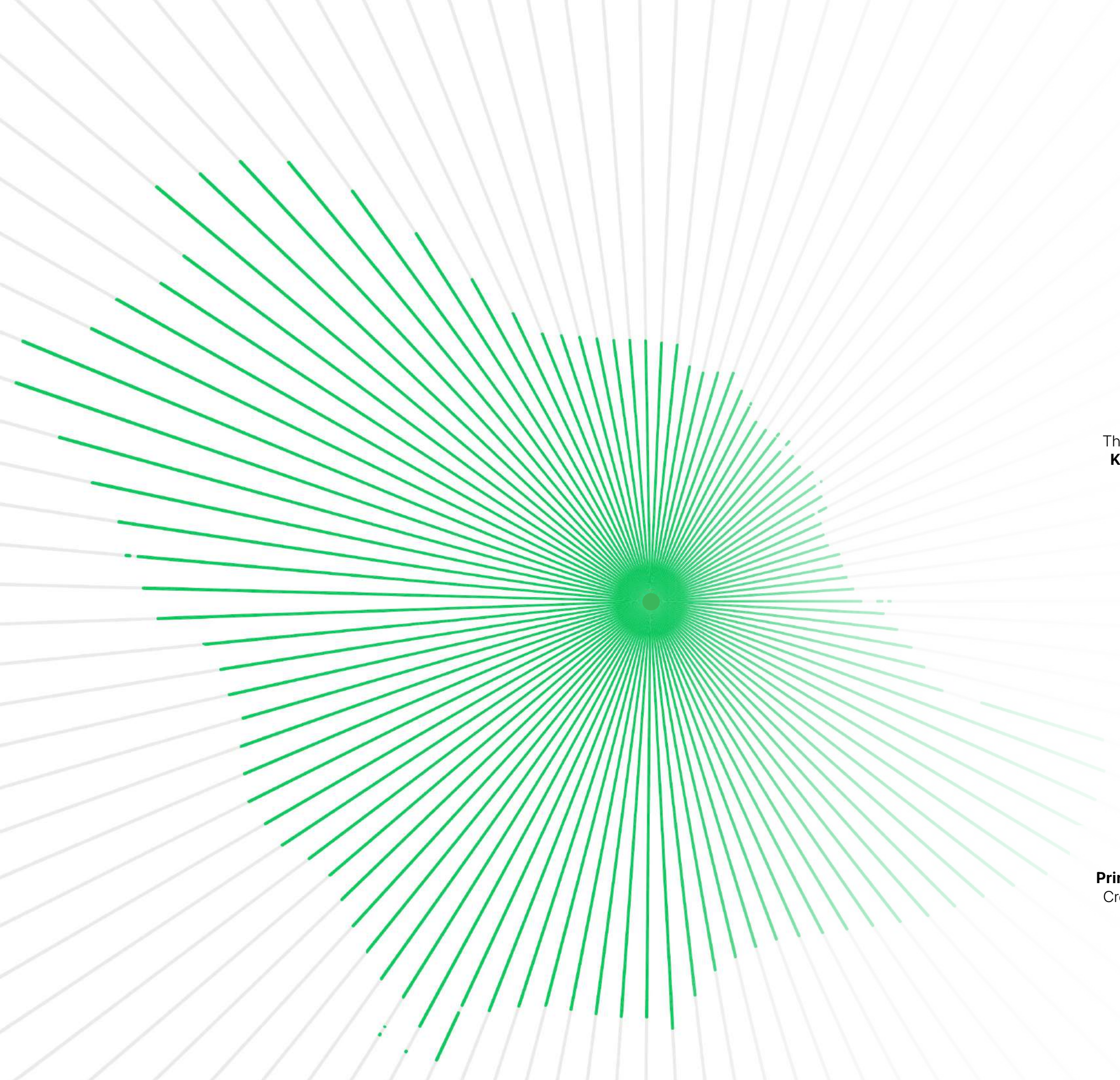


ANNUAL REPORT **2024**



**A YEAR OF
IMPACT AND
GROWTH**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



The Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al Saud
May God Protect Him



**His Royal Highness
Prince Mohammed bin Salman Al Saud**
Crown Prince and Deputy Prime Minister
May God Protect Him



Message from the Chairman

Dear Esteemed Shareholders,

On behalf of the Board of Directors of Middle East Healthcare Company (MEAHCO), I am privileged to present the annual report for the fiscal year ending December 31, 2024. The Kingdom of Saudi Arabia has experienced notable economic growth, driven primarily by the non-oil sector, underscoring the successful implementation of Vision 2030 initiatives. These efforts continue to promote diversification and foster economic sustainability.

In 2024, Saudi Arabia's real GDP grew by 1.3%, largely as a result of a 4.3% increase in non-oil activities and a 2.6% growth in government activities, while the oil sector saw a decline of 4.5%. Key sectors such as manufacturing, utilities, and services have played a vital role in this achievement, contributing significantly to the Kingdom's broader economic transformation.

Aligned with Vision 2030, which emphasizes the increasing involvement of the private sector in healthcare, we remain committed to supporting this vision. The government aims to elevate the private sector's contribution to healthcare to 50% by 2030, as well as increase the sector's GDP contribution from SAR 199 billion in 2023 to SAR 318 billion by 2030. Our strategic direction and initiatives are in harmony with country objectives.

In pursuit of these objectives, we have expanded our healthcare facilities across the Kingdom of Saudi Arabia. These state-of-the-art facilities, which include specialty centers, outpatient clinics, and staff accommodations, reflect our comprehensive approach to healthcare, education, and research, positioning us as a leader in these fields. We have also undertaken significant efforts to enhance the quality of care provided

to our patients. This includes initiatives to increase the number of niche professional within our workforce, which will strengthen our capacity in specialized care, while continuing to leverage the expertise of Saudi medical professionals, whose training and cultural understanding are invaluable in delivering an exceptional patient experience.

Our financial performance in 2024 has been outstanding, even amidst a competitive and challenging market environment. This success is a testament to the continued trust the community places in our brand. During the year, we achieved the highest net profit growth among our industry peers, while also delivering record-high revenue and EBITDA.

