



Annual Report 2023

ننبض برعايتك
Caring with every
heartbeat

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah



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The Board of Directors of the National Medical Care Company. (CARE) is pleased to present to you the Annual Report of the Board of Directors for the fiscal year ended on 31 December 2023. This Report reviews the performance of the Company during the past fiscal year, in addition to the financial statements, their explanatory notes, and the statutory auditor's report for the fiscal year ended on 31 December 2023. It also contains information on the Company's governance mechanisms, disclosures related to the Board of Directors, its committees, Senior Executives, contracts, and transactions with related parties. Based on the Board of Directors' commitment to transparency in accordance with the regulations issued by the relevant authorities, this Report comes in line with the disclosure requirements stipulated in the new Companies Law issued under Royal Decree (M/132), dated 1443/12/1 AH corresponding to 2022/6/30 AD, and in the Implementing Regulations of the Companies Law for Listed Joint Stock Companies. The Report also fulfills the requirements set forth in Articles (87) and (90) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority under Resolution No. 2017-16-8, dated 1438/05/16 AH, corresponding to 2017/02/13. Additionally, the Report is issued based on the Companies Law issued under Royal Decree No. M/3, dated 1437/01/28AH, as amended by the Capital Market Authority's Board Resolution No. 2023-5-8 dated 1444/6/25 AH, corresponding to 2023/01/18; the Companies Law issued under Royal Decree No. M/132 dated 1443/12/1 AH; and Article (82) of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority's Board Resolution No. 2017-123-3 dated 1439/04/09 AH, corresponding to 2017/12/27, as amended by the Capital Market Authority's Board Resolution No. 2023-5-8 dated 1444/6/25 AH, corresponding to 2023/1/18.

1966



The opening of the first private hospital by the GOSI under the name of the National Hospital.

1990



Establishing the Insurance Hospital, which was affiliated with GOSI

Riyadh



56

Years

نبض برعايتك

Caring with every heartbeat

2003



The National Medical Care Company began a partnership between the public sector, represented by GOSI, and a group of shareholders from the private sector.

2013



Transforming the company into a joint stock company in the Saudi financial market (Tadawul), and renewing its visual identity to keep pace with new challenges and express its future vision.

Transforming the company into a joint stock company in the Saudi financial market (Tadawul), and renewing its visual identity to keep pace with new challenges and express its future vision.



2016

Mecca 2023

Care Medical Center Al Haram is a distinguished medical center with a strategic location close to the Holy Mosque of Mecca in the Hilton Towers. It aims to provide emergency medical services 24 hours a day, 7 days a week, in addition to providing distinguished health care to visitors to the Holy Mosque in Mecca and residents of the area.



After more than 56 years of experience and giving, Care Medical renews its vision of building a promising future, and renews its commitment to meeting experts at the heart of Care. From distinguished doctors to modern treatment methods, providing patients and society with the best possible care.

2023

An Overview of the Financial Performance:



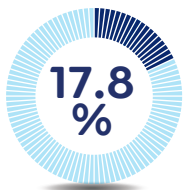
Increase in surgical procedures



Increase out patient in clinics and emergency visitors



Increase in hospital admissions



Increase in revenues
Change percentage between 2022 and 2023

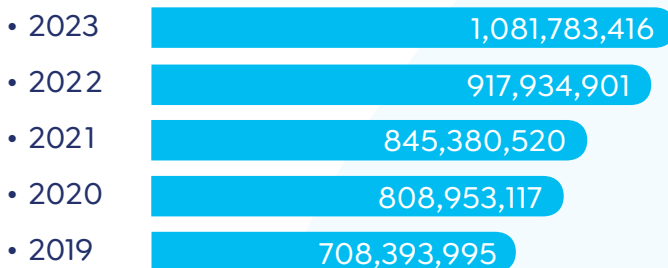


Increase in total assets
Change percentage between 2022 and 2023

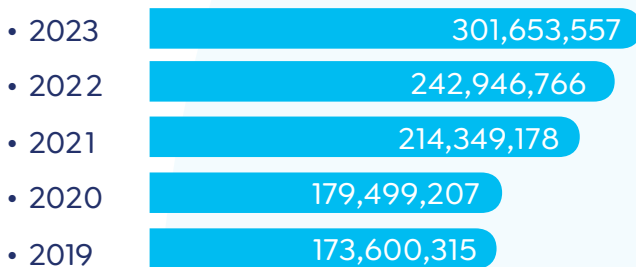


Increase in equity
Change percentage between 2022 and 2023

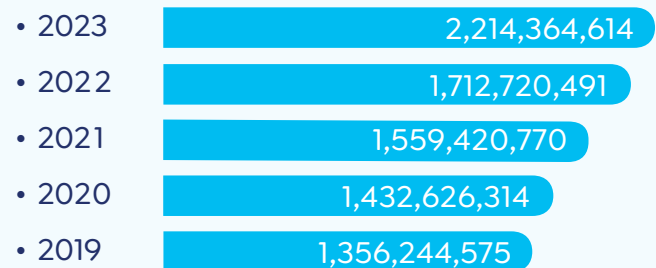
Revenues



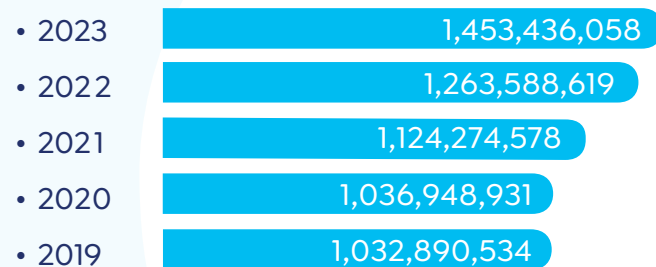
Earnings before interest, taxes, amortization (EBITA)



Total Assets



Equity



Key Milestones in 2023



Introduction

The year 2023 has come to an end, and the National Medical Care Co. has achieved numerous accomplishments, faced challenges, and encountered opportunities. It concluded the year with a clear positive trajectory that leads it towards further success in the future. This year has witnessed many achievements and developments in various sectors of work.

Initiatives

4 conference calls with the investment community to discuss the first, second, third quarters, and annual financial results.

200+ Multiple visits were made by investment delegations to the Company's headquarters and its hospitals. Additionally, direct meetings were held with over 200 members of the investment community.



Concluding agreements and partnerships with several universities and colleges such as: Almaarefa University, Princess Nourah University, Riyadh Elm University, Vision Colleges, Al Faisal University, Dar Al Uloom University, and the Health College affiliated with the Saudi Commission for Health Specialties



Continuation of partnership with **Al-Nassr FC** as medical partner.

+
60

events, exhibitions, awareness campaigns, and health activities



Concluding an agreement with the Rheumatoid Arthritis Association

Accreditations, and Certificates:

Care Medical Hospitals have obtained many national and international certificates and accreditations, through striving to achieve its vision to be at the forefront of health care and ensure that patients are provided with exceptional services and experiences.

These accreditations are for many areas, including quality assurance, patient safety, risk management, comprehensive quality, and excellence in health care.



			
1st Certificate JAN. 2023	1st Certificate MAR. 2023	1st Certificate MAR. 2023	1st Certificate MAR. 2023



				
2nd Accreditation JAN. 2023	2nd Accreditation JAN. 2023	1st Accreditation MAR. 2023	CBAHI-ESR Accreditation NOV. 2023	5th Accreditation 2022



					
1st Accreditation FEB. 2023	3rd Accreditation SEP. 2023	3rd Accreditation OCT. 2023	3rd Accreditation NOV. 2023	CBAHI-ESR Accreditation NOV. 2023	1st Accreditation 2022

Sustainability

The National Medical Care Company has issued its first-ever Sustainability Report for the year 2022, marking a significant milestone in its history. The Company is committed to continuing this practice and will issue the Sustainability Report for the year 2023, encompassing the three pillars of governance, social, and environmental aspects.

The Report addressed the Company's methodology regarding the integration of sustainability as a primary goal within its daily operations. This was achieved through the Sustainability Committee formed at the Executive Management level. Given that sustainability-related aspects impacting the Company's operations, ambitions, initiatives, and performance, the Company has relied on national sustainability standards in preparing its reports. This is to ensure their alignment and compatibility with the Vision 2030, their comprehensiveness, and their focus on the three ESG pillars. Furthermore, the Company has actively engaged stakeholders while considering international references, standards, relevant laws and regulations that align and harmonize with the goals of sustainable development.

Economic Aspect & Governance

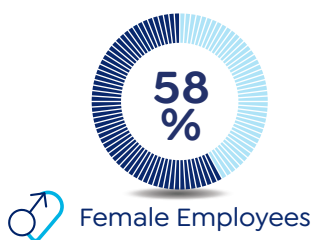
National Medical Care Company's governance framework aims to uphold integrity, transparency, and commitment to the best interest of all stakeholders. Best governance practices are implemented in the Company to attract highly qualified board members and achieve the Company's best business practices while adhering to regulations and laws issued by the relevant authorities. Moreover, effective corporate governance also supports transparency in implementing the Company's strategy. In this context, the National Medical Care Company has updated its Articles of Associations, policies, and regulations over the past year. The Company is committed to avoiding any conflicts of interest that could impact the management or decision-making of the Company. It also strives to protect the rights of shareholders and stakeholders in a manner that is consistent with the Company's articles of association, provisions of the Companies Law, the Capital Market Authority's laws and their executive regulations.

Social Pillar

Care provides development programs based on the needs of the local community and plans to engage stakeholders. These programs include:

- Supporting healthier lives through new healthcare solutions / Facilitating online appointment booking - Homecare services - Medical insurance.
 - The rehabilitation, training, and employment tackling program (Tamheer).
 - Reducing local education gaps and supporting creative talents through providing a smart learning environment (Care Academy).
- We take pride in the diversity of nationalities and cultures among the employees at Care, which contributes to fostering a work culture that is built on mutually benefiting from experiences, knowledge, and expertise. As part of our ongoing efforts towards empowering women, enhancing their roles, and providing a conducive work environment for them,
- we are committed to ensuring diversity, inclusivity, non-discrimination, and equal opportunities in the workplace.
- We are also proud to announce that Care has been awarded the Labor Award for Saudization in 2023.

Employee Percentage



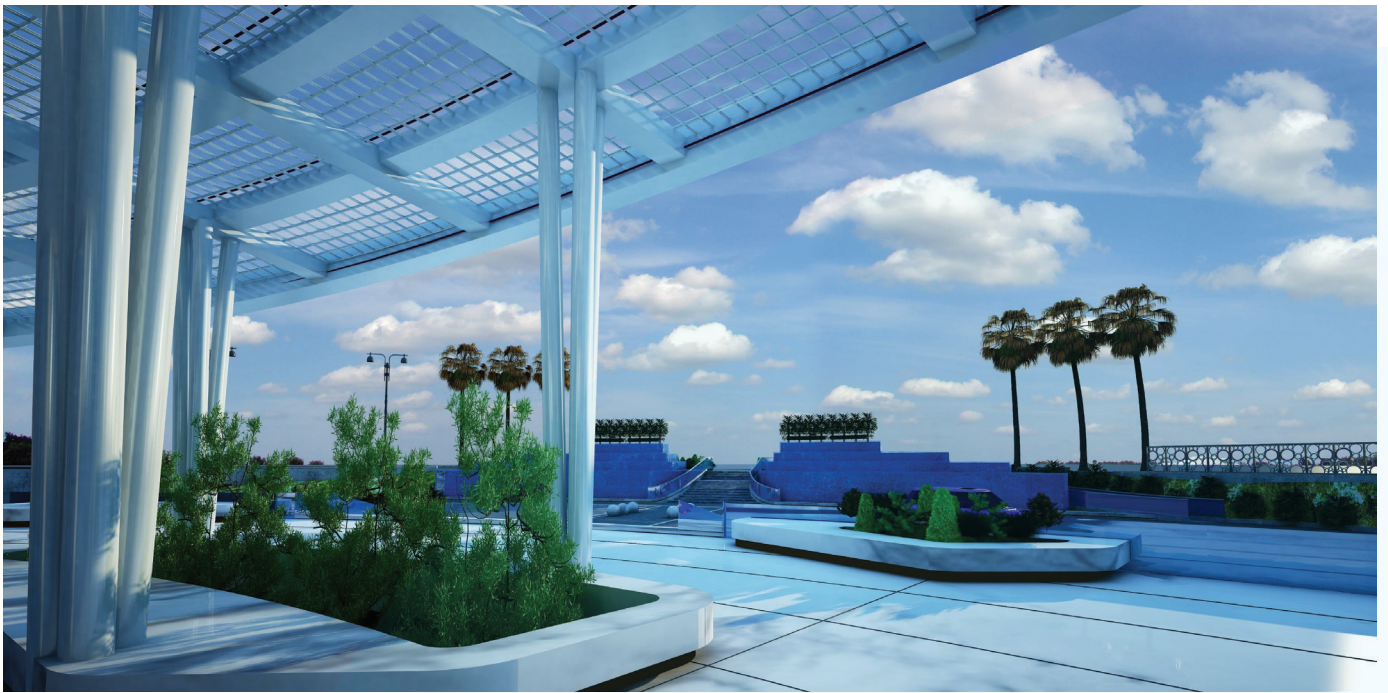
Summary of Employee Age Categories

Age Categories	29-20	39-30	49-40	59-50	60+	Total
Total employees per category	676	1112	428	191	45	2452

Environmental Pillar

The environment is a crucial pillar in all our operations. We prioritize the protection of our employees, establishing sustainable life cycles for our services, and safeguard the health of the communities in which we live and work. We continue to intensify our efforts to develop policies, procedures, and enhance environmental performance while fostering an environmental culture. Following this approach stems from our belief that the environment and health are fundamental values, just like our commitment to continuously improve our services, operations, and business success.

