or contracts in which the company was a party and in which there is a direct or indirect interest for any of the chairman and members of the board or the executive directors of the company or the financial manager, except for what was approved by the General Assembly in its meeting on / 04/29 - 1442/17/09 2021 including:

1-1 Supply contracts, rent and annual travel tickets between Mouwasat Medical Services Company and Mouwasat International Company Ltd, owned by and linked to 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), where the executed value amounted to these contracts during 2021 reached 29.3 million riyals, and the company's management estimates the value of the supply, rent and travel tickets contracts expected to be implemented during 2022 at an amount of 45 million riyals, which will be contracted according to the company's procurement system without preferential terms and for a period of one year.

2-1 Contracts for the implementation and supply of work related to advertising and marketing between Mouwasat Medical Services Company and Advision Media solution for Trade, which has an interest with one of the members of the Board of Directors (Mr. Khaled Sulaiman Al-Saleem), where the executed value of these contracts during the year 2021 amounted to 26.9 million riyals, and the company's management estimates the value of contracts for the supply of works related to advertising and marketing expected to be implemented during the year 2022 at an amount of 30 million riyals, 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 Fozan & Partners) has been assigned to carry out agreed procedures to study these transactions and make any observations on them, and their report on this matter is attached.

The following table summarizes the transactions that took place with related parties during the fiscal year 2021

Related Party	Nature of relationship	Nature of contracts	Contract Duration	Transaction value
Mouwasat International Company	Owned by Mr. Mohammed Sultan Al-Subaie	Supply, rent and ticket contracts	One year	29.3 million riyals
	Owned by Mr. Nasser Sultan Al-Subaie			
	Linked to an interest with Mr. Mohammed Sulaiman Al-Saleem			
Advision Media solution	Linked to an interest with Mr. Khaled Sulaiman Al-Saleem	Supplying advertising and marketing works	One year	26.9 million riyals

2. That no member of the Board of Directors has any business that competes with the work of the Mouwasat Medical Services Company, contrary to what was approved by the General Assembly in its meeting on 09/17/1442 - 04/29/2021.

3. The Company has not provided any cash loan of any kind to any of its board members, nor has it provided any guarantees of loans made by any of its board members with third parties.

4. The external auditor during fiscal year 2021 did not provide any services of an advisory nature and did not receive any other fees in this regard.

18- Approved Accounting Standards:

Based on what was stated in the circular of the Capital Market Authority No. p./15/12231/1 dated 12/08/2015 regarding approving the application of international accounting standards in the Kingdom of Saudi Arabia to financial statements prepared for financial periods beginning on 01/01/2017, the company has prepared its consolidated financial statements for the fiscal year 2021 in accordance with these standards, noting that the application of the new international standards No. 15, 9 and 16 has started from the effective date, and accordingly, there are no differences from the standards for preparing the financial statements as approved in the Kingdom.

19- Regular payments paid and due:

It was agreed with the General Authority of Zakat and Income on the company's final zakat assessments for all years until the year 2016. The company also submitted its zakat declaration for the fiscal year 2020, and an amount of 28.7 million riyals was paid during the fiscal year 2021 for the due to the General Authority of Zakat and Income.

A statement of the value of paid and due regular payments (in millions of riyals):

Statement	2021		Brief description	Reasons
	Paid	Due until end of financial period		
Zakat	28.7	23.7	Estimated zakat base until 2021	Payment is to be made with the submission of the zakat declaration during the following year
Value added tax	215.8	14.9	The tax calculated on the services provided is submitted to the General Authority for Zakat and Income on a monthly basis	Payment is made during the month following the calculation month
Withholding Tax	2.4	0.06	For services provided by foreign and non-resident entities, as well as for dividends to non-resident shareholders	Payment is made during the month following the deduction month
General Organization for Social Insurance	28.6	2.4	Monthly insurance premiums payable for employees	Payment is made during the month following the maturity month



20- Board declarations:

The company's board of directors declares the following:

- That the account records are properly prepared.
- The internal control system was prepared on sound foundations and implemented effectively.
- There is no doubt about the company's ability to continue its activity.