We are also honored to announce that MEAHCO was ranked 30th on Forbes' prestigious list of the Top 100 Family Businesses for 2024. This recognition highlights our ongoing commitment to excellence, innovation, and the enduring values of care and service that define our organization. This achievement is a direct result of the dedication and hard work of our exceptional team, whose commitment remains the cornerstone of our success. With their continued efforts, we look forward to even greater accomplishments in the years ahead.

We extend our deepest gratitude for your continued support and trust. We remain fully committed to realizing our vision for the future of healthcare.

Eng. Sobhi Abduljalil Batterjee
Chairman

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Company Profile

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1- Distinguished Investors of MEAHCO

Greetings,

The Board of Directors is pleased to submit the annual report for the year 2024 to the group's shareholders. The report presents the group's activities, overall status, results of operations, and the auditor's report on the group's annual consolidated financial statements.

2- Company Overview

Middle East Healthcare Company (MEAHCO) was established in Saudi Arabia as a closed joint-stock company following Royal Decree No. M/6 of 22/3/1385 Hijri and Commercial Register No. 4030149460, issued on 06/04/1425 Hijri (corresponding to 25 May 2004) in Jeddah. On 19 February 2015, the group obtained the approval of the Capital Market Authority (CMA) to offer a total of 27,612,000 shares for the IPO. The group's shares were listed on the Saudi Stock Exchange (Tadawul) on 29 March 2016. The group's capital consists of 92.04 million shares with a book value of SAR 10 per share, paid in full for a total value of SAR 920.4 million.

3- Purpose & Vision

Our Purpose

At SGH, our purpose is to positively impact people’s health and relieve their suffering.

Our Vision

We aim to be the most accessible & agile healthcare group in the region and provide innovative, comprehensive, patient-centric care to all patients anywhere, anytime.



Our Values

Our core values lie at the heart of everything we do, guiding our actions and behaviours each day while creating a strong foundation for our dynamic, open and resilient corporate culture.



Integrity

We conduct ourselves with the highest ethical standards. We believe in transparency and always doing what is right.



Passion & dedication

We are deeply passionate about the work we do every day for our patients and their families. We work from the heart and are dedicated to meet the needs of our patients, staff and shareholders.



Family & people centric culture

We encourage a healthy, supportive and family-like environment within our organization. We treat our patients, employees and partners like family, keeping them at the center of everything we do.



Respect

We always treat our healthcare professionals, staff, patients and their families with utmost respect.



Responsibility

We take ownership of our work and the well-being of our patients, their families and other staff members.



Trust

We encourage and facilitate behaviors that develop, restore and extend trust to our patients and between our staff.



Education & Innovation

Continued education and innovation are the main drivers that put us ahead of our competitors. We seize opportunities and continuously implement tools and techniques to provide the highest standards of education and care.

4- Board of Directors and Management

The Board of Directors consists of seven (7) non-executive members, three of whom are independent, currently managing the group.

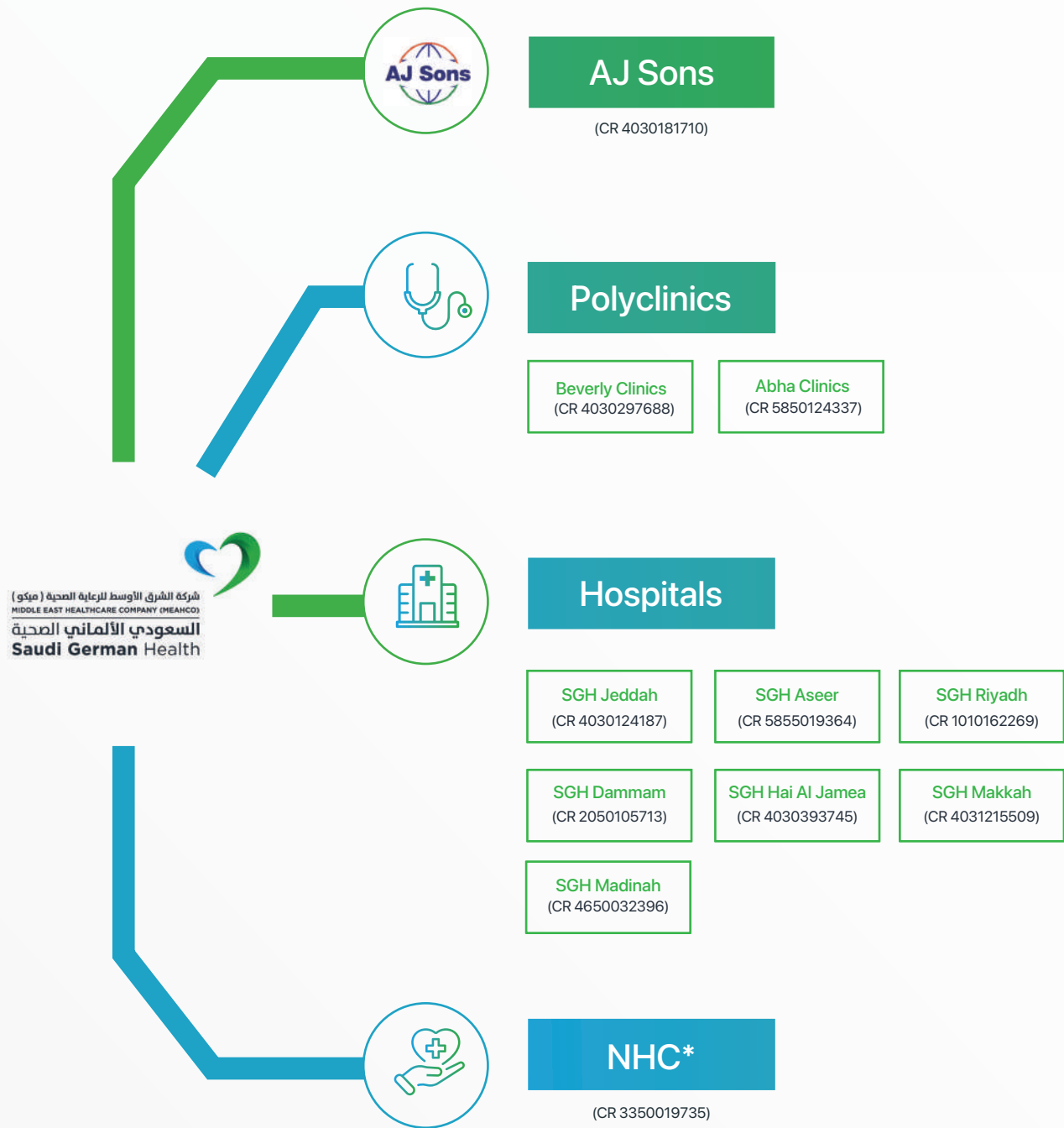
The current three-year term of the Board of Directors began on 17/9/2023 and ends on 16/09/2026.