The Company believes that the values of sustainability can only be effectively integrated into our operations through raising awareness among employees and key stakeholders. In order to engage our workforce in enhancing sustainability and achieving excellence, various measures are taken to promote sustainable environmental awareness, which helps address environmental concerns. The Company also strives to increase green spaces and transform buildings into environmentally-friendly green structures. It worth mentioning that there were no instances of non-compliance with environmental laws and regulations at (Care) in 2023.



Strategy:

The Care strategy, launched in 2022, contributes to defining our priorities and focusing our resources to drive sustainable growth, enhance stakeholder value, and achieve our vision of being at the forefront of healthcare. Our aim is to provide advanced healthcare to improve community health through the pursuit of excellence. The strategy revolves around four objectives; namely, activating the value of interlinking business units, expanding healthcare services in Riyadh, delivering exceptional services to patients and partners, and serving new population segments and geographical areas.

We are committed to keeping pace with the strategic and economic growth in the healthcare sector, elevating the delivery of high-quality services, and seizing available opportunities to enhance these services in line with the Vision 2030 of promoting healthcare services and facilities, reaching new population segments and geographic areas. We have announced the commencement of work on a new branch of Care Medical Hospitals located in Al Narjis, Riyadh. This branch will cover an area of 39,899 square meters and will accommodate more than 400 beds, enabling us to provide high-quality medical services to patients. Additionally, this branch will include over 175 clinics in various medical specialties.

Furthermore, the Company has acquired an emergency center in Mecca (near the Haram), located directly in front of the Holy Mosque, providing urgent and critical care services 7/24. The center houses a fully integrated medical team of highly skilled doctors, nurses, and technicians, along with the latest medical technologies.

In the last quarter of the previous year, the National Medical Care Company announced the acquisition of the entire share capital of Chronic Care Specialized Medical Hospital, one-person company, (LLC) in Jeddah.

The strategic initiatives of (Care) were as follows: developing centers of excellence, expanding through new branches outside Riyadh city, restructuring service lines, expanding through new branches for Care hospitals in Riyadh, contracting based on provided values, expanding through extended healthcare and home care services, developing a distinctive trade and marketing brand, expanding through offering new services in the branches.

Strategic Impact	To be achieved by
Company and staff	Increasing employee satisfaction
	Enhanced market positioning
	Integrated organization structure
Patients and partners	Better healthcare outcomes
	Highly satisfied patients
	Being a partner of choice for different categories
Performance	Sustainable growth in the healthcare sector
	Improving profit margin
	Diversifying sources of revenue

Chairman Message

Dear shareholders,

The National Medical Care Company has made significant strides in growth across all operational aspects, despite facing numerous challenges. This success is clearly evident through its outstanding financial performance and the notable development achieved in delivering high-quality healthcare services to its customers.

The Company continues to enhance its operational and financial capabilities while implementing development strategies that focus on innovation and ongoing improvement. It also remains committed to achieving high levels of quality in healthcare services, which is vital, reflecting its proactive vision in facing challenges and seeking new opportunities.



Saad bin Abdul Mohsen Alfadly
Chairman

Our commitment to Vision 2030

Care Medical Company is strictly aligned with the Kingdom's Vision 2030, adopting the goals and guidelines set out in the vision. The company's alignment is characterized by a strong commitment to enhancing the quality of healthcare and the development of the medical sector in general.

Through our investments in medical technology and improved health infrastructure, we reflect our commitment to the continuous development and improvement of the healthcare sector. We at Care Medical are also actively involved in supporting Saudization initiatives and developing human capital to stimulate innovation and enhance efficiencies in various fields.

Strategic Growth

Today, the National Medical Care Company is experiencing a state of thriving economy, witnessing exceptional performance in the business field. Thanks to Allah and the Company's strategic plan, which represents a qualitative leap in its journey of success. This plan is based upon four key strategic objectives, clearly reflecting the Company's commitment to achieving sustainability and excellence in its services. The plan includes 18 effective initiatives, that relay on a strong and conscious vision to achieve maximum added value.

These objectives include enhancing the value of integration between the Company's business units and providing exceptional healthcare services to patients and partners. The plan also focuses on expanding the scope of service delivery to include new population segments and geographic areas, with a particular emphasis on expanding healthcare services within the city of Riyadh. Through this strategic plan, the Company has been able to exceed 1 billion profits, which is a historic achievement that has never happened before.

This remarkable achievement serves as proof of our strong economic capability and effective strategic vision embraced by the National Medical Care Company. It also emphasizes our continuous commitment to ongoing development and innovation that further strengthens the Company's position as a leader in the healthcare sector and reflects its growing economic strength.

Robust Investment Development

The year 2023 marked a significant progress in the Company's financial position, as we have, by the grace of God, achieved historic revenues, reflecting the attractiveness of the exceptional work model we adopt. These results indicate the Company's continued strength in maintaining a strong financial position and sustaining high-quality assets, in addition to its ability to achieve sustainable growth.

Moreover, the Company's profits were positively impacted by directing the Company's investments towards future projects and strategies for expanding healthcare services. This demonstrates a continuous excellence in performance and a strategic vision that focuses on delivering superior medical services.

In addition to such financial development, the year witnessed a pronounced increase in the level of healthcare services provided to our clients as well as a rise in the patient satisfaction rates. This confirms the Company's commitment to achieving continuous improvement and delivering excellent healthcare.

Thanks & Appreciation

At the beginning of this new fiscal year, I would like to extend, on behalf of myself and my fellow members of the Board of Directors, our sincere thanks and appreciation to everyone who contributed to the success of the Company during the past year. We are immensely grateful to our stakeholders for their fruitful trust in the Company, and we pledge to continue working diligently to achieve the highest levels of performance and our strategic objectives. I would also like to express my gratitude to the colleagues who served on the previous Board of Directors for their efforts during their tenure.

In addition, I would like to acknowledge the dedicated and devoted work of all the staff members, administrative personnel, and medical professionals throughout the past year. We appreciate their sincere efforts in serving the Company and achieving its goals. I would also like to thank everyone who contributed to supporting the Company and accomplishing the achievements of the past year. We pray that the fiscal year 2024 will be filled with accomplishments and successes.

We seize this opportunity to reaffirm our commitment to achieving the highest levels of performance and realizing our strategic objectives. We look forward to a brighter future for the National Medical Care Company that fulfills the aspirations of all stakeholders.

Managing Director & CEO Message

Dear shareholders,

We are pleased to present our Annual Report for the year 2023, which reflects a journey of sustainability and continuous growth for the National Medical Care Company. Thanks to the dedicated efforts and continuous commitment of our exceptional staff, the Company has achieved notable and remarkable results at the levels of both operational and financial performance.

Our outstanding achievements at the operational level demonstrates the dedication we take pride in within the management of the Company and its hospitals. Thanks to our efforts in enhancing the Company's operations and adopting the latest medical technological, we successfully managed to further our services and improving our patients experience.



Dr. Abdulaziz Saleh Alobaid
Managing Director & CEO

Quality of Care

As a result of enhancing our services and improving the patient experience, Care continues to elevate and expand the scope of service provision in various regions of the Kingdom. It has been announced that work has commenced on a new branch of the Medical Care hospital located in Al Narjis in Riyadh. This branch will span an area of 39,899 square meters and will accommodate over 400 beds, enabling us to provide high-quality medical services to patients. Additionally, this branch will include more than 175 clinics in various medical specialties.

Furthermore, the Company has acquired an emergency center in Mecca, located directly in front of the Holy Mosque, providing urgent and critical care services 24/7. The center houses a fully integrated medical team of highly skilled doctors, nurses, and technicians, along with the latest medical technologies.

In the last quarter of the previous year, the National Medical Care Company. announced the signing of a capital acquisition agreement with the Saudi Medical Care Group (SMCG) to acquire the entire capital shares of the Chronic Care Specialized Medical Hospital, one-person company, (LLC) in Jeddah.

Sustainable Growth and Operations

The Company's financial performance has been positively influenced by the improvement in the quality of services provided and the expansion that the company is experiencing. We have achieved revenues that have surpassed the billion mark, reflecting our effective transition towards achieving growth in our increasing revenues by 17.8 %. This increase can be attributed to the expansion of healthcare service provision and the increase in the number of patients benefiting from our outstanding services.

To keep pace with the development witnessed by our beloved Kingdom and to align with our aspirations for a more prosperous future, driven by an ambitious national spirit and a vibrant medical community, Care has unveiled its new logo and identity. Inspired by its rich history and the achievements that have reached the heights of glory, all of this is aimed at improving the health of society and striving for excellence. Our new logo is a unique symbol that represents the convergence of medical experts and specialists at the heart of medical care, embodying our ambitious spirit and future-oriented approach.

Human Resources & Saudization

Human resources and Saudization are two vital pillars of success in the National Medical Care Company. Workforce is, indeed, a key strategic resource. Therefore, the Company focuses its efforts on attracting new talents and retaining qualified human talents, in addition to placing great emphasis on their development and training. This strong focus on human capital is a fundamental basis for the continued growth and sustainability of our business.

As we continue our commitment to ongoing improvement and adoption of new work models that attract national talents, the National Medical Care Company was awarded the Labor Award for Saudization in Healthcare Sector in 2023. This achievement reflects our excellence and leadership in creating an attractive and motivating work environment for local talents.

Having such national award underpins our commitment to encouraging and employing local talents. It is absolutely an achievement that we are proud of as a Company that considers human capital a fundamental pillar of its success.

Our Future

The National Medical Care Company is currently experiencing a period of continuous developments, and through it, we look forward to an inspiring future filled with challenges and opportunities. By focusing on our commitment to innovation and the development of medical services, we aim to meet the growing and changing needs of patients and the community.

About Us

The National Medical Care Co. was established in 2003 as a Closed Joint-Stock Company owned by the General Organization for Social Insurance (GOSI) and a group of shareholders. In 2013, it became a publicly Joint-Stock Company registered on the Saudi Stock Exchange (Tadawul). The Company currently owns several hospitals, including Riyadh Care Hospital, which has been renamed as Care Medical Hospital Ar Rawabi, formerly, known as the (Social Insurance Hospital) founded in 1990, which has 325 beds. The Company also owns National Care Hospital, which has been renamed as Care Medical Hospital Almalaz, founder in 1966, which has 459 beds. In addition, there is the Care Medical Center Al Haram, which was opened in 2023. It is an emergency center located near the Holy Mosque in Mecca, providing emergency services for critical cases of pilgrims, visitors to the Holy Mosque, and Umrah performers. It has 54 beds. Lastly, there is the Chronic Care Specialized Medical Hospital in Jeddah, which has been renamed as Care Medical AlBalad, which includes 164 beds.

The Company engages and perform the following activities:

Establishing, owning, equipping, managing, maintaining, and operating hospitals, centers, and health units; wholesale and retail trade of medicines, equipment, and medical supplies, as well as representing companies in this field; owning medically equipped and non-equipped hospitals necessary for their functioning; providing healthcare services in various fields, as well as complementary services and activities that support its objectives; owning, developing, maintaining, and investing in lands and properties for the benefit of the Company and within the scope of its objectives. The Company conducts its activities in accordance with applicable regulations and after obtaining the necessary licenses from relevant authorities, if any.



Subsidiaries

Subsidiary	Head Office	Company's Capital	Percentage of Ownership	Legal Entity & Activity
Chronic Care Specialized Medical Hospital	Jeddah	67,000,000 SR	%100	Limited Liability Company-Hospitals
Jiwar Medical Services	Mecca	50,000 SR	%100	- Limited Liability Company Critical Medical Care Centers

Overview of the Healthcare Market and Sector:

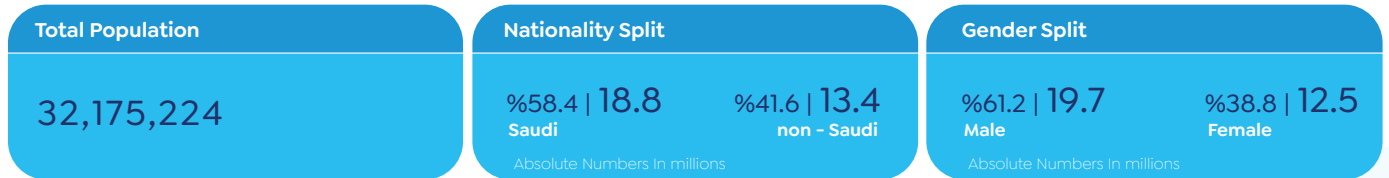
The healthcare sector in the Kingdom of Saudi Arabia is witnessing rapid changes and developments, alongside an increasing demand for healthcare services due to the rising life expectancy among the population. The National Medical Care Company possesses high and distinctive capabilities that enable it to capitalize on the available opportunities in the market, enhance its presence and expansion, and support the Kingdom's efforts to meet the sector's needs. These needs include the growing demand for integrated healthcare services and advanced care.