The Board of Directors also declares the following:

- There are no shares or debt instruments issued by the subsidiaries.
- No one has informed the company of any class of voting shares.
- There are no convertible debt instruments, contractual securities, subscription right memoranda, or similar rights issued by the company during the fiscal year 2021.
- There are no transfer or subscription rights under convertible debt instruments, contractual securities, subscription right memoranda, 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 under which a member of the company's board of directors or a senior executive has waived any remuneration.
- There are no arrangements or agreements under which any of the company's shareholders has waived any rights to profits.
- There are no treasury shares held by the company.
- There is no penalty, material penalty or reserve restriction imposed on the company during the year 2021.
- The auditor's report does not include any reservations on the annual financial statements during the fiscal year 2021.
- No recommendation was made by the Board of Directors to change the auditor before the expiry of the period for which he was appointed.
- There are no investments or reserves created for the benefit of the company's employees.

21- Social Contributions Details:

For the company's board of directors believes in social responsibility, the company has played its role by actively contributing to community service by participating in many activities and events in a number of cities in the Kingdom where the company's hospitals are located. Among its most important contributions in 2021 are the following:

Participation in sponsoring some events with a number of official and civil authorities, including:

- Participation with the Directorate of Health Affairs in the Eastern Region in sponsoring the Command and Control Center Honoring Ceremony on October 2021,19.
- Participation with Asharqia Chamber in the main sponsorship of the Incubator of the Asharqia Chamber for Entrepreneurship during the month of October 2021.
- Participation with Asharqia Chamber in Diamond Sponsorship of the Logistics Forum on November 2021 ,7.
- Participation with Asharqia Chamber's in major sponsorship of the 70th anniversary of giving to the Chamber on December 2021 ,5.
- Participation with King Fahd Military Medical Complex in sponsoring the Third Quality Conference, from 7 to 9 December 2021.
- Participation with the Arab Administrative Development Organization in sponsoring the Twentieth Arab Conference in Cairo under the title Arab Health Systems in the Light of the Fourth Industrial Revolution and the Repercussions of the Corona Pandemic, which took place from 20 to 21 December 2021.

Participation in the national campaign to vaccinate all segments of society:

The company participated in the national campaign to vaccinate all segments of society, including citizens and residents, where the Corona virus vaccine service was provided to more than 200,000 beneficiaries through its hospitals located in Riyadh, Dammam and Khobar.



Mouwasat Hospital - Riyadh



Mouwasat Hospital - Dammam



Mouwasat Hospital - Khobar

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

- Lecture on developments in cardiothoracic surgery at Mouwasat Hospital in Qatif on January 2021 .4
- Lecture on developments in cardiothoracic surgery at Mouwasat Hospital in Jubail Industrial on January 2021 .5
- Lecture on developments in cardiothoracic surgery at Mouwasat Hospital in Al-Khobar on January 2021 .6
- Lecture on behavioral changes resulting from communication problems at Mouwasat Hospital in Al-Khobar on January 2021 .12
- Lecture on behavioral changes resulting from communication problems at Mouwasat Hospital in Qatif on January 2021 .13
- Lecture on behavioral changes resulting from communication problems at Mouwasat Hospital in Jubail Industrial on January 2021 .14
- Lecture on developments in the treatment of strokes at Mouwasat Hospital in Al-Khobar on January 2021 .24
- Lecture on developments in the treatment of strokes at Mouwasat Hospital in Qatif on January 2021 .25
- Lecture on developments in the treatment and surgery of the heart at Sheraton Hotel on January 2021 .27
- Lecture on developments in the treatment of strokes at Mouwasat Hospital in Jubail Industrial on February 2021 .2
- On the occasion of World Cancer Day, Mouwasat Hospitals held an awareness campaign on February 2021 .4
- Lecture on developments in shoulder and arm surgeries at Mouwasat Hospital in Al-Khobar on February 2021 .14
- Lecture on developments in shoulder and arm surgeries at Mouwasat Hospital in Qatif on February 2021 .15
- Lecture on developments in the treatment of the digestive system for children at Mouwasat Hospital in Al-Khobar on February 2021 .23
- Lecture on developments in shoulder and arm surgeries at Mouwasat Hospital in Jubail Industrial on February 2021 .24
- Lecture on developments in the treatment of the digestive system for children at Mouwasat Hospital in Qatif on February 2021 .25
- Lecture on developments in the treatment of the digestive system for children at Mouwasat Hospital in Jubail Industrial on March .1 2021
- Lecture on developments in the treatment of the digestive system using endoscopy for adults at Mouwasat Hospital in Jubail Industrial on March 2021 .3
- Lecture on developments in the treatment of the digestive system using endoscopy for adults at Mouwasat Hospital in Qatif on March 2021 .3
- Lecture on developments in endoscopic sinus surgery at Mouwasat Hospital in Al-Khobar on March 2021 .4
- Lecture on developments in oncology at Mouwasat Hospital in Qatif on March 2021 .11
- On the occasion of World Oral and Dental Health Day, Mouwasat Hospitals held an awareness campaign on March 2021 .20
- Lecture on developments in the treatment of adult oncology at FAG Hospital on March 2021 .23
- Lecture on developments in oral and maxillofacial surgery at Al-Youssef Hospital on March 2021 .30
- Lecture on developments in oral and maxillofacial surgery at Al-Saif Medical on March 2021 .31
- Lecture on developments in gynecological endoscopy and women's cosmetic operations at Mouwasat Hospital in Dammam on April .1 2021
- Lecture on developments in the treatment of delayed childbearing and infertility at Mouwasat Hospital in Al-Khobar on April 2021 .1
- Lecture on developments in oncology treatments for adults at Mouwasat Hospital in Jubail Industrial on April 2021 .4
- Lecture on developments in the treatment of delayed childbearing and infertility at Mouwasat Hospital in Jubail Industrial on April .7 2021