The company has established the Audit Committee and the Nominations and Remuneration Committee. These committees operate under rules and regulations that define their respective authorities. These rules and regulations are included in the company's governance manual. Both committees report directly to the Board and provide recommendations on matters within their purview. The Board conducts an annual review to its Charter as well as Committee's charters to ensure compliance with regulatory mandates and governance best practices.

The executive directorate is a team with extensive knowledge and experience managing the company in accordance with the directions of the Board of Directors.

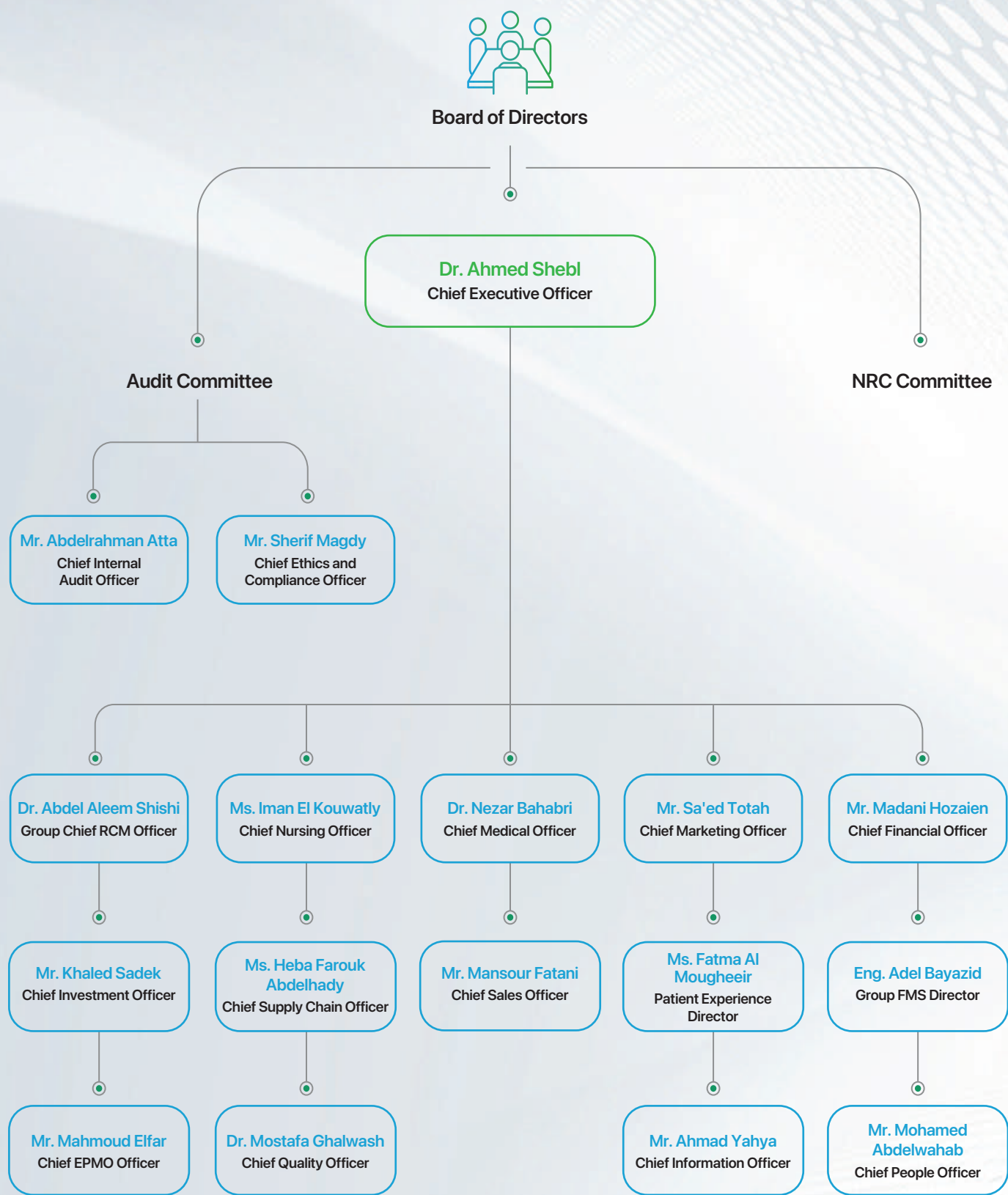


5- Legal Structure



*National Hail Company for Healthcare (NHC) is 53.89% owned by MEAHCO. NHC is a closed joint-stock company headquartered in Hail City and owns a hospital in Hail City with a capacity of 150 beds operating since February 2017

6- Organizational Structure



7- Agreements on Management Fees

Hospital	City	Country of work	Inauguration Date
• Saudi German Hospital Dubai	Dubai	UAE	2012
• Saudi German Hospital Sana'a	Sana'a	Yemen	2006
• Saudi German Hospital Cairo	Cairo	Egypt	2015
• Saudi German Hospital in Hail	Hail	Saudi Arabia	2017
• Saudi German Hospital Sharjah	Sharjah	UAE	2018
• Saudi German Hospital Ajman	Ajman	UAE	2019
• Saudi German Hospital West of Alexandria	West Alexandria	Egypt	2023
• Saudi German Hospital Lahore	Lahore	Pakistan	-
• Saudi-German Hospital Islamabad	Islamabad	Pakistan	-
• Saudi German Hospital Karachi	Karachi	Pakistan	-
• BTPL	Lahore	Pakistan	-

8- Core Objectives



Healthcare Infrastructure

Establish, operate, and manage hospitals, clinics, medical centers, rehabilitation centers, laboratories, radiology facilities, and pharmacies.



Strategic Partnerships

Collaborate with commercial agencies in the medical and pharmaceutical sectors to deliver superior healthcare solutions.



Real Estate Development

Acquire and develop land and properties to support healthcare initiatives and growth.



Training and Development

Establish specialized training centers to develop healthcare professionals and strengthen the sector's expertise.