Key Facts about the Healthcare Market in the Kingdom:

Population by Nationality and Gender

Nationality: All

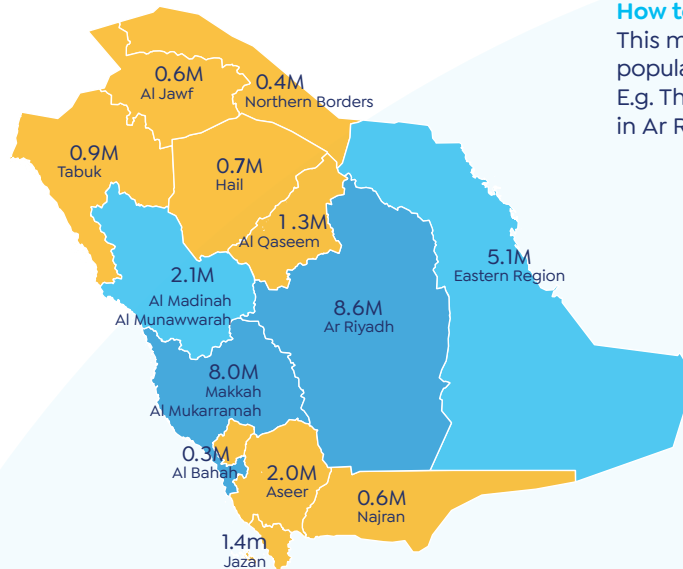
Gender: All



Population by Region

Nationality: All

Gender: All



How to read this map:

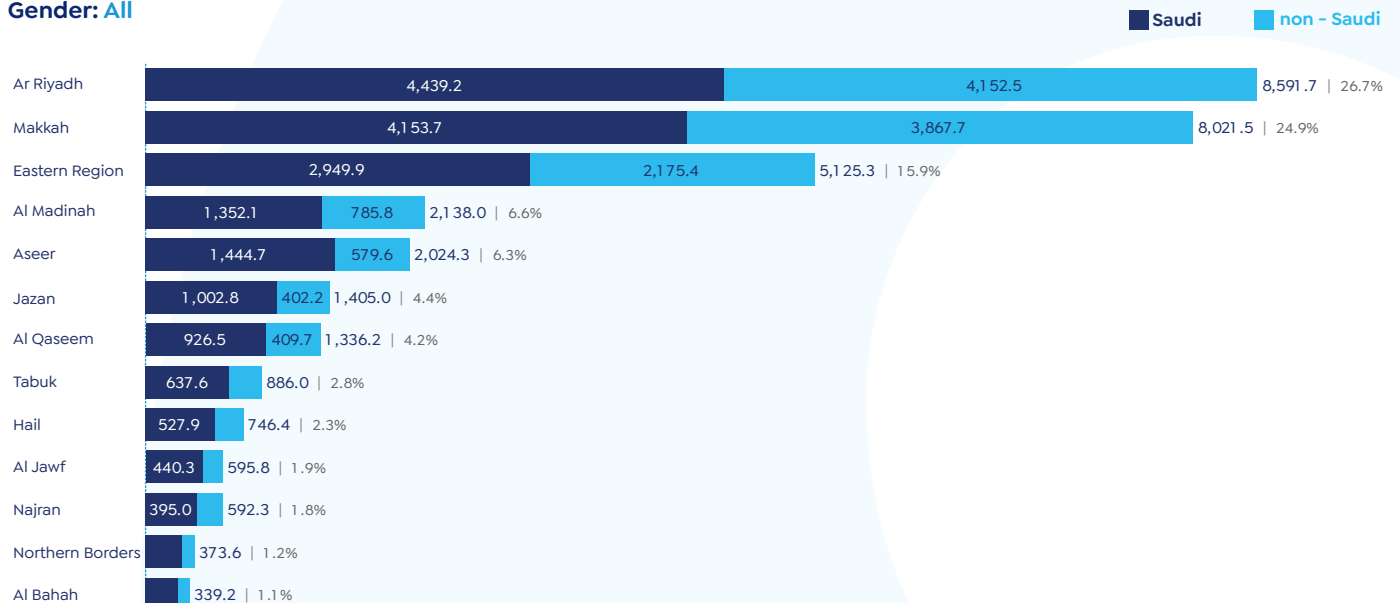
This map shows the total resident population count by region in KSA. E.g. There are 8.6m residents living in Ar Riyadh in 2022.

Population Split by Nationality

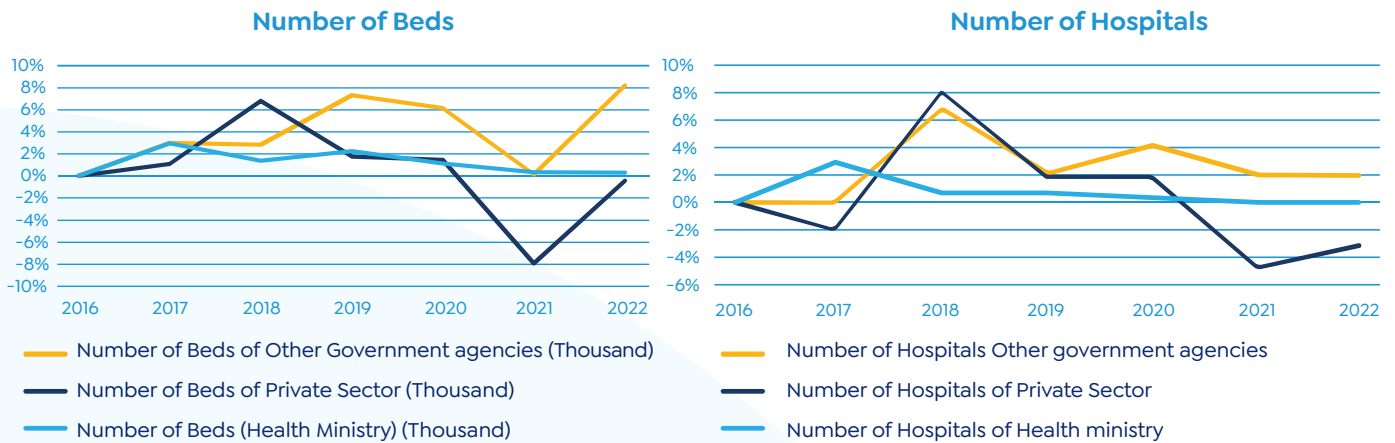
Region: All Regions

Nationality: All

Gender: All



- The average life expectancy is expected to increase from 76.4 in 2024 to 81.8 in the 2050.
- It is expected that the number of patients with chronic diseases will reach 8 million by 2030.
- "KSA allocates %15 of its budget for investments in the healthcare sector.
- One of the objectives of the Health Sector Transformation Program in the Kingdom is to increase the private sector's contribution to %50.
- The total promising opportunities in the healthcare sector are expected to reach SAR 330 billion by the 2030".
- Increase the contribution of the healthcare sector to the GDP from SAR 199 billion in 2020 to SAR 318 billion in 2030."
- %37.5 of the Kingdom's adult population aged 15 and above have private health insurance."
- %30 of the Kingdom's population has private medical insurance, while it is expected that the percentage of those insured will reach approximately %55 of the population by 2030."
- A total of 214 billion has been allocated for healthcare and social education.
- Number of beneficiaries of private health insurance has grown to 11,538.



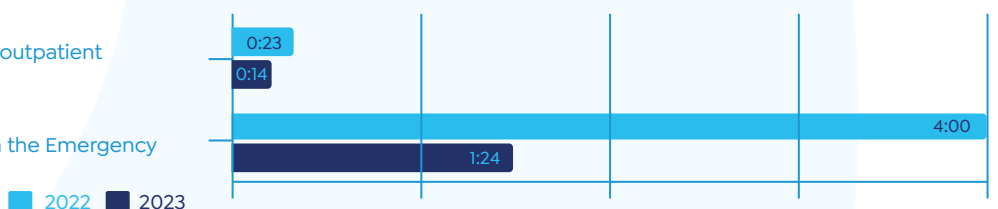
- The healthcare sector is considered one of the key areas of focus within the Kingdom's Vision 2030.
- Source: Global Health Exhibition in Riyadh, General Authority for Statistics, Argaam, Ministry of Finance .

Care Hospitals & Branches: Key Achievements for the Year

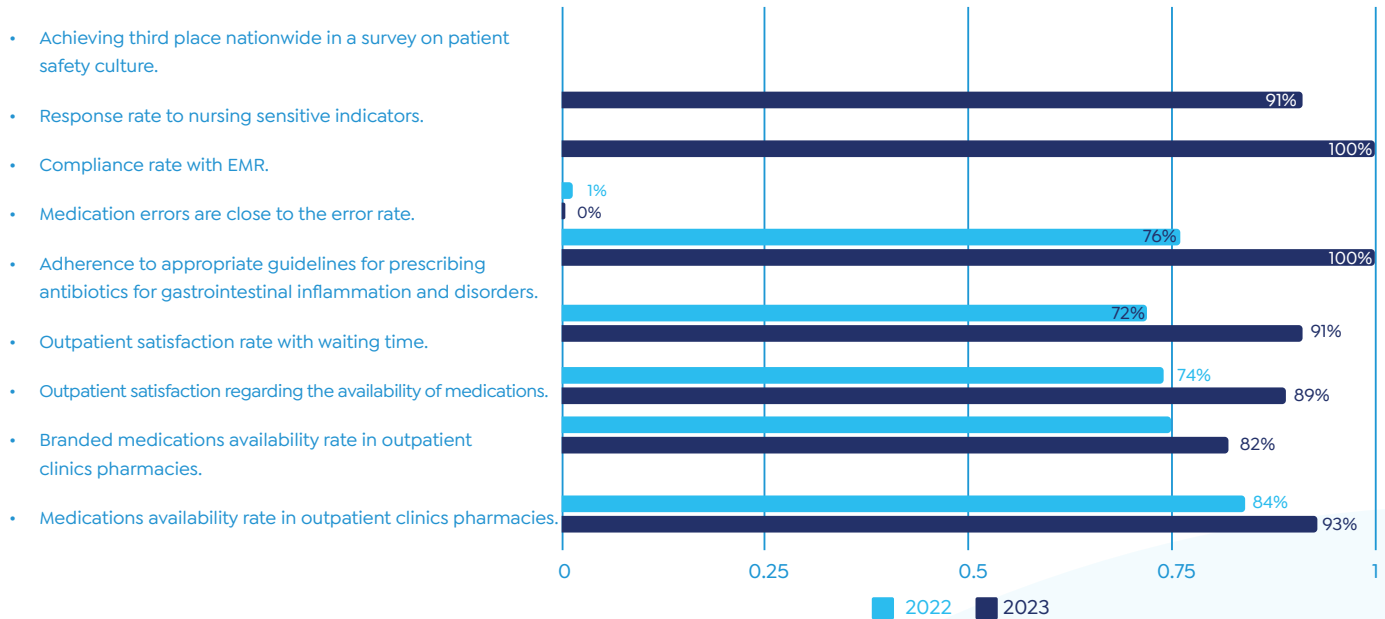
- Establishment of the Parametric Preparation Program.
- Introducing the National Immunization Program (Pre-pregnancy Test) to be added to the services provided in the laboratory.
- Launching a natural breastfeeding consultation clinic in the outpatient clinics.
- Signing a contract with Wala Plus company to enhance the relationship between the Company, its employees, and its customers as to create a sense of belonging and loyalty by delighting them with a range of programs and technological solutions designed to meet their needs and desires, which will have a positive impact on them.
- Organizing 10 specialized medical courses accredited by the Saudi Council for Continuing Education.
- Launching the Patient Loyalty Program (Elite Program), targeting employees of large employer groups, insured patients, and cash patients.
- Establishing the Vein Access Team, which has led to a significant reduction in patient complaints related to nursing practices.
- Introducing zinc testing to be an internal examination.
- Obtaining the Ministry of Health license for the blood bank.
- Conducting an annual patient safety culture survey and regular quality rounds for all departments by the Quality and Patient Safety Department. It also oversees the update of e-learning through the MyCare program, which is designed for the Company's employees. The program helps employees adhere to policies, procedures, and standards, as well as provides guidance and education for newly hired employees, improving employee knowledge and awareness.