- Lecture on developments in the treatment of delayed childbearing and infertility at Mouwasat Hospital in Qatif on April 2021 .8
- Establishing an awareness campaign about diabetes and fasting in all Mouwasat hospitals on April 2021 .25
- Lecture on developments in gynecological endoscopy and women's cosmetic operations at Mouwasat Hospital in Qatif on June 2021 .1
- Lecture on developments in the treatment of strokes at Mouwasat Hospital in Qatif on June 2021 .8
- Lecture on developments in the treatment of strokes at Mouwasat Hospital in Al-Khobar on June 2021 .13
- Lecture on developments in nuclear medicine treatment at Mouwasat Hospital in Qatif on June 2021 .15
- Lecture on developments in nuclear medicine treatment at Mouwasat Hospital in Jubail Industrial on June 2021 .19
- Lecture on developments in nuclear medicine treatment at Mouwasat Hospital in Dammam on June 2021 .22
- Lecture on developments in stroke treatment at Sheraton Hotel on July 2021 .5
- Lecture on developments in stroke management at Sheraton Hotel on July 2021 .26
- Lecture by the Orthopedic Department under the title Surgical Indications for Rotator Cuff Syndrome at the Sheraton Hotel on August 2021 .16
- Lecture on developments in endoscopic surgery for the sinuses at the Sheraton Hotel on September 2021 .27
- Heart disease awareness campaigns in Mouwasat Hospitals on the occasion of World Heart Day on September 2021 .29
- Awareness campaigns about breast cancer in Mouwasat hospitals on the occasion of the International Breast Cancer Day on October 2021 .9
- Lecture on developments in prosthodontics at Mouwasat Hospital in Jubail Industrial City on October 2021 .24
- A conference under the title Stroke Program, at Mouwasat Hospital in Dammam, on October 2021 .30
- Lecture on developments in prosthodontics at Mouwasat Hospital in Al-Khobar on October 2021 .31
- Lecture on developments in vascular surgery at Mouwasat Hospital in Al-Khobar on November 2021 .1
- Conducting an awareness campaign on diabetes in Mouwasat Hospitals on the occasion of World Diabetes Day during November 2021
- Lecture on developments in vascular surgery at Sheraton Hotel on December 2021 .20
- Lecture on developments in prosthodontics at Mouwasat Hospital in Qatif on December 2021 .21

Participation in educational and awareness-raising television programs on:

- An interview with Dr. Nada Al-Sheikh, the ENT consultant, about developments in the treatment of endoscopic sinus problems, on the Good Morning Arab program on mbc1 on November 2021 .15
- An interview with Dr. Mohammed Al-Khazaleh, a consultant in rheumatology and interventional pain management, on the Good Morning Arab program on mbc1 on November 2021 .22
- An interview with Dr. Mohammed Al-Mahdi, a consultant neurologist, about developments in the treatment of strokes on the Good Morning Arab program on mbc1 on November 2021 .29
- An interview with Dr. Mohamed Abdel Hai, a pediatric neurosurgeon, about developments in brain electricity treatments for children in the Good Morning Arab program on mbc1 on December 2021 .6
- An interview with Dr. Haitham Abdullah, a consultant urologist, about developments in the treatment of prostate enlargement, on the Good Morning Arabs program, mbc1 channel, on December 2021 .13
- An interview with Dr. Hatem Mohamed, a consultant hematologist, about developments in the treatment of lymphomas, on the Good Morning Arab program on mbc1 on December 2021 .20

22- Board recommendations and closing statement

The Board of Directors would like to express its pride in the results reviewed in this report and which are clarified through the consolidated financial statements for the fiscal year ending on December 2021 .31. As the company turns a new page of achievements during the fiscal year 2021, the Board of Directors recommends the following:

- Approval of the report of the Board of Directors for the financial year ending on 2021/12/31.
- Approval of the company's auditor's report for the fiscal year ending on 2021/31/12.
- Approval of the financial statements for the fiscal year ending on 2021/12/31.
- 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 quarter, third quarter, and annual of the fiscal year 2022 and the first quarter of the fiscal year 2023, and determining his fees.
- Approval of the Board of Directors' recommendation to distribute cash dividends to shareholders for the fiscal year ending on 2021/12/31 in the amount of 275 million riyals, at 2.75 riyals per share, equivalent to 27.5% of the capital, provided that the eligibility for profits is for the shareholders who own shares on the day of the company's general assembly and who are registered in the company's shareholders register with 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 business and contracts that will be concluded between the company and the Mouwasat International Company Limited, in which the members of the board of directors, Mr. Mohammed Sultan Al-Subaie and Mr. Nasser Sultan Al-Subaie, have a direct interest in, and the member of the Board of Directors, Mr. Mohammed Suleiman Al-Saleem, has an indirect interest in. The interests are contracts of supply, rent and travel contracts according to the company's procurement system without preferential terms, noting that the value of what was implemented during the year 2021 of supply contracts, rents and travel tickets amounted to 29.3 million riyals.
- Approval of the works and contracts that will be concluded between the company and the Advision Media solution, in which a member of the board of directors, Mr. Khaled Suleiman Al-Saleem, has an indirect interest, which is a contract for the implementation and supply of works related to advertising and marketing in accordance with the company's procurement system without preferential conditions, noting that the value of The contracts implemented during the year 2021 for the implementation and supply of advertising and marketing work amounted to 26.9 million riyals.
- Approval of the participation of some members of the board of directors in a competing business due to their membership in the boards of directors of companies working in the field of medical services.
- Approval to increase the number of members of the Audit committee to 4 members instead of 3 members, and the inclusion of Mr. Fahad Ayed Al-Shammari to the Audit committee for the rest of its current session.
- Approval to stop setting aside of 10% of net profits to form the Statutory reserve where the company's Statutory reserve amounted to 30% of the paid-up capital.
- Approval to absolve the members of the Board of Directors from liability for the period ending on 2021/12/31.
- Approval of the disbursement of an amount of 450,000 riyals as a reward to each member of the Board of Directors for the year ending on 2021/12/31 in return for their membership in the Board.

Closing Word

The company's board of directors seizes the opportunity through this report to extend its heartfelt thanks to the shareholders, clients of the company, banks, and government agencies for their trust, support and cooperation. It also extends its thanks to all the company's employees for their great efforts in performing their tasks. It confirms that your company will continue with the help of God Moving forward to maximize the value of its shareholders' investments tirelessly and with the highest degree of diligence and efficiency.

**May God bless you
On behalf of the company's
board of directors**

Vice Chairman and CEO
Nasser Sultan Al-Subaie

Managing Director
Mohammed Suleiman Al-Saleem