Manufacturing and Innovation

Establish factories, import cutting-edge medical machinery and equipment, and secure patents to advance healthcare solutions.



Exhibitions and Events

Organize and manage exhibitions, conferences, and other events to showcase advancements and foster collaboration within the healthcare industry.



Pharmaceutical and Equipment Trade

Engage in the retail and wholesale trade of medicines, medical devices, rehabilitation tools, and other essential equipment for hospitals and medical centers.

9- Financial Overview

Financial Year

In accordance with the Articles of Association, MEAHCO's financial year commences on January 1st and concludes on December 31st of each year.

Auditor

For the financial year 2024, Ernst & Young (EY) served as the group's independent external auditor, ensuring transparency and compliance with regulatory standards.

10- A Rich History & An Evolving Present

1940

Sheikh Ibrahim Hassan Batterjee & Sons started importing international medical products and establishing a chain of pharmacies



1988

The Group is established and the first hospital is inaugurated in Jeddah by founders Eng. Sobhi Batterjee and Dr. Khalid Batterjee



2000

The beginning of expansion in the Kingdom through the opening of the Saudi German Hospital in Aseer



2001

Opening of the Saudi German Hospital in Riyadh



2003

Opening of the Saudi German Hospital in Madinah



2006

The global expansion begins with the opening of the Saudi German Hospital in Sana'a, Yemen



2012

Opening of the Saudi German Hospital in Dubai, the Group's first hospital in the UAE



2015

Saudi German Health enters the Egyptian market with the establishment of the Saudi German Hospital in Cairo



2020

Opening of the Saudi German Hospital in Dammam



2019

Official transition takes place with Eng. Sobhi Batterjee passing on the leadership to Makarem Sobhi Batterjee, who is appointed as President of the Group



Saudi German Hospital Cairo joins the Mayo Clinic Care Network



Opening of the Saudi German Clinics in Jumeirah



Opening of the Saudi German Hospital in Ajman



2018

Opening of the Saudi German Hospital in Sharjah



Opening of the Beverly Clinics in Jeddah



2017

Opening of the Saudi German Hospital in Hail



2016

The group, under the name Middle East Healthcare Company (MEAHCO), has a successful IPO on the Saudi Stock Exchange (Tadawul)



2021

Saudi German Health launches new brand laying the foundation for accelerating global expansion and diversification



Opening of the Saudi German Clinics in Abha



Opening of the Saudi German Hospital in Al Jamea District, Jeddah



Opening of the Saudi German Hospital in Makkah



Opening of the Saudi German Clinics in Damac Hills, Dubai



2022

Opening of the Saudi German Clinics in Damac Hills 2, Dubai



Opening of the Saudi German Hospital in Alexandria



Opening of the Saudi German Orthopedic & Trauma Hospital in Dubai



Opening of the Saudi German Women & Children Hospital in Dubai



Opening of the new medical tower at the Saudi German Hospital in Riyadh



2024

Saudi German Health made history by issuing SAR 1 billion in Sukuk, the first public issuance of its kind in Saudi Arabia's healthcare sector



Achieved the highest number of top-ranked hospitals in the region in the prestigious Newsweek World's Best Hospitals Ranking 2024 report



Completion of a five-year transformation plan by Makarem Sobhi Batterjee who has led the group to reach the highest point of growth and success in history



Opening of the Saudi German Clinics in Dubai in South Village, Serena and Sports City



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11- Health Sector Overview

Macroeconomic Outlook

Saudi Arabia has announced its budget for fiscal year 2025, with 1,285 billion Saudi riyals (about \$334 million).

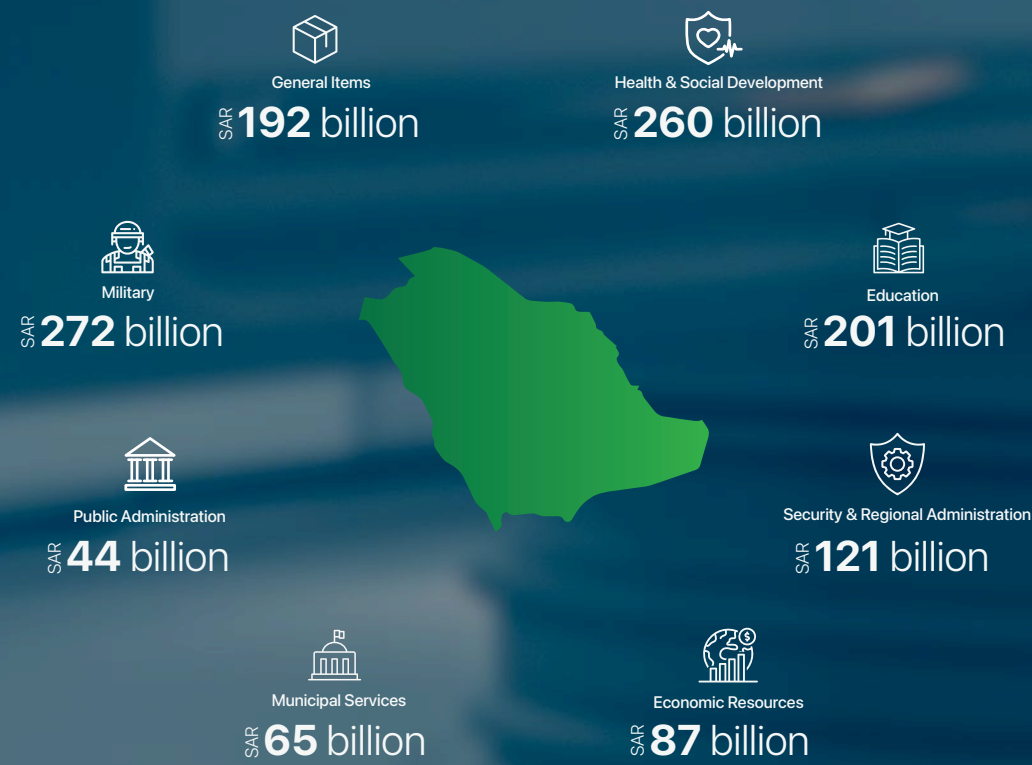
A) Budget Deficit

The 2025 budget estimates a deficit of 101 billion riyals vs. 2024 estimate deficit of 115 billion riyals. The budget projects total revenues to reach 1,184 billion riyals for 2025 vs. 2024 revenue estimate of 1,230 billion riyals.