Performance Improvement Indicators

- Average total waiting time in the outpatient pharmacy (ticket issuance)
- Average length of patients stay in the Emergency



Performance Improvement Indicators



Care Academy

The Academy has offered numerous academic programs, lectures, and training courses.

- Participation in the interview of applicants for the Saudi Commission for Health Specialties' diploma programs in January 2023.
- Guidance program for Diploma in Dental and Cutaneous Biliary Duct Imaging through the Liver PCT.
- Conducting Train the Trainer (TOT) course.
- Resident doctors training program.
- Continuing Medical Education (CME) seminar on asthma.
- Saudi Commission for Health Specialties' diploma programs, 4th batch of RIT.
- Dental Assistant Support Program (REVALIDA).
- Life Support Program, offered on a monthly basis.
- Podcast program in collaboration with other medical departments, involving interactive digital media consisting of audio and visual episodes related to specific medical specialties to contribute to increasing individual and community awareness.
- Continuous Medical Education (CME) courses for asthma symptoms.
- Internal training for mandatory competency courses (anesthesia, sterilization techniques, intravenous mixing training program, antibiotic stewardship program).

As mentioned in the table, the residency training program for physicians has been approved as follows:

Accreditation of the Physicians' Residency Training Program - 2023.	Accreditation Date
Pediatrics (New)	2023 May 18
Gynecology and Obstetrics (New)	2023 Feb 16
Reaccreditation - Internal Medicine	2023 Oct 01
Reaccreditation - Anesthesiology	2023 Feb 16
Reaccreditation - Clinical Pharmacy (Diploma)	2023 Oct 01
Reaccreditation - Institutional Accreditation for (Care) Academy	2023 Oct 01

Most in-demand Training Courses at Care Academy

Medical Courses	Non-Medical Courses
Improving Care & Patient Experience (PXI)	Leadership Skills
Healthcare Management	Quality
Air way Course	Customer Service
Emergency Medications	Problem-Solving Skills
Intravenous (IV) Compounding Certification	Working with a Team Spirit

Technological Investments

Moved by our desire to invest in medical technology and business development, the Company has introduced several programs and initiatives in this regard, as follows:

Healthcare System: Creating a data display and management system (Dashboard) for the performance of the following medical departments: measuring the daily performance of the nursing department and its performance rate, calculating patient waiting times in the emergency departments, tracking medical approvals and their rejection rate along with reasons, managing medical requests for approvals; implementing and activating an operating room management system and integrating it with medical devices, activating a medication auditing system during patient administration, creating and implementing a system to calculate the rights of visiting physicians, generating medical reports that serve the medical administration, introducing improvements to the Electronic Medical Record (EMR) system, applying the EMR system to automatically manage ICU and integrating it with medical devices, linking laboratory and radiology reports with self-service systems within hospitals for display on self-service devices, and activating automatic diagnostic and approval forms in all hospital departments and archiving them within the system.

Financial and Administrative Systems: Improving the fixed asset system, making enhancements to the procurement systems, implementing the second phase of direct electronic billing integration with the Zakat and Tax Authority, and directly linking point-of-sale systems with the financial system and creating reports for them.

Human Resources Systems: Directly integrating with attendance and leave devices to calculate overtime wages, activating a system for calculating visiting physicians' salaries, implementing an employee housing management system with data upload capability, and creating a data display and management system (Dashboard) for human resources. Additionally, a new service has been launched, which is managing the patient survey system in outpatient clinics, emergency, and inpatient facilities.

Execution of a comprehensive medical and administrative system for the Company's new branch in Mecca (Jiwar), including the installation of a complete EMR system, activation of the procurement and supply chain system, activation of the human resources as well as the financial and administrative systems, establishment of warehouses in Mecca, training employees on the use of all systems there, linking laboratory equipment and radiology devices, connecting the Center with the information center in Riyadh with the implementation of the relevant security systems, providing the Center with all the required computers and network devices, connecting and operating the telephone service with all other business units, and operating and activating wireless networks.

The technical and technological support readiness in some business units across the Company's branches, including the provision of devices and printers, and connecting all units and branches to a single network.

IT Strategic Initiatives

- Implementation and development of a digital platform for the mobile application with multiple services.
- Implementation of the second phase of the artificial intelligence system to enhance medical decision-making, supporting and improving physicians' decisions.
- Data Governance Program Initiative in the Company and its subsidiary units. The Company announced the launch of a Data Governance Program Initiative in the Company and its affiliated hospitals. The program aims to ensure that the data is accurate, secure, and easily accessible with higher quality and safety. The Data Governance Program will enhance the availability, quality, and security of the data through various policies and standards. These, in turn, will determine data owners, data stewards, data security procedures, and data-related uses. The Program also aims to improve data quality, ensure compliance and security of the data, and provide timely and appropriate access to it. We believe that the program will also help us make better decisions, improve business environment outcomes, and assist in fostering innovation.

Care Social Responsibility

Care Medical aims to achieve sustainable development and improve the social and environmental well-being of the communities it operates in. Thus, it contributes to serving the community and assisting in the process of social development, environmental preservation, charity work, and collaborating with other institutions to achieve public benefit. It also strives to enhance communication with stakeholders in the company, as it recognizes the importance of protecting all its human, financial, physical, informational, social, and environmental assets. In general, the Company, through its social responsibility, aims to strike a balance between profit goals, financial prosperity, and their positive impact on society.

This is done by practicing social responsibility through various initiatives, such as donating 500 kidney dialysis sessions to needy patients in collaboration with the Health Endowment Fund. The Company has also signed an agreement with Kellana Organization for Renal Failure Patient Care. Furthermore, the Company continues to contract with the Amputees Care Association- An official healthcare organization specializing in prosthetics. The Association provides services to individuals with limb

deficiencies, helping them face challenges and difficulties while contributing to improving their quality of life. Additionally, the Company has successfully conducted three blood donation campaigns on World Blood Donor Day, and it promotes social responsibility in schools by participating in global awareness days. Furthermore, the Company actively engages and participates in international days such as World Diabetes Day, World Kidney Day, World Social Work Day, World Children's Day, World Patient Safety Day, World Quality Day, and Breast Cancer Awareness campaigns.

In addition, the Company also provided video lectures to raise awareness among young teams of our sports partner, Al-Nassr FC. It also participated in many events for people with special needs and offered lectures on first aid to employees of Osool Company.



Financial Performance

Historical Growth of Key Financial Indicators over Five Years

Company Activity

The table below illustrates the impact of each activity on the Company's business volume and its contribution to the results:

Activity	Activity Revenues	Percentage
Establishment, Ownership, and Equipping of Hospitals	1,081,783,416	%100
Medication Distribution	0	%0
Maintenance and Operation	0	%0
Total	1,081,783,416	%100

The tables below provide a summary of the Company's assets, liabilities, and financial results for the past five fiscal years.

Comparison of Business Results

Description	2023	2022	2021	2020	2019
Revenues	1,081,783,416	917,934,901	845,380,520	808,953,117	708,393,995
Cost of Revenue	712,150,346	628,254,384	598,911,021	585,072,241	542,738,334
Gross Profit	369,633,070	289,680,517	246,469,499	223,880,876	165,655,651
Net Profit	240,927,386	170,074,845	136,356,673	97,269,000	80,089,715

Comparison of Assets and Liabilities

Description	2023	2022	2021	2020	2019
Current Assets	1,278,383,540	1,055,937,509	1,068,776,584	932,697,916	818,110,787
Non-Current Assets	935,981,074	656,782,982	490,644,186	499,928,398	538,133,788
Total Assets	2,214,364,614	1,712,720,491	1,559,420,770	1,432,626,314	1,356,244,575
Current Liabilities	347,695,328	285,888,394	254,427,309	213,876,985	143,130,583
Non-Current Liabilities	413,233,228	163,243,478	180,718,883	181,800,398	180,223,458
Total Liabilities	760,928,556	449,131,872	435,146,192	395,677,383	323,354,041

For more information about the financial results, please refer to the approved financial statements published on the Company's page on the (Tadawul) website.

Significant Variance in the Operating Results Compared to the Previous Year or any Expectations Announced by the Company

Description	2023	2022	Changes (+) or (-)	Change Percentage
Revenues	1,081,783,416	917,934,901	163,848,515	%18
Cost of Revenue	712,150,346	628,254,38	83,895,962	%13
Selling and Marketing Expenses	8,527,367	4,465,243	4,062,124	%91
Administrative and General Expenses	118,780,191	91,345,494	27,434,697	%30
Expected Credit Loss Provision	369,599	4,952,204	5,321,803	%107
Other Revenues (Expenses)	3,495,496	8,185,550	4,319,219	%52
Net Profit (Loss) for the Year Before Zakat	264,594,741	198,501,813	66,092,928	%33
Zakat Expenses	23,667,355	28,426,968	4,759,613	%17
Net Profit (Loss) for the Year	240,927,386	170,074,845	70,852,541	%42

Net revenue of SR 1,081.8 million (2022: SR 917.9 million) for the current year improved by %17.8 compared to the previous year due to the following.

- Higher volume of business with GOSI and MOH resulting in higher admissions and surgeries.
- Further, billings to MOH increased due to Care facilities achieving HIMSS accreditation earlier in Q1 of 2023.
- The above revenue growth from other customers was partially impacted by the conclusion of the National Guard long-term care contract.
- Net profit of SR 240.9 million (2022: SR 170.1 million) for the current year improved by %41.7 compared to the previous year due to the following.
- Higher revenue for the year compared to the previous year.
- Lower cost of sale expenses as a percentage of revenue resulting in improved cost absorption.
- Gross profit improved by %27.6 vs the same period last year, due to increased higher margin business from GOSI, MOH. GP margin improved from %31.6 in the previous year to %34.2 in the current year.
- Reversals of expected credit loss provisions due to settlements with insurance companies and receipt of receivables from the National Guard pertaining to previous years.
- Higher interest income from deposits due to greater average daily deposits and improved benchmark interest rates.
- A decrease in the Zakat charge for the year due to the finalization of assessments pertaining to previous years, resulting in the reversal of excess provisions.
- The above gains were partially offset by the following:
- Higher sales and marketing expenses to promote the Company and its services including launch of a new brand identity.
- Increase in G&A expenses mainly due to higher professional services fees of consultants and advisors.
- Finance costs on borrowings obtained.
- EBITDA for the year reached SR 301.7 million compared to SR 242.9 million during 2022 with an improved EBITDA margin of %27.9 - a 1.4 ppt improvement over the previous year.

Geographic Analysis of the Company and its Subsidiaries' Total Revenues

The Company's revenue to the geographic scope of Riyadh is %99 and the geographic scope of Jeaddah is %1
[Company Loans and Total Debt](#)

The following table provides details of all outstanding loans:

S/N	Creditor	Loan Principal Amount	Loan Term	Loan Repayment During the Year	Remaining Loan Balance
1	Ministry of Finance - Current Portion of Long-Term Debt (CPLTD)	118,843,485	25 Years	5,942,174	5,942,174
2	Ministry of Finance - Long-term loan				71,306,091
3	Riyadh Bank Loan - Current portion of loan	192,516,062	5 Years		1,825,299
4	Riyadh Bank Loan - Long term loans				190,690,763
	Total loans	311,359,547	Total indebtedness		269,764,327

- During November 2023, the Group obtained long-term loan from Riyad Bank (Islamic Murabaha Contract), amounting to Saudi Riyals 190.7 million to finance new potential acquisitions. The loan is repayable in 16 equal quarterly installments starting from February 2025 and carries a mark-up of SAIBOR + %1.15. The loan is unsecured.
- During 2012, the Group signed a loan agreement with the Ministry of Finance to fund the construction work-in-progress amounting to Saudi Riyals 154.1 million. The Group was able to utilise Saudi Riyals 118.8 million during 2013 and 2015.
- The loan is payable in twenty equal annual instalments with the first instalment due in 2017. The loan is interest free and is secured by the Company's collateralised land and buildings. Also see Note 12 in the financial statements.
- The fair value of the borrowing as at 31 December 2023 amounted to Saudi Riyals 45.6 million. The fair value is based on discounted cash flows approach which takes into account the present value of expected payments, discounted using a risk-adjusted discount rate. The fair value is classified as level 3 in the fair value hierarchy.
- On transition (effective from 1 January 2018) from Generally Accepted Accounting Standards issued by SOCPA to IFRS, management opted for the exemption provided under IFRS 1 'First-time Adoption of International Financial Reporting Standards' to keep the similar classification of interest free loan obtained from Ministry of Finance till 31 December 2017 and to adopt application of IAS - 20 "Accounting for Government Grants and Disclosure of Government Assistance" for new loans (within the scope of IAS - 20) obtained on and after the date of adoption of IFRS for its statutory financials statements.

Paid and Due Statutory Payments

Below are the statutory payments made during the fiscal year ended on 2023/12/31:

Description	2023		Brief Description	Reasons
	Paid	Amounts Payable to the End of the Annual Financial Period and Not Yet Paid		
Zakat	12,223,321	29,276,339	Zakat Amount -2023	To be paid to DZIT
Tax	121,683,567	12,674,374	VAT paid	Dec-2023 to paid in Jan-2024 onward
General Organization for Social Insurance	21,411,587	2,147,177	GOSI payment	Dec-2023 to paid in Jan-2024 onward
Visa and Passport Costs	1,620,710	0	Visa and passport costs	Dec-2023 to paid in Jan-2024 onward
Labor Office Charges	13,591,285	400,000	Government fees - 2023	Dec-2023 to paid in Jan-2024 onward

Risk Management:

The Company's Risk Management Department is a subsidiary under the Governance, Risk, and Compliance Management Division, which falls under the purview of the Audit Committee. It is responsible for monitoring operational, strategic, financial, and all other risks faced by the Company.

At Care Medical, we adhere to the ISO 31000 standard in risk management, ensuring our commitment to international standards. The Risk Management Department develops and implements policies and procedures, measures and evaluates the Company's risk tolerance, and develops a plan for risk assessment. This includes the development and application of procedures related to operational risks and the preparation of a risk assessment plan. Risk management encompasses the management of risks and opportunities that impact the organizational strategies employed to achieve the Company's objectives. The Risk Management Department has evaluated risks for strategic projects and worked to mitigate their impact, making risk assessment a part of our daily operations. Additionally, the Risk Management Department is also responsible for regularly reporting (annually) risk reports to the Audit Committee and the Board of Directors, which includes an analysis of the Company's risks to mitigate future risks. While conducting its activities, Care Medical may face uncertain events that threaten its ability to achieve its objectives.

First Line of Defense

Risk Officer/Manager

Operational Managers are responsible for risk management as the first line of defense. They are also responsible for implementing corrective actions, mitigating risks, and ensuring compliance with regulations.



Second Line of Defense

Governance, Risk, and Compliance

The Governance, Risk, and Compliance Department was established to ensure the proper implementation of the control system on the first line of defense and ensure its desired functionality.



Third Line of Defense

Risk Management Assurance

Internal Audit provides confirmation on how the first and second lines of defense are achieving the objectives of risk management and control.



Types of Risk

Risks are an essential element that cannot be avoided in business operations.

Main risks are classified into four categories as follows

Strategic Risks: They are the risks that can impact the high-level objectives of an organization.

Operational Risks: Inefficient resource utilization and operational challenges faced by an organization.

Financial Risks: Risks related to liquidity, credit, market, accounting reliability, and financial reporting preparation.

Compliance Risks: Non-compliance with applicable laws, legislations, regulations, and rules.



Risks that the Company May Face

There are various risks that the Company may face, which can impact its operations. Examples of these risks include:

Business Risks	
Operational Risks	They are those risks resulting from the inadequacy or failure of internal processes, human resources, systems, and external events that can impact company operations. Operational risks are managed through internal work procedures and monitoring mechanisms
Reporting Risks	They are risks resulting from the lack of credibility, integrity, and accuracy of financial and non-financial reports, which can negatively impact the credibility and transparency requirements of regulatory authorities. Thus, the Company is committed to following best practices in this regard. For example, the Company's Board of Directors has adopted a disclosure policy aimed at regulating the mechanism for disclosing (financial and non-financial) information, which is considered a fundamental right for investors.
Compliance Risks	These are risks arising from non-compliance with prescribed laws, regulations, practices, policies, and internal procedures, or the inability to adhere to them. The Company, through its Compliance Department, ensures the non-violation of relevant laws and instructions related to the Company's activities.
Credit Risks	These are risks resulting from the inability of a party to fulfill its obligations, which may lead to financial losses for the Company. Credit risks are not considered risks with significant implications for the Company, as the Company's main clients are local entities that are contracted after conducting thorough studies to ensure the financial and non-financial rights of all parties involved.
Liquidity Risks	These are the risks that arise when a company faces difficulties in obtaining the necessary funds to meet obligations related to financial instruments. These risks are managed through the company's cash planning and regular monitoring of liquidity position.

Healthcare Risks

Medical Errors Risks	Medical errors can occur due to the nature of the case or the complex treatment. According to Article (41) of the Law of Practicing Healthcare Professions, subscription to cooperative insurance against medical malpractice is mandatory for all doctors and dentists working in Care Hospitals.
Medical Professionals Recruitment	The inability to recruit highly skilled healthcare practitioners is one of the risks that hospitals may face. Therefore, Care is committed to attracting a qualified medical team capable of providing exceptional patient care, motivating, and retaining them.
Advancements in Medical Technologies and Devices	Non-utilization of modern technology to enhance medical services can have a negative impact on prevention, diagnosis, and treatment. Therefore, Care Medical is committed to providing the latest medical devices to keep up with the continuous advancements in technology.

Risk Management:

"Risk management" is the culture, capabilities, and practices integrated with strategy and execution, which companies rely on to manage risks.



The risk management framework focuses on the need to manage risks in strategic planning and integrate them throughout the company because risks impact strategy and performance, and to align them across all departments and functions. The risk management framework consists of five interconnected and necessary components to ensure performance improvement:

- **Governance and Culture:** Governance defines the way a company operates and establishes oversight responsibilities for managing corporate risks, and emphasizing their significance. Culture, on the other hand, relates to ethical values, desired behaviors, and understanding risks within the company.
- **Strategy and Objective Setting:** Risk management and strategy work together in the process of objective setting and strategic planning. This involves determining risk tolerance and aligning it with the strategy, as well as incorporating strategic business objectives into the implementation phase. This allows for the identification and evaluation of risks and how to respond to them.
- **Performance:** Risks that may impact the achievement of the company's strategy and objectives need to be identified and evaluated. Prioritization of risks is done based on their severity in the context of risk appetite, and response strategies to risks are determined. The results of this process are reported to key stakeholders in the risk domain.
- **Auditing:** Through reviewing the company's performance, the company can assess the quality of risk management components over time, considering significant changes and regular reviews.
- **Information, Communication, and Reporting:** Risk management is an ongoing process that requires obtaining necessary information from both internal and external sources, which flows throughout the company.



Risk Management Process

Care has developed a risk management process to identify, manage, and monitor its risks. The process consists of six interconnected components as follows: As we recognize that effective risk management is a crucial factor for the success of any company, our company, Care, has adopted a robust risk management program, which has witnessed rapid growth in recent years. To further enhance our risk management efforts, we plan to continue our initiatives and investments in this important aspect of our business. In 2023, a year filled with challenges and opportunities, we took immediate actions to mitigate negative impacts and ensure business continuity and sustainability. These actions included updating the risk register for each department in Care and developing a comprehensive risk response plan, along with quarterly monitoring. In 2023, we conducted internal risk assessments across our operations as part of our strategy to improve and mitigate risks. We are pleased to report that there were no incidents related to corruption, regulatory non-compliance, or fines. Care Medical also reinforced risk management awareness among employees through effective communication, such as weekly email updates and workshops.



Board of Directors

The Board of Directors, its Committees, and the Executive Management

The Board of Directors of the National Medical Care Company is the highest governing body responsible to the General Assembly of Shareholders for managing the Company in accordance with its Articles of Association, laws, and relevant regulations. Among the key tasks and functions of the Board are setting and approving strategic orientations and major objectives of the Company, establishing and monitoring internal control procedures and risk management, ensuring their efficiency and effectiveness, approving major budgets and financial policies, and monitoring and overseeing the performance of the company and its executive management. Additionally, the Board sets policies that govern the relationship with stakeholders, protecting their rights, including the establishment and approval of policies that confirm and ensure the application and implementation of official regulations and disclosure of essential information related to the Company and its performance that would help the shareholders and investors assess the Company's assets and liabilities as well as the tasks detailed in the Company's Articles of Associations and bylaws.

Pursuant to Article (17) of the National Medical Care Company's Articles of Association, the Board shall consists of nine members. It is stated that the Board of Directors shall be composed of nine members whose term began on September 2022 ,15, for a period of three Gregorian years, appointed by the Ordinary General Assembly and ending on September 2025 ,14.

As shown in the table below, here is a brief overview about them and the independent members:



Name
Saad bin Abdulmohsen Alfady

Type of Membership
Non-Executive

Current Position
CEO of Hassana Investment Company (HIC)

Academic Qualifications

- Master's degree in Financial Economics from Boston University.
- Bachelor's degree in Accounting from King Saud University.

Date of Joining the Board Membership
2022-09-15

Experiences

- Chief Executive Officer and Senior Manager for the Central and Eastern Region at Al Ahli Capital.
- Vice President at Morgan Stanley.
- Investment Department at the Saudi Arabian Monetary Authority.

Membership in Other Company Boards of Directors

- Board Member at the Saudi Awwal Bank (SAB)
- Board Member at Almarai
- Board Member at GEMS KSA Educational Services.



Name
Faraj bin Saad Al-Gabani

Type of Membership
Non-Executive

Current Position
Acting CEO at Saudi Healthcare Group.

Academic Qualifications

- Master's degree in Accounting with a micro specialization in Management Information Systems from the University of Denver, Colorado
- Bachelor's degree in Accounting from King Saud University

Date of Joining the Board Membership
2022-09-15

Experiences

- Chief Strategy Officer at the Saudi Medical Care Group.
- Acting COO of the Saudi Medical Care Group.
- Head of the Executive Office at the Ministry of Human Resources and Social Development
- Chief Operations Officer at Riyadh Capital.
- Director of Financial and Administrative Affairs at Riyadh Holding.
- Director of Financial and Administrative Affairs at Harf Information Technology Company
- Accounting lecturer at the Technical College in Riyadh

Membership in Other Company Boards of Directors

- Chairman of the Board of Directors for all subsidiaries of Saudi Medical Care Group
- Member of the Audit Committee of Watheer Real Estate Company - Member of the Audit Committee at National Medical Care Company
- Board member - Aldrees petroleum and trasport services Co.



Name
Michael Davis

Type of Membership
Non-Executive

Current Position
CEO & COO of NMC Healthcare

Academic Qualifications

- Master's degree in Health Care Administration TWU for Health Sciences from Boston
- Bachelor's degree in Nursing from McNeese State University

Date of Joining the Board Membership
2022-09-15

Experiences

- CEO of ProVita International Medical Center
- Chief Market Officer at Kindred Healthcare Company

Membership in Other Company Boards of Directors

- Board Member at Al Qadi Speciality Hospital



Name
Bader bin Fahad AlAtheel

Type of Membership
Non-Executive

Current Position
Chairman and Executive Director of Fal Arabia Holding Company Limited

Academic Qualifications

- Bachelor's degree in Business Administration from Portland University.

Date of Joining the Board Membership
2022-09-15

Experiences

- Senior Vice Chairman and Deputy Executive Director of Fal Arabia Holding Company Limited.
- Executive Director of the Arabian Medical Hospital Supply Company LTD.
- Investment banking services at Falcom Financial Services.



Name
Mai bint Mohammed Al Hoshan

Type of Membership
Independent

Current Position
Human Resources Manager at Banque Saudi Fransi

Academic Qualifications

- Master's degree in Engineering Management from George Washington University.
- Bachelor's degree in Business Administration from Boston University.

Date of Joining the Board Membership
2022-09-15

Experiences

- Human Resources Manager at Alawwal Bank.
- Human Resources Manager at Ahli Capital.
- Associate Director of Leadership and Development at SNB Bank

Membership in Other Company Boards of Directors

- Board Member at Al-Amar Food Company.



Name
Bashar bin Abdulaziz Abalkhail

Type of Membership
Independent

Current Position
Founder of Yasmina Technology

Academic Qualifications

- Bachelor's degree in Financial Management from King Saud University.
- Master's degree in Business Administration from Cass Business School.

Date of Joining the Board Membership
2022-09-15

Experiences

- Banking Supervisor in the Banking Inspection Department at the Saudi Arabian Monetary Authority.
- Insurance Supervisor and Director of Inspection for the Insurance Sector at the Saudi Arabian Monetary Authority.

Membership in Other Company Boards of Directors

- Chairman of Yasmina Information Technology.
- Chair of the Nominations Committee at the NMC Company.
- Member of the Board of Directors of the Saudi Paper Industry Group and Chairman of the Audit Committee.
- Board Member at Food Development Company.



Name
Sami bin Suliman Alkhashan

Type of Membership
Independent

Current Position

- **Executive Director at prime Risk Insurance Brokerage (Prime).**
- **Chairman of the Audit Committee of the National Medical Care Company.**

Academic Qualifications

- Bachelor of Accounting from King Fahad University of Petroleum and Minerals.

Date of Joining the Board Membership

2022-09-15

Experiences

- Regional director for the eastern region in the Saudi Arabian cooperative insurance company.
- Auditor/senior consultant at PricewaterhouseCoopers.
- Manager in the compliance department at Samba Financial Group.
- Director of risk and compliance department at Malath Cooperative Insurance Company.
- Head of internal audit at Amana Cooperative Insurance Company.
- Head of internal audit at the Saudi Cooperative Insurance Company.