B) Public Debt

The budget data showed that the size of public debt in 2025 is expected to increase to 1,300 billion riyals, compared to 2024 estimate of 1,199 billion riyals. This is in the light of the government borrowing plan policy, the government's strategic approach to borrowing and debt management is designed to support the financing of key projects under Saudi Vision 2030, ensuring fiscal sustainability while promoting economic diversification and growth.

C) Spending by Sector



D) Healthcare in Saudi Arabia – 2024

In 2024, Saudi Arabia's healthcare sector continues to be a cornerstone of the nation's development, benefiting from sustained government investment and strategic reforms.

Population Statistics

Current Population
37.4 million
(15.1 people/km²)
Growth: CAGR of 2.65% (2010–2016)



Projected Population by 2050
World Bank Estimate
45.1 million
Based on Current Growth Rate: 77.2 million.



Healthcare Demand Drivers

- ✓ Rising demographics and income levels.
- ✓ Increasing healthcare coverage.
- ✓ Aging population:
 - Population aged 40–59 to grow by 1.5% by 2035.
 - Population over 60 to triple by 2035.
- ✓ Growth in specialized healthcare and microsurgery due to:
 - Lifestyle-related diseases.
 - Chronic health conditions.

12- Saudization

As part of Saudi Arabia's Vision 2030, the government has introduced updated Saudization requirements for the healthcare sector, which now mandate higher percentages of Saudi nationals in key healthcare roles. In 2024, the Ministry of Human Resources and Social Development (MHRSD) increased Saudization rates for professions such as physicians, nurses, and medical technologists, with targets ranging from 55% for physicians to 80% for physiotherapists and nutritionists. These changes will be implemented in two phases, starting in April 2025 for major cities and extending to all healthcare facilities nationwide by October 2025. As a corporate healthcare provider listed on the Saudi Stock Exchange, we must ensure compliance with these regulations to avoid penalties, loss of government incentives, and potential damage to our reputation and investor confidence.

To meet these new requirements, we are committed to prioritizing the development and retention of local talent through targeted training programs, partnerships with educational institutions, and continuous monitoring of regulatory changes. Non-compliance could lead to operational disruptions, financial penalties, and harm to our brand. By aligning with these updated Saudization targets, we will not only maintain eligibility for government support but also strengthen our workforce, contribute to the Kingdom's long-term economic goals, and ensure continued growth and sustainability in a rapidly evolving healthcare sector.

Position of the group by Netakat system in 31/12/2024

Activity		The latest percentage of Saudi citizens	Category
Hospitals	Healthcare	33.17%	Green Middle

Strategy and Future Plans

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13- Strategy and Future Plans

The group's strategy is to expand its network of hospitals and polyclinics as referral centers across Saudi Arabia. The group also will seek to establish more outpatient clinics, increase the number of beds in hospitals, and renovate them to enhance the patient experience and increase the number of patients.

14- Expansion Projects

Saudi German Hospital Expands in Jeddah

In light of the growing demand for our medical services, the company has approved a plan to expand the Saudi German Hospital in Jeddah by establishing a medical tower and adding 207 beds with 14 clinics. The projects will be developed within the available land area at the hospital site, and on 06/07/2022, the construction contract was awarded to the International Hospital Construction Company (a related party) through a tender and evaluation process conducted on a commercial basis. The contract value reached 223,301,009 riyals, The total project's value, including all medical equipment and additional services, is estimated at SAR 399 million and the contractor is expected to complete the project by the first half of the year 2026. The project is expected to be financed through bank loans and internal cash generated by the company.

Saudi German Hospital Expands in Dammam.

In response to the increasing demand for our medical services, the company has approved a comprehensive expansion plan for the Saudi German Hospital in Dammam. This expansion includes the enhancement of critical areas such as the Pediatric Intensive Care Unit (PICU), Intensive Care Unit (ICU), inpatient rooms, and Outpatient Department (OPD) clinics.

The hospital's number of OPD clinics will increase from 52 to 75 clinics, and the number of licensed bed will be doubled from 150 to 300 beds after obtaining all the required regulatory approvals from the Ministry of Health and related authorities.

The expansion project is anticipated to be completed in 2025.

15- Quality Improvement Program

The Saudi German Health (SGH) Group is dedicated to delivering high-quality healthcare services by adhering to the highest medical standards. All SGH hospitals have been certified by the Joint Commission International (JCI), the world's leading hospital accreditation body. Additionally, every SGH hospital and ambulatory center has received accreditation from the Saudi Board for Accreditation of Healthcare Institutions (CBAHI), the national accrediting authority in Saudi Arabia. These facilities integrate both national and international medical standards within their healthcare governance system and continuously enhance their quality framework beyond accreditation requirements, particularly in patient care and safety. The Board of Directors affirms that the group and its subsidiaries hold all necessary licenses and approvals to operate.

Furthermore, SGH achieved new accreditations and reaccreditations for various programs in 2024. Here is a summary of the latest accreditations:

Accreditation	Jeddah	Assir	Madinah	Riyadh	Hail	Dammam	Makkah	HAJ	Beverly	Abha
CBAHI	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
JCI	Yes	Yes	Yes	Yes	NA	Yes	NA	NA	NA	NA
CAP	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA
AABB	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	NA	NA
SCFHS	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
HIMMS	Yes	Yes	Yes	Yes	Yes	No	No	No	NA	NA
Planetree	Yes	Yes	Yes	NA	Yes	NA	NA	NA	NA	NA
ACHSI	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ANCC COE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ANNC PTAP	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
SRC	NA	NA	NA	Yes	Yes	Yes	NA	NA	NA	NA
ICHOM	Yes	Yes	No	Yes	No	No	No	NA	NA	NA

Our branches stand as beacon of excellence, proudly accredited by some of the most prestigious national and international organizations, reflecting our commitment to world-class healthcare. We are accredited by the CBAHI, the national body in Saudi Arabia ensuring compliance with healthcare quality and safety standards in Saudi Arabia. In addition, SGH Jeddah is accredited by JCI, the world’s leading hospital accreditation body, highlights our dedication to global best practices. At service level, the CAP accreditation affirms the excellence of our laboratory services, while the AABB ensures the highest standards in blood banking and transfusion services. We are also recognized by the SCFHS for our commitment to medical education and professional development. Our HIMSS accreditation demonstrates our leadership in digital healthcare transformation. As a Planetree accredited hospital, we emphasize person-centered care, ensuring a compassionate and healing environment. Additionally, we are accredited by ACHSI for our commitment to continuous quality improvement. Our nursing excellence is recognized by the ANCC and the PTAP, reflecting our leadership in nursing education and workforce development. We also hold accreditation from the SRC, acknowledging our distinction in surgical quality and patient outcomes. Finally, our commitment to value-based healthcare is reinforced by our recognition from the ICHOM, ensuring we focus on delivering measurable, high-value care to our patients, particularly for diabetic patients.