Membership in Other Company Boards of Directors

- Chairman of the Audit Committee - SRACO operation and maintenance Company



Name
Ahmed bin Wazaa Alqahtani

Type of Membership
Non-Executive

Current Position

Head of Local Investments at Hassana Investment Company (HIC)

Academic Qualifications

- Bachelor's degree in Finance from King Fahd University of Petroleum and Minerals.

Date of Joining the Board Membership

2022-09-15

Experiences

- Senior Portfolio Manager at HSBC Saudi Arabia.
- Investment Analyst at Al Ahli Capital.
- Board Member at Jabal Omar Development Company.
- Board Member at Arab National Bank.

Membership in Other Company Boards of Directors

- Board Member at GEMS KSA Educational Services.
- Board Member at Maarif Education Company.
- Board Member at the Saudi Medical Care Group.
- Chairman of Quality Integrated Real Estate Company.
- Board Member and Member of the Nominations and Remuneration Committee at the Savola Group.



Name
Abdulaziz bin Saleh AlObaid

Type of Membership
Executive

Current Position

CEO of the National Medical Care Co.

Academic Qualifications

- Bachelor's degree in Medicine and Surgery from King Saud University.
- Master's degree in Health Care Management.
- Specialist in Gynecologic Oncology.
- Fellowship from the Royal College of Surgeons in Canada.
- Fellowship from the American Board of Obstetrics and Gynecology.

Date of Joining the Board Membership

2022-09-15

Experiences

- Chief Executive Officer of Medical Affairs at the National Medical Care Company.
- Consultant in Gynecologic Oncology at King Khalid University Hospital.
- Assistant Professor and member of various committees at King Saud University.
- Medical Director at the Women's Specialized Hospital in King Fahd Medical City.
- Chief Medical Executive at King Fahd Medical City.



Executive Management:

The Executive Management is responsible for implementing the strategies and plans approved by the Board of Directors, at the board level as well as for monitoring operations and achieving performance indicators in accordance with the decisions of the Board of Directors

Name

Dr. Abdul Aziz bin Saleh AlObaid



Current Position and Memberships

- CEO of the National Medical Care Company.

Previous Position and Memberships

- CEO of Medical Affairs at the National Medical Care Company.
- Consultant in Gynecologic Oncology at King Khalid University Hospital.
- Assistant Professor and member of various committees at King Saud University.
- Medical Director at the Women's Specialized Hospital in King Fahd Medical City.
- Chief Medical Executive at King Fahd Medical City.
- Over 23 years of practical experience in the medical and administrative fields.

Academic Qualifications

- Bachelor's degree in Medicine and Surgery from King Saud University.
- Master's degree in Health Care Management.
- Specialist in Gynecologic Oncology.
- Fellowship from the Royal College of Surgeons in Canada.
- Fellowship from the American Board of Obstetrics and Gynecology.

Name

Mr. Jahanzeb Ahmed Khan



Current Position and Memberships

- CFO of the National Medical Care Company.

Previous Position and Memberships

- Regional Financial Controller at the Middle East Company (Pladis Global).
- Financial Controller at the National Biscuits & Confectionery CO. LTD.
- Senior Audit Manager at KPMG.
- Senior Manager of Planning and Budgeting at Central Creatives Company (Pakistan).
- Deputy Audit Manager at KPMG (Pakistan).
- Multiple experiences in auditing and financial review.

Academic Qualifications

- Certified Public Accountant (CPA) accredited by the Institute of Accountants in Pakistan.

Name

Dr. Badr bin Saqr Al-Otaibi



Current Position and Memberships

- Chief Medical Executive of the National Medical Care Company.

Previous Position and Memberships

- Medical and Administrative Director of Care Medical AlRawabi.
- Director of Emergency Medicine Department at the Royal Commission Hospital.
- Director of the National Program for Adult Emergencies at the Saudi Ministry of Health.
- Many scientific courses in leadership and management, including:
 - Financial Management for Non-Financial Managers from Prince Mohammad Bin Salman College of Executive Education.
 - Leadership Strategies for Healthcare Executives Development from the Harvard School of Public Health.
 - Extended experience in the fields of medical management and leadership.

Academic Qualifications

- Executive Master's degree in Health Administration from the University of Minnesota, United States of America.
- Fellowship in Medical Simulation from Harvard, Boston, United States of America.
- Fellowship in Disaster Medicine from Harvard, Boston, United States of America.
- Saudi Board in Emergency Medicine from King Abdulaziz Medical City, Riyadh, Kingdom of Saudi Arabia.
- Bachelor of Medicine and Surgery (MBBS) from King Saud University, Riyadh, Kingdom of Saudi Arabia

Name

Mr. Mohamed bin Abdulrahman Al-Qaseer



Current Position and Memberships

- Chief Human Resources Officer of the National Medical Care Co.

Previous Position and Memberships

- Chief Executive Officer of HRL
- General Manager of the Human Resources Department at one of the Public Investment Fund's companies.
- General Manager of the HR Department at Al Yusr.
- Director of Human Resources at Al Fahhad Company.
- Member of the Project Arbitration Committee of the Leaders Program in the HR Development Fund (Hadaf).
- Member of the Executive Committee at the Applied College in Shaqra University.
- Member of the Consulting Offices Committee at the Riyadh Chamber
- Deputy Chairman of the Board of Directors at the Association of Consulting Companies.
- Over 17 years of work experience in the private & semi-governmental sectors in the field of human capital management.

Academic Qualifications

- Master's degree in Human Resource Management from Queensland University of Technology in Australia.
- Certified Management Consultant from the Ministry of Commerce.
- Certified Expert in Key Performance Indicators from the KPIs Institute
- Hold multiple professional certifications in strategic management and leadership.

Name

Mr. Naseer Ali



Current Position and Memberships

- Chief Strategy Officer of the National Medical Care Company.

Previous Position and Memberships

- CFO – Saudi Medical Care Group.
- CFO – National Agricultural Development Company (NADEC).
- CFO – Olayan Kimberly-Clark.
- CFO – Mars, Incorporated.
- Various Senior finance roles – British American Tobacco BAT).
- Over 20 years of experience.

Academic Qualifications

- Sc Physics & Mathematics (University of Punjab).
- FCMA (UK).
- FCMA (Pakistan).
- CIA (US).
- FPA.

Name

Mr. Muhammad Al-Fadhil Al-Shammari



Current Position and Memberships

- CEO of Internal Audit at the National Medical Care Co.
- Date of appointment 2023 /11/12

Previous Position and Memberships

- CEO of Internal Audit at Al Yusr Leasing, and Financing Co.
- 18 years of experience in internal auditing.

Academic Qualifications

- Bachelor's degree in Administrative Science from King Abdulaziz University.

Name

Eng. Ibrahim Abdullah Al-Ammar



Current Position and Memberships

- CIO of the National Medical Care Company.

Previous Position and Memberships

- Held multiple positions and led project initiatives at Saudi Telecom -Bahrain.
- 22 years of experience in various fields of Information Technology.

Academic Qualifications

- Bachelor's degree in Computer Science from King Saud University.

Name

Eng. Ibrahim Alkhelaifi

Current Position and Memberships

- COO of the National Medical Care Company.

Academic Qualifications

- Bachelor's degree in Biomedical Technology from King Saud University.
- MSc in Medical Physics and Clinical Engineering from Sheffield, UK.



Previous Position and Memberships

- He worked in the field of biomedicine at King Faisal Specialist Hospital and Research Center (KFSHRC).
- Chief Operating Officer at King Fahd Medical City (KFMC)
- CEO of Atyaf Support Services Company
- More than 28 years of practical experience in various fields of operations services, especially in the field of health care.

Board of Directors Meetings and Attendance Record of Members

During the year 2023, the Company's Board of Directors held four meetings. The table below shows the dates of these meetings and the attendance record of the board members:

S/N	Name	ρ2023-3-21	ρ2023-5-23	ρ2023-10-24	ρ2023-12-28
01	Saad Abdulmohsen Alfadly	✓	✓	✓	-
02	Michael Davis	✓	✓	✓	✓
03	Faraj Saad Al-Gabani	✓	✓	✓	✓
04	Bader Fahad AlAthel	✓	✓	✓	✓
05	Mai Mohammed Al Hoshan	✓	✓	✓	✓
06	Sami Suliman Alkhashan	✓	✓	✓	✓
07	Bashar Abdulaziz Abalkhail	✓	✓	✓	✓
08	Ahmed Wazaa Alqahtani	✓	✓	-	✓
09	Abdulaziz Saleh AlObaid	✓	✓	✓	✓

Shareholders General Assembly Meetings and the Names of Attending Board Members:

The Company's General Assembly held two meetings during the year 2023, attended by the members of the Board of Directors as shown in the following table:

S/N	Name	Ordinary General Assembly	Ordinary General Assembly
		Meeting 19-06-2023	Meeting 6-11-2023
01	Saad Abdulmohsen Alfadly	✓	✓
02	Michael Davis	✓	-
03	Faraj Saad Al-Gabani	✓	✓
04	Bader Fahad AlAthel	✓	✓
05	Mai Mohammed Al Hoshan	✓	✓
06	Sami Suliman Alkhashan	✓	✓
07	Bashar Abdulaziz Abalkhail	✓	✓
08	Ahmed Wazaa Alqahtani	✓	✓
09	Abdulaziz Saleh AlObaid	✓	✓

Board of Directors Committees

The Board of Directors is responsible for managing the Company. However, for enhanced efficiency and based on the Company's circumstances, the Board establishes duly delegated committees with specific objectives, authorities, and responsibilities.

The Company has established the following committees, which have been appointed by the Board:

- Nominations and Remunerations Committee.
- Executive Committee.

Moreover, the Company has established an Audit Committee, which has been appointed by the Ordinary General Assembly in accordance with the relevant rules and regulations issued by the Capital Market Authority and the Ministry of Commerce at that time. The Company has recently amended its Articles of Association and the work regulations of the Audit Committee in accordance with the new Companies Law issued under Royal Decree (M/132) dated 1443/12/1 AH corresponding to 2022/6/30.

First: Audit Committee

The Audit Committee consists of three members, mostly with expertise in financial affairs, accounting, auditing, and risk management. The Committee held five meetings during the year 2023 to enhance its role and the role of the Board of Directors in monitoring external audits, control, internal audits, risk management, and their effectiveness.

This is to ensure the integrity of financial reports, optimal risk management, and other responsibilities entrusted to the Committee based on its charter.

The Audit Committee was formed on September 2022 ,15, for a duration of three Gregorian years, and it will conclude on September 2025 ,14.

The below table shows the dates of the meetings and the attendance record of its members:

S/N	Name	Nature of Membership	No. of Meetings				
			ρ2023-1-29	ρ2023-03-01	ρ2023-5-11	ρ2023-8-6	ρ2023-11-2
			1	2	3	4	5
01	Sami Suliman Alkhashan	Chairman	✓	✓	✓	✓	✓
02	Bashar Abdulaziz Abalkhail	Member	✓	✓	✓	✓	✓
03	Faraj Saad Al-Gabani	Member	✓	✓	✓	✓	✓

Second: Executive Committee

The Executive Committee consists of four members who have experience in the committee's field of work. In 2023, the Committee held ten meetings and its main tasks include:

The Committee reviews and recommends strategic plans for the Company, with regular monitoring of the implementation of various strategic initiatives. It also monitors the financial and operational performance of the Company, reviews the Company's planning and budgeting components and its different business units. Additionally, it reviews and evaluates investment proposals and projects submitted by the Executive Management and makes recommendations to the Board of Directors. The Committee conducts periodic reviews of the performance of the executive management to ensure alignment with operational plans and strategies and monitors progress towards achieving objectives. It performs an annual review of its charter and recommends any necessary changes for approval by the Board of Directors. The Committee also carries out any other tasks or responsibilities delegated by the Board of Directors from time to time.

S/N	Name	Nature of Membership	No. of Meetings										
			02-19 2023	03-19 2023	04-18 2023	05-21 2023	07-18 2023	07-25 2023	08-29 2023	10-17 2023	12-12 2023	12-24 2023	
			1	2	3	4	5	6	7	8	9	10	
01	Michael Davis	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-
02	Ahmed Wazaa Alqahtani	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
03	Sami Suliman Alkhashan	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
04	Abdulaziz Saleh AlObaid	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Third: Nominations and Remunerations Committee

The Nominations and Remunerations Committee consists of four members with expertise in the committee's field of work. During the year 2023, the Committee held three meetings. Some of its main tasks include proposing clear policies and criteria for membership in the Board of Directors and the Executive Management, recommending the nomination and re-nomination of members in accordance with the approved policies and criteria. Additionally, the Committee prepares a clear policy for the remuneration of the Board of Directors, committees derived from the Board, and the Executive Management. It submits the policy to the Board of Directors for review and approval by the General Assembly, conducts periodic reviews, and evaluates its effectiveness. The Committee also clarifies the relationship between granted remuneration and the applicable remuneration policy, highlighting any significant deviation from this policy. Finally, it recommends the remuneration of the Board of Directors, its committees, and Senior Executives of the Company in accordance with the approved policy.