These accreditations and reaccreditations showcase Saudi German Health's unwavering commitment to exceptional quality and patient safety. They solidify SGH's position as a leading provider in the Middle East and North Africa, offering world-class healthcare combined with compassionate, patient-centered care.

Saudi Central Board for Accreditation of Healthcare Institutions	CBAHI
Joint Commission International	JCI
College of American Pathologists	CAP
Association for the Advancement of Blood & Biotherapies	AABB
Saudi Commission for Health Specialties	SCFHS
Healthcare Information and Management Systems Society	HIMSS
Planetree International	Planetree
Australian Council on Healthcare Standards International	ACHSI
American Nurses Credentialing Center	ANCC
ANCC Practice Transition Accreditation Program	PTAP
Surgical Review Corporation	SRC
International Consortium for Health Outcomes Measurement	ICHOM

16-Expansion and CAPEX

Saudi German Hospital Jeddah



Saudi German Hospital Dammam



Governance

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17- Governance

In SGH we believe that corporate governance serves as a fundamental pillar in fostering value creation and ensuring the sustainable growth of our business. This solid commitment and believe driven us to strategically strengthen our governance frameworks as part of a strategical direction to enhance our operations with globally recognized best practices, also to align with the Kingdom’s overarching vision that supports Corporate Governance concepts & standards across the market.

This believe shaped our direction Y 2024 to create a new vertical within our Organizational chart introducing a new strategic function “Ethics, Compliance, and Corporate Governance function” further to fulfill this key position with a Chief ethics and Compliance in August,2024 who reports to the Audit committee and Board of Directors ensuring independent oversight and strategic alignment with SGH’s governance vision and concluding Tone at the Top and Board Empowerment. This function is tasked with evaluating and implementing internationally recognized corporate governance models and practices, thereby ensuring our sustained compliance with regulatory mandates and industry-leading standards.

Recognizing the pivotal role of governance in maintaining transparency, accountability, and long-term corporate success.

Governance and Compliance Function

The Ethics, Compliance, and Corporate Governance function has been mandated to develop and execute a comprehensive governance and compliance program to ensure adherence to regulatory requirements. The program encompasses key areas, including:

Regulatory Compliance Program: Ensuring compliance with all applicable laws and regulations mandated by the Capital Market Authority (CMA) and other regulatory authorities within the Kingdom.

Corporate Governance: Establishing and maintaining governance frameworks aligned with local requirements and best practices.

Compliance Assurance: Implementing mechanisms to monitor and enforce compliance within the organization.

Anti-Bribery and Corruption: Strengthening policies and controls to mitigate risks related to unethical business conduct.

Environmental, Social, and Governance (ESG) Initiatives: Embedding sustainability and responsible business practices into the corporate framework.

Furthermore, the Governance division is actively engaging with management to review and enhance governance structures and processes across the entire organization. This includes revisiting existing governance frameworks and aligning them with international best practices to ensure effective corporate governance across the group.

Through these initiatives, SGH reinforces its firm dedication to governance excellence, regulatory compliance, and ethical business conduct, further strengthening its position as a responsible and transparent organization in the healthcare sector.

Pursuant to the Capital Market Authority (CMA) Corporate Governance disclosure requirements, the following articles are currently under implementation and have yet to be adopted.

Article/ paragraph No.	Article/ paragraph text	Reasons for not applying
Article 39	The Board of Directors makes the necessary arrangements to obtain a competent third-party assessment of its performance every three years	This is a guiding article we are currently working to develop a mechanism to perform subject assessment
Article 68	Composing a Risk Committee	While this is a guiding article yet Audit Committee is currently oversee company Risk profile through the Internal Audit reports as well as Governance and Compliance reports , also SGH is currently working to assesses the need for establishing a risk management department to identify and manage company overall risk profile and consequently establishing a risk committee.
Article 69	Risk Committee meetings	Once SGH concludes the need to establish a risk management department, a risk committee will be formed or the responsibilities of the risk committee will be assigned to the Audit committee, worth noting that subject article is a Guiding article.
Article 71	Establishing a Risk Management Dept	SGH has already an internal audit sector to provide an independent assurance on company risks, yet our group have worked to strengthen our Governance and control environment by establishing a new vertical to lead the Compliance and Corporate Governance and to manage Company risks on these aspects, currently SGH is studying to add a new vertical for Risk management and to have the needed skillset that can manage this essential role
Article 82	Employee incentives	While subject article is for guidance only , yet SGH Remuneration and compensation committee is ongoingly perform assessments and enhancements to Staff schemes in which matching with Company strategy and market levels , furthermore SGH is holding a multiple initiatives , forums and channels for staff to be engaged and provide feedback , yet there is no formed committees for staff to participate in discussing company decisions in which stipulated by the article.
Article 85	Social initiatives	This is a Guiding article, yet our Group core values is already working to link our staff and company performance towards social initiatives
Article 95	Formation of corporate governance committee	This is a guiding article, yet SGH Audit Committee remains responsible for monitoring the implementation of the group’s governance regulations Specially after adding Governance and compliance Sector reporting line to Audit Committee.

Statement of Paid and Outstanding Statutory Payments, Including Zakat, Taxes, Fees, and Other Charges

Statement	2024		Brief Description of The Statutory Payment	Reasons
	Amount Paid	Outstanding Amount until the end of the annual financial period		
Zakat	17,458,811	26,665,382	Provision for Zakat for the year 2024	The due Zakat for the year 2024 must be paid before 30/4/2025 after submitting the Zakat declaration.
Value Added Tax (VAT)	270,843,202	22,091,710	Value Added Tax (VAT) on the supply of services, which is submitted in the monthly declarations for the year 2024	Value Added Tax (VAT) for December 2024 must be paid in January 2025.
Withholding Tax	301,481	20,462	Withholding tax on payments to non-resident entities for services provided by foreign parties	Withholding tax due for December 2024 must be paid in January 2025.
General Organization for Social Insurance	49,976,145	-	Monthly insurance premiums to the General Organization for Social Insurance for employees	The dues for the month of December are to be paid in January of the following year.
Visa and Passport Fees	2,663,964	-	Employee visa costs	Costs for employee exit and re-entry visas, recruitment, and sponsorship transfer.
Labor Office Fees	43,967,403	-	Payments to government entities	Regulatory requirement.

18- Tadawul Announcements

The group made the following announcements to shareholders in 2024

#	Date	Type of ad	Ad title
1	10/12/2024	Shareholder's Announcement	Middle East Healthcare Company (Saudi German Health) Announces the Signing of a Contract for the Use of its Name and Trademark, the Contract for the Preparation, Qualification, and Supervision and supervision, and the contract for the management and operation of the Sobhi Abdul Jalil Batterjee Hospital "Related Party" Located in the City of Jeddah
2	03/11/2024	Financial Results	Middle East Healthcare Co. announces its Interim Financial results for the Period Ending on 30-09-2024 (Nine Months)
3	04/08/2024	Financial Results	Middle East Healthcare Co. announces its Interim Financial results for the Period Ending on 30-06-2024(Six Months)
4	23/06/2024	Results of the Extraordinary General Assembly Meeting	Middle East Healthcare Co. (Saudi German Health) Announces the Results of the Extraordinary General Assembly Meeting (First Meeting)
5	04/06/2024	Correction Announcement	Correction Announcement from Middle East Healthcare Co. (Saudi German Health) in Regard to the Company's Announcement to Invite its Shareholders to Attend the Extraordinary General Assembly Meeting (First Meeting)
6	23/05/2024	Invitation to The Extraordinary General Assembly Meeting	Middle East Healthcare Co. (Saudi German Hospital) Announcement to Invite its Shareholders to Attend the Extraordinary General Assembly Meeting (First Meeting)
7	05/05/2024	Financial Results	Middle East Healthcare Co. announces its Interim Financial results for the Period Ending on 2024-03-31 (Three Months)

8	31/03/2024	Shareholder's Announcement	Middle East Healthcare Co. (Saudi German Health) Announces Non-distribution of Cash Dividends to Shareholders for Financial Year of 2023
9	31/03/2024	Financial Results	Middle East Healthcare Co. announces its Annual Financial results for the period ending on 2023-12-31
10	26/02/2024	Shareholder's Announcement	Middle East Healthcare Co. (Saudi German Health) Announces the Completion of Issuing Sukuk Denominated in SAR.
11	12/02/2024	Shareholder's Announcement	Middle East Healthcare Company announces the commencement of the offer and subscription in its Sukuk denominated in SAR
12	08/02/2024	Shareholder's Announcement	Middle East Healthcare Company (Saudi German Health) Announces the Opening of the Saudi German Hospital Project in Alexandria at Egypt (Related Party) Under the Administrative Supervision Agreement
13	31/01/2024	Shareholder's Announcement	Middle East Healthcare Company (Saudi German Health) Announcement About the Press Release
14	16/01/2024	Shareholder's Announcement	Middle East Healthcare Company announces its intention to issue Sukuk denominated in Saudi Riyals by way of a public offering

19- Effectiveness and Efficiency of Internal Controls: Annual Audit Findings

The group’s audit committee is tasked with examining periodic reports on the evaluation of the group's internal control procedures and the accuracy of its application. The Committee found that internal control systems are appropriate and adequate.

Board of Directors, Committee Members & Executive Management

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20- Board of Director

A board of directors consisting of seven (7) non-executive members, including three (3) independents, supervises the group’s management.

The Ordinary General Assembly, held on June 18, 2023 corresponding 29/11/1444, appointed the current board in accordance with Article 71 of the group’s statute. The current three-year term of the Council began on 17 September 2023 and ended on 16 September 2026. The board of directors consisted of nine members before its reduction to seven members in accordance with the amendment of Article 17 of the group’s statute at the Extraordinary General Assembly held on 29 June 2020.

21- Composition of the Board of Directors and classification of its members

The following table shows the members of the Board of Directors and their membership status for the year 2024

Name	Title	Type of membership (Executive/Non-Executive / Independent)
Sobhi Abdul Jalil Ibrahim Batterie	Chairman	Non-executive
Makarem Sobhi Abdul Jalil Batteriee	Vice Chairman	Non-executive
Khaled Abdul Jalil Ibrahim Batteriee	Member	Non-executive
Sultan Sobhi Abdul lalit Batterie	Member	Non-executive
Mohammed Abdul Rahman Moemena	Member	Independent
Amr Muhammad Khalid Khashoshay	Member	Independent
Mohammed Mostafa Mohammed Omar Bin Siddia	Member	Independent

22- Board Duties

Board of Directors Responsibilities:

- The Board is responsible for formulating, overseeing, and monitor the execution of the overall strategy of the organization, including the establishment of the group’s primary objectives. This involves the development of the annual financial and operational plans, which are crafted in consideration of recommendations and insights provided by the executive management team.
- The Board ensures the optimal capital structure of the group is established and maintained. This includes defining financial objectives, reviewing performance metrics, and approving the estimated annual budgets, all aimed at supporting the group’s long-term sustainability and growth.
- The Board is empowered to approve significant financial settlements, exemptions, liabilities, and contractual agreements on behalf of the group. This oversight ensures the integrity and compliance of the group’s financial operations.
- Board evaluates and approves strategic mergers, acquisitions, and partnerships with other businesses, aligning these decisions with the group’s broader goals. Additionally, it oversees the management of assets and properties, including decisions regarding purchases, mortgages, de-mortgages, sales, and disclaimers, in line with the group’s operational needs and growth objectives.

23-Board of Directors



Eng. Sobhi Abduljalil Batterjee

Chairman
Previous Position:
Chairman

- Qualifications
- Master's degree in electrical engineering, University of Colorado, USA, 1973.
 - B.A. In electrical engineering, University of Kansas, USA, 1972.