S/N	Name	Nature of Membership	No. of Meetings		
			ρ2023-3-13	ρ2023-6-20	ρ2023-10-22
			1	2	3
01	Bashar Abdulaziz Abalkhail	Chairman	✓	✓	✓
02	Saad Abdulmohsen Alfadly	Member	✓	✓	✓
03	Mai Mohammed Al Hoshan	Member	✓	✓	✓
04	Bader Fahad AlAthel	Member	✓	✓	✓

Remunerations and Compensations Paid to Board Members, Executive Management and the Relevant Policy

The Company's General Assembly, convened on 2021/05/27, approved the policy of remuneration and compensation of the members of the Board of Directors, members of the Board of Directors Committees, and the Executive Management. This policy aims to regulate the remuneration in order to attract competent individuals with scientific, technical, managerial expertise, and relevant experience that enable them to fulfill their duties and responsibilities with professionalism and high efficiency, taking into consideration the sector in which the Company operates and the necessary skills for its management.

In accordance with the approved policy, the remuneration of members of the Board of Directors, its Committees, and the Executive Management shall be determined based on the following principles and rules:

First: Board of Directors Remunerations & Compensations

- A member of the Board of Directors shall be entitled to an annual remuneration in accordance with relevant regulations and laws, as compensation for their membership on the board. This entitlement shall be based on a recommendation from the Nominations and Remunerations Committee.
- When approving the remuneration of the Board of Directors members, consideration shall be given to the member's contribution, attendance, and participation in discussions, as well as any contributions that serve the Company's interests.
- It is permissible to approve varying remuneration for the members of the Board of Directors based on their roles, responsibilities, and achieved accomplishments.
- An additional remuneration to a member of the Board of Directors may be paid if they are assigned additional tasks, based on the recommendation of the Nominations and Remunerations Committee and with the approval of the Board of Directors.
- Members of the Board of Directors do not have the right to vote on the remuneration of the Board of Directors members at the Shareholder General Assembly meeting.
- The total remuneration, allowances, and benefits received by a member of the Board of Directors, including their membership on committees, must not exceed the limits set by the relevant laws and guidelines established by the competent authority. It should also be within the bounds specified by the Companies Law and the Regulations thereof.

Second: Board Committees Remunerations & Compensations

- A member of the Committee shall be entitled to an annual remuneration in accordance with relevant regulations and laws, as compensation for their membership on the Committee. This entitlement shall be based on a recommendation from the Nominations and Remunerations Committee.
- When approving the remuneration of the Committee members, consideration shall be given to the member's contribution, attendance, and participation in discussions, as well as any contributions that serve the Company's interests.
- It is permissible to approve varying remuneration for the Committee members based on their roles, responsibilities, and achieved accomplishments.
- An additional remuneration to the Committee member may be paid if they are assigned additional tasks, based on the recommendation of the Nominations and Remunerations Committee and with the approval of the Board of Directors.

Third: Senior Executives Remuneration

- The Board of Directors determines the remunerations of the Senior Executives, based on the recommendation of the Nominations and Remunerations Committee, provided that the remunerations and allowances shall be in accordance with the following principles:
- Alignment with the Company's strategic objectives, serving as a motivator for Senior Executives to achieve those objectives and enhancing the Company's ability to develop and sustain its business.
- Suitability to the nature, activities, and size of the Company, as well as the required skills and expertise.
- Enabling the Company to attract Senior Executives with the necessary capabilities, skills, and qualifications to help the Company achieve its goals.
- Avoiding any conflicts of interest that could negatively impact the Company's interests and its ability to achieve its objectives.
- The Company is committed to implementing a compensation policy for members of the Board of Directors, members of Board Committees, and the Executive Management in accordance with relevant laws and regulations. Thus, there has been no significant deviation from the approved compensation policy for members of the Board of Directors and the Executive Management. The tables below illustrate the compensation of Board of Directors members and the Executive Management:

Name	Fixed Remunerations						Grand Total
	Specific *Amount	Board Meetings Attendance Allowance	Total Allowance for Attending Committee Meetings	In-kind Benefits	Remuneration received by Board Members ,as employees ,administrators ,or for technical ,administrative or consulting services rendered	Chairman of the Board, Managing Director, or Secretary if they are Board Members Remuneration	
First: Independent Members							
Mai bint Mohammed Al Hoshan	200,000	12,000	9,000	NIL	NIL	NIL	221,000
Sami bin Suliman Alkhashan	200,000	12,000	45,000	NIL	NIL	NIL	257,000
Bashar bin Abdulaziz Abalkhail	200,000	12,000	24,000	NIL	NIL	NIL	236,000
Second: Non-Executive Members							
Saad bin Abdulmohsen Alfadly	200,000	9,000	9,000	NIL	NIL	100,000	318,000
Michael Davis	200,000	12,000	24,000	NIL	NIL	NIL	236,000
Ahmed bin Wazaa Alqahtani	200,000	9,000	30,000	NIL	NIL	NIL	239,000
Faraj bin Saad Al-Gabani	200,000	12,000	15,000	NIL	NIL	NIL	227,000
Bader Fahad AlAthel	200,000	12,000	9,000	NIL	NIL	NIL	221,000
Third: Executive Members							
Dr. Abdulaziz bin Saleh AlObaid*	200,000	12,000	30,000	NIL	NIL	NIL	242,000

First: Board of Directors Members Remunerations

The amounts mentioned (specifically the Remunerations) represent what will be granted to the members of the Board of Directors during the year 2024, for the fiscal year ended on December 2023 ,31. These amounts are expected to be approved and disbursed through the General Assembly, which is anticipated to take place in 2024. It is worth noting that the Board of Directors has recommended to the General Assembly the approval of total remunerations for the Board of Directors for the year 2023, amounting to (SAR 1,900,000).

Please note that the fields related to variable remunerations, end-of-service benefits, and expense allowances have been removed from the above table, as they are not applicable or in line with the Corporate Governance Regulations issued by the Financial Market Authority

Second: Committee Members Remunerations

Name	Fixed Remunerations (Excluding Meeting Attendance Allowances)	Meetings Attendance Allowance	Total
First: Audit Committee Members			
Sami Suliman Alkhashan	120,000	15,000	135,000
Bashar Abdulaziz Abalkhail	120,000	15,000	135,000
Faraj bin Saad Al-Gabani	120,000	15,000	135,000
Second: Nominations and Remunerations Committee Members			
Saad bin Abdulmohsen Alfadly	50,000	9000	59,000
Bashar Abdulaziz Abalkhail	50,000	9000	59,000
Mai Mohammed Al Hoshan	50,000	9000	59,000
Bader Fahad AlAthel	50,000	9000	59,000
Third: Executive Committee Members			
Ahmed Wazaa Alqahtani	50,000	30,000	80,000
Michael Davis	50,000	24,000	74,000
Sami Suliman Alkhashan	50,000	30,000	80,000
Abdulaziz Saleh AlObaid	50,000	30,000	80,000

Third: Senior Executives Remunerations (Including the CEO and the Chief Financial Officer)

Senior Executives	Fixed Remunerations				Variable Remunerations						End-of-Service Benefits	Total Board Executives Remunerations, if applicable	Grand Total
	Salary	Allowances	In-kind Benefits	Total	Periodic Remunerations	Profits	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares	Total			
	7,032,204	1,328,016		8,360,220			6,139,965						14,500,185

Ownership of Board Members, Executive Management, their Spouses, and Minor Children

The following tables describe the interests held by members of the Board of Directors and Senior Executives in the Company's shares and debt instruments, as well as any changes in those interests or rights during the current year. Please note that there are no interests or rights held by their spouses and minor children in the Company's shares.

First: Board of Directors Members Ownership

S/N	Name	Beginning of the Year		End of the Year		Net Change	Change Percentage
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
01	Bashar bin Abdulaziz Abalkhail	5000	-	5000	-	NIL	-
02	Saad bin Abdulmohsen Alfady*	22.066.901	-	22.066.901	-	NIL	-
03	Michael Davis	-	-	-	-	NIL	-
04	Bader bin Fahad AlAthel	2000	-	-	-	NIL	%100
05	Faraj bin Saad Al-Gabani*	22.066.901	-	22.066.901	-	NIL	-
06	Mai bint Mohammed Al Hoshan	-	-	-	-	NIL	-
07	Sami bin Suliman Alkhashan	-	-	-	-	NIL	-
08	Ahmed Wazaa Alqahtani*	22.066.901	-	22.066.901	-	NIL	-
09	Dr. Abdulaziz bin Saleh AlObaid	-	-	-	-	NIL	-

*They do not have any direct or indirect interests. However, in the Company's previous Articles of Association, they represented the Saudi Medical Care Group, which owned %49.2. Currently, according to the Company's Articles of Association updated at the beginning of 2024, they are members of the Board of Directors in their personal capacity

Second: Senior Executives Ownership

S/N	Name	Beginning of the Year		End of the Year		Net Change	Change Percentage
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
01	Dr. Abdulaziz bin Saleh AlObaid	-	-	-	-	-	-
02	Mr. Jahanzeb Mohammed Khan	-	-	-	-	-	-
03	Dr. Badr bin Saqr Al-Otaibi	-	-	-	-	-	-
04	Eng. Ibrahim Abdullah Al-Ammar	-	-	-	-	-	-
05	Mr. Sayyed Mohammed Ali Naseer	-	-	-	-	-	-
06	Mr. Muhammad Al-Fadhil Al-Shammari	-	-	-	-	-	-

Implemented and Non-Implemented Provisions of Corporate Governance Regulations

In recognition of the fact that sound governance is a fundamental tool for long-term shareholder wealth creation, and with a commitment to adhering to best governance and disclosure practices, the Company has established a dedicated Governance, Risk, and Compliance Department. It is responsible for all matters related to the Company's governance, its Board of Directors, shareholder affairs, inquiries, and feedback. The Company has also developed specific governance regulations and policies for the Company and its subsidiaries, aimed at establishing rules and standards that govern the protection of shareholder rights and stakeholders' interests, as well as ensuring compliance with best governance practices. These regulations and policies are binding for members of the Board of Directors, Executive Management, and employees of the Company.

Article No.	Text	Reason for Non-implementation
67	A committee called the "Risk Management Committee" shall be established by a resolution of the Company's Board of Directors, as stipulated in the Article.	The Audit Committee has been entrusted with overseeing the scope of work of the Risk Management Committee.
68	The Risk Management Committee shall be responsible for the following, (as contained in the Article).	The Audit Committee has been delegated to oversee the scope of work of the Risk Management Committee. Additionally, it should be noted that the Company has a dedicated Governance and Compliance Department.
69	The Risk Management Committee shall meet regularly, at least every six months, and whenever a need arises.	The Audit Committee has been entrusted with overseeing the scope of work of the Risk Management Committee.
82	The Company shall establish programs for employee development and incentivization, These programs shall specifically include the following, (As stated in the Article)	It is an advisory article; the need for its implementation will be assessed.
92	If the Board of Directors forms a committee dedicated to corporate governance, it shall delegate to this committee, the following responsibilities (As per the Article).	It is an advisory article; the Board of Directors does not see a need to form a committee for corporate governance, noting that there is a dedicated Governance and Compliance Department within the Company.

*The Company's Articles of Association have been amended to align with the new Companies Law issued under Royal Decree (M/132), dated 1443/12/1 AH, corresponding to 2022/6/30.

Transactions with Related Parties

The Company is committed to avoiding any conflicts of interest that could impact the Company's management or decision-making. It also strives to protect the rights of shareholders and stakeholders, in accordance with the Company's Articles of Association and relevant laws. Noting that the Company handles cases of conflicts of interest, transactions, and dealings with related parties in accordance with the provisions of the Conflict of Interest Policy and the Relationship Management with stakeholders Policy approved by the Board of Directors. These policies are designed to ensure compliance with the Company's Articles of Association, the Companies Law, the Capital Market Law, and their respective Implementing Regulations.

In 2023 and as part of the Company's regular activities, and with prior prior authorization from the General Assembly, the Company engaged in transactions with Related Parties, as indicated in the following table:

S/N	Related Party	Work/Contract Nature	Work/Contract Amount	Work/Contract Term	Work/Contract Requirements	Name of the Member/Senior Executive or a Person Related to Any of Them	Notes
01	The General Organization for Social Insurance (GOSI), which directly owns a stake in the Saudi Medical Care Group, which in turn owns %49.2(Care)	Providing medical services for the treatment of work-related injuries.	429,709,709	3 Years	Regular activities without any conditions or preferential benefits	Saad Alfadly Ahmed Alqahtani Faraj Al-Gabani	
02	Saudi Medical Care Group	Purchase of a hospital	204,069,593	N/A	Regular activities without any conditions or preferential benefits.	Saad Alfadly Ahmed Alqahtani Faraj Al-Gabani	

Board Declarations

The Board of Directors declares that:

- The financial records have been prepared correctly.
- The internal control system has been established on sound foundations and implemented effectively.
- There is no significant doubt regarding the Company's ability to continue its operations.
- The Board of Directors is working on establishing a mechanism to evaluate its own performance, as well as the performance of its committees and members.
- The Company has not received any request from the auditor to convene the General Assembly during the ended fiscal year, and it has not been convened.
- The Company has an Internal Audit Department.
- There are no recommendations from the Audit Committee that conflict with the decisions of the Board of Directors, or recommendations that the Board has rejected regarding the appointment, removal, determination of fees, and evaluation of the performance of the company's auditors or the appointment of the internal auditor.
- The International Financial Reporting Standards (IFRS) have been applied in accordance with the guidelines of the Saudi Organization for Chartered and Professional Accountants, and there are no deviations from the standards approved by the Organization.
- The Company has not been notified of any interests in the voting rights of the shares belonging to individuals (excluding members of the Board of Directors, Senior Executives, and their relatives) under Article (85) of the Rules on the Offer of Securities and Continuing Obligations.
- There are no convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the Company during the fiscal year, nor any compensation received by the Company in exchange for such instruments.
- There are no rights of conversion or subscription under convertible debt instruments, contractual securities, subscription warrants, or similar rights issued or granted by the Company.
- The Company has not made any redemption, repurchase, or cancellation of any redeemable debt instruments and the remaining value of securities, with a distinction between those purchased by the Company itself and those purchased by its subsidiaries, if any.
- There was a transaction that took place in 2023 between the National Medical Care Company and the Saudi Medical Care Group. The transaction involved three members of the Board of Directors of the National Medical Care Company, and the details thereof can be found on page (41), which includes the table of Related Parties.
- There are no arrangements or agreements in which any shareholder of the Company relinquishes any rights to profits.
- There are no arrangements or agreements in which any members of the Board of Directors or Senior Executives relinquish any remunerations.
- There are no investments or reserves established for the benefit of the Company's employees.
- The audit report does not include any reservations regarding the financial statements.
- The Board of Directors has not recommended changing the auditors before the designated period for their appointment expires.
- The Company does not hold any treasury shares.

Shareholders Rights and General Assembly

The Company's Articles of Association, regulations, and corporate governance policies guarantee all rights related to the Company's shares, including dividend rights, attending shareholders' meetings, participating in their deliberations, and voting on resolutions. Shareholders also have the right to monitor the decisions of the Board of Directors, file liability claims, and request information that does not harm the Company's interests. The Company ensures the attendance of the majority of shareholders at General meetings by selecting appropriate timing. Additionally, remote voting is facilitated to make the voting process easier for shareholders. The Board of Directors has taken necessary measures to inform its members, especially non-executive directors, about the proposals and comments of shareholders regarding the Company and its performance. The Company's Board of Directors has adopted a conflicts of interest policy that regulates relationships with stakeholders, specifically shareholders, according to the following principles:

Communication Method for Receiving Complaints, Feedback, and Suggestions:

- Telephone, according to the extension provided on the company's page on the Tadawul website.
- Emails- using the email address specified on the company's page on the Tadawul website.
- Letters sent via mail or fax.
- Complaints and suggestions box at the Company and its subsidiaries.
- Surveys provided by the Company.

Settlement and Handling of Complaints, Feedback, and Suggestions::

- The relevant department or employee receives the complaint.
- The complaint is escalated to the appropriate department manager based on its nature.
- External parties such as the Legal Department manager or Internal Audit Department manager may be involved if necessary..
- The Company issues directives and decisions to prevent the recurrence of complaints or observations.

Communication with Shareholders

In line with the Company's commitment and concern for the rights of its shareholders, the Company has recently established a Shareholders Affairs Department to communicate with the Company's shareholders and address any potential issues they may face. The Company has also published on the Tadawul website the email address and contact numbers for the Shareholders Affairs Department as follows:

Fax.	Tel.	Email	Website
00966114936277	00966114931881	care.ir@care.med.sa	www.care.med.sa

Major Shareholders

Name	Ownership percentage in the last trading day (%)	Change
*Saudi Medical Care Group	%49.2	%0

* Please refer to page (40) to check Ownership Details.

Investors Relations Department

The National Medical Care Company has a dedicated Investor Relations Department that aims to enhance its relationships with the investment community, including financial institutions, individual investors, international investors, institutional investors, and market analysts. The Company strives to increase transparency by providing the necessary information and data that investors require and building strong relationships with them. The Investor Relations department serves as a link between the National Medical Care Company and the investment community. In 2023, the Company engaged with investors through four quarterly conference calls to discuss the financial situation and company results. Additionally, direct meetings were conducted with over 200 members of the investment community. The Company also participated in four conferences and meetings organized by EFG, HSBC, and Bank of America. Furthermore, various visits were made to the company's private hospitals and headquarters by Bank of America, the Public Investment Fund, and several other investment companies to observe operational activities and implemented practices. Therefore, the National Medical Care Company is committed to adopting and implementing best practices in investor relations as one of its top priorities.

Company's Dividend Distribution Policy

The Company distributes annual dividends based on the net profits generated, cash flows, future investment expectations, after deducting general expenses, other costs, and setting aside reserves necessary to cover doubtful debts, investment losses, and unforeseen obligations deemed necessary by the Board of Directors, in accordance with Article (41) of the Company's Articles of Associations. The dividend distribution is handled as follows:

- The General Assembly determines the percentage of net profits, after deducting reserves if any, that should be distributed among the shareholders.
- The Ordinary General Assembly has the authority to decide on the allocation of reserves for purposes determined by the General Assembly, to the extent that it serves the Company's interests or ensures the distribution of consistent dividends to the shareholders as much as possible.
- The Ordinary General Assembly has the authority to allocate amounts from the net profits to achieve social purposes for the employees of the Company.

- The Company is permitted to distribute interim dividends to its shareholders on an annual, semi-annual, or quarterly basis, based on a delegation granted by the Ordinary General Assembly to the Board of Directors to distribute dividends, which is renewed annually in accordance with the regulatory procedures issued by the Capital Market Authority.

According to the recommendation of the Board of Directors, it was approved to distribute cash dividends in the amount of (SAR 44,850,000) for the financial period ending on December 2022 ,31 (equivalent to SAR 1 per share and %10 of the capital). The entitlement to receive dividends was granted to shareholders who owned the shares at the end of trading on the date of the General Assembly, which took place on June 2023 ,19. The entitlement was also applicable to shareholders registered in the Company's shareholder registry at the Securities Depository Center Company "Edaa" at the end of the second trading day following the entitlement date. It is important to note that the dividends were disbursed on July 2023 ,10.

Number, Dates, and Reasons of the Company Requests for the Shareholder Register

In 2023, the Company requested the shareholder register nine times. The following table illustrates the Company's requests for the shareholder register and the relevant reasons:

S/N	Request Date	Reasons
01	2023/03/06	Company Procedures
02	2023/03/22	Company Procedures
03	2023/06/01	Company Procedures
04	2023/06/19	General Assembly
05	2023/06/20	Company Procedures
06	2023/09/04	Company Procedures
07	2023/10/22	Company Procedures
08	2023/11/06	General Assembly
09	2023/12/31	Company Procedures

Sanctions, Penalties, and Precautionary Measures Imposed on the Company.

The table has been updated based on the Human Resources Department and the Legal Affairs Department

The Sanctions/ Penalty/ Precautionary Measure	Violation Reasons	Imposing Authority	Methods of Remedying and Preventing Future Occurrences
180,000	Violations of the Private Health Institutions Law.	General Directorate of Health Affairs	Payment has been made. The necessary corrective measures were taken promptly. The relevant dep. has confirmed their commitment to the applicable regulatory requirements.
130,000	Violations of the Licensing Law	Civil Defense Directorate	Issuing all necessary licenses and ensuring their renewal before their expiration date is essential. It is also important to comply with safety regulations and ensure they align with regulatory requirements to avoid health and safety risks.

Annual Report of the Audit Committee

This report delineates the activities undertaken by the audit committee during the year 2023, in alignment with the duties and responsibilities outlined in the approved Audit Committee Charter of the Medical Care Company. The charter has been prepared in accordance with regulatory requirements issued by the Ministry of Investment and the corporate governance regulations issued by the Saudi Arabian Capital Market Authority.

The committee actively supports the Board of Directors in fulfilling its overall responsibilities, with a particular focus on ensuring the effectiveness and efficiency of the company's internal control system. It provides recommendations to the Board to enhance and evolve these systems to achieve the company's objectives while safeguarding the interests of shareholders and investors.

Furthermore, the audit committee dedicates its efforts to enhance the independence and objectivity of internal audit activities and external audit reviews. The following is a concise summary of the key tasks included in this report

First: Formation of the Committee:

During its meeting on September 2022 ,6, the General Assembly endorsed the names of the nominees as members of the Audit Committee for the current term. The assembly also outlined the committee's tasks, responsibilities, scope of work, and annual remuneration for a three-year period commencing on September 2022 ,15, and concluding on September 2025 ,14.

The Audit Committee is comprised of three members, including two independent members and a non-executive member from the board of directors. The current committee members are distinguished by their diverse expertise in financial affairs, accounting, and compliance.

Second: Committee Meetings:

The Audit Committee for the Care Medical Company held (5) meetings throughout the year 2023 to ensure the implementation of its assigned tasks in accordance with the best international practices in the field. This was done in alignment with the responsibilities and tasks outlined in the company's governance regulations, which were formulated based on the corporate system issued by the Ministry of Commerce and Investment, as well as the governance regulations issued by the Saudi Arabian Capital Market Authority.

The committee's notable activities during the year include:

1. Evaluation of proposals submitted by auditing firms for the review of the quarterly and annual financial statements for the fiscal years 2023 and 2022 respectively. After technical and financial assessments, the committee recommended engaging the external audit firm Price Waterhouse Coopers (PwC) to audit the company's financial statements for the fiscal year 2023, based on its deemed technical and financial superiority, subject to approval by the General Assembly.
2. Examination of the audited annual financial statements for the year 2022, as well as the preliminary financial statements for the year 2023, ensuring their fairness, transparency, and compliance with recognized accounting principles in the Kingdom. The committee recommended to the Board of Directors the approval of the reviewed financial statements for presentation to the General Assembly.
3. Discussion and approval of the methodology for updating and preparing the internal audit plan for the year 2023.
4. Adoption of the risk-based internal audit plan for the year 2023, along with the approval of the budget necessary to support the audit activities efficiently and effectively.
5. Monitoring the implementation of the internal audit plan for the year 2023 and discussing the periodic reports presented by the Internal Audit Management on its outcomes.
6. Follow-up on the implementation of internal audit recommendations by various company departments, confirming the execution of necessary corrective measures in accordance with agreed-upon action plans.
7. Examination of reports submitted by external auditors, holding meetings to discuss financial statements 2023 before approval, ensuring their independence, objectivity, and the effectiveness of the audit work, responding to inquiries, and confirming the absence of any impediments that may affect their work.
8. Monitoring the implementation of corrective measures to address external auditor observations regarding the control system with the company's executive management.
9. Periodic verification of the independence and objectivity of internal audit activities within the company, recommending necessary measures to ensure compliance when required.
10. Verification of the company's compliance with regulations, systems, policies, and relevant instructions, reviewing compliance reports from regulatory authorities, and ensuring necessary actions are taken.
11. Review of the organizational structure of the internal audit management, ensuring its consistency with the company's directions and goals, and approval of necessary organizational arrangements for management structuring.
12. Appointment of the Chief Internal Audit Officer and designation as the Secretary of the Audit Committee, effective from November 2023 ,12.
13. Review of contracts and transactions entered into by the company with related parties concerning the acquisition of Jihar Hospital in Mecca and the Chronic Company in Jeddah, providing insights to the Board of Directors regarding the same.

Third: Opinion of the Committee on the Adequacy of the Internal Control Systems in the Company:

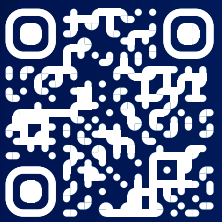
Based on the aforementioned information and the endeavors undertaken by both internal and external audit teams throughout the year 2023, the Audit Committee did not identify any significant deficiencies or fundamental flaws in the internal control systems and procedures that could jeopardize the company's continuity or hinder the achievement of its objectives. It is worth noting that the current accounting and control system is reasonably suitable given the size and activities of the company.

The Audit Committee further notes that no instances of fraud or irregularities that could impact the accuracy and integrity of the company's financial reports were detected during 2023.

Additionally, the committee recommends that the Board of Directors engage in continuous follow up with the executive management to enhance the efficiency and effectiveness of internal controls. This includes the implementation of corrective actions suggested by both internal and external auditors and ensure the ongoing updating process of the company's policies and procedures to align with changes in internal and external business dynamics

Sincerely,





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