- Experience
- President of Biet Batterjee Medical Company from 1988 - 2020
 - President of the Saudi German Hospital Group 1988- present



Mr. Makarem Sobhi Batterjee

Vice Chairman
Previous Position:
Vice Chairman

- Qualifications
- Honorary Doctorate from The United National Arts Organization/ Institute of Human Resources, 2015
 - MBA, London Business School, UK, 2011
 - B.A. In Health Services Department, Long Beach University, USA, 2002

- Experience
- Financial Broker at Smen Barney Investment Company, Dallas,Texas - USA. 1998 - 1999
 - Business analyst at Ernst & Young, Dubai - United Arab Emirates, 2000.
 - Marketing Department Manager, Saudi German Hospital Group , 2000 - 2002.
 - Executive Vice President and Business Development Manager, Beit- Batterjee, 2002- 2014.
 - Founder and CEO of Gulf youth for Investment and real estate development company from 2003- 2022.



Dr. Khalid Abduljalil Batterjee

Board Member
Previous Position:
Board Member

- Qualifications
- PHD In Medicine, University of Essen, Germany. 1985
 - PHD in Human Medicine and Practical Training, University of Vienna - Austria, 1978.

- Experience
- Head of Orthopedic Surgery and Accident Injuries Department, Saudi German Hospital Group. 1988-Present
 - Board Member of Hail National Healthcare Company. 2007 - Present.
 - Vice President of Saudi German Hospital Group, 1998 - 2015.
 - Head of Quality Department, Saudi German Hospital Group, 1998- 2015
 - Dean and Board member of the Faculty of Medical Science and Technology. 2004-2014.
 - Board member in Hail National Healthcare Company, (2007- Present)
 - Board member of the Batterjee College of Medical Science and Technology, (2016 - Present).



Mr. Sultan Sobhi Batterjee

Board Member
Previous Position:
Board Member

- Qualifications
- B.A. In Finance and International Accounting Regent's University, United Kingdom, 2006.
 - Master's in Real Estate Executive Programs, Harvard University, Cambridge, United States of America, 2017.
 - Master's in business development Organization Massachusetts Institute of Technology, Cambridge United States of America .
 - Diploma In Real Estate Appraisal, The Hague University of Applied Sciences, Netherlands

- Experience
- CEO and Founder of Dalalcom International Real Estate Development Company, 2012- Present.
 - Financial Analyst, Lazard Investment Bank in the United Kingdom, 2009 - 2010 • Financial Analyst at Anchor (Switzerland), 2008- 2009.
 - Financial Analyst at Beit Al Batterjee Medical Company, 2006 -2008 .
 - Co-Chairman of the Board of Directors of the International Hospital Establishment Company 2007 -2020.



Mr. Amr Mohammed Khalid Khashoshgy

Independent Board Member
Previous Position:
Independent Board Member

- Qualifications
- MBA from Yale University School of Management, USA, 1979.
 - Bachelor's degree from Menlo College, California, USA.1977.

- Experience
- Chairman Executive, Omar K. Alesayi & Co. Ltd. (OMACO). 2018 - 2019
 - Chairman of the Board and CEO AMKEST Group For the manufacture and trade of building materials and real estate development, 1983 - Present.
 - Chairman of the Board and the main shareholder of the Global Gypaum Company Ltd, 2005- Present.
 - President and co-founder of the Qaderoon Business and Disability Network, 2014- Present.
 - Member of the Board of Directors of the National Food Industries Company, 2018 - Present.
 - Former member of the Board of Directors of AlAhli Takaful Company in which he chaired the Investment Committee and the Nominations and Remunerations Committee for a period of nine years, 2010 2019
 - Former Managing Director of National Gypsum Company, a public joint stock company, 1986 - 1998
 - Chairman of the Board, Saudi Enaya, Cooperative Insurance Company, 8/3/2021 - 7/1/2024.
 - Member of the Board of Directors and member of the Executive Committee Jeddah Development and Urban Regeneration Company, 2022- Present.
 - Estidama Environmental Services, 2022- Present.
 - Chairman of the Board of Directors, Sustainability Solutions for Environmental Services Co., Ltd, 2022- Present.

Board of Directors



Mr. Mohammed Abdul Rahman Moemena

Independent Board Member
Previous Position:
Independent Board Member

Qualifications

- B.A. In Marketing, King Fahd University of Petroleum and Minerals, Dhahran Saudi Arabia. 1996

Experience

- Chief Executive Officer of Moemena Investment Group, 1998 - Present
- Managing Partner, Edward W Kelly & Partners, 2006 - 2020



Mr. Mohammed Mostafa Mohammed Omar Bin Siddiq

Independent Board Member
Previous Position:
Independent Board Member

Qualifications

- Bachelor's degree in administrative relations, King Abdulaziz University, Saudi Arabia, 1980.

Experience

- echnical Audit Supervisor, Saudi Arabian Airlines, 1966-1977.
- General Director, Dallah Trading Company / Dallah Avco Company - Dallah Al Baraka Group Company, 1977 - 1991.
- General Manager, Member of the Board of Directors & Member of the Executive Committee of the Saudi Industrial Development Company, 1992 - 2007.

24- Audit Committee



Mr. Amr Mohammed Khalid Khashoshgy

Head of the Committee
Previous Position:
Head of the Committee

Qualifications

- MBA from Yale University School of Management, USA, 1979.
- Bachelor's degree from Menlo College, California, USA.1977.

Experience

- Chairman Executive, Omar K. Alesayi & Co. Ltd. (OMACO). 2018 - 2019
- Chairman of the Board and CEO AMKEST Group For the manufacture and trade of building materials and real estate development, 1983 - Present.
- Chairman of the Board and the main shareholder of the Global Gypaum Company Ltd, 2005- Present.
- President and co-founder of the Qaderoon Business and Disability Network, 2014- Present.
- Member of the Board of Directors of the National Food Industries Company, 2018 - Present.

- Former member of the Board of Directors of AlAhli Takaful Company in which he chaired the Investment Committee and the Nominations and Remunerations Committee for a period of nine years, 2010 2019
- Former Managing Director of National Gypsum Company, a public joint stock company, 1986 - 1998
- Chairman of the Board, Saudi Enaya, Cooperative Insurance Company, 8/3/2021 - 7/1/2024.
- Member of the Board of Directors and member of the Executive Committee Jeddah Development and Urban Regeneration Company, 2022- Present.
- Estidama Environmental Services, 2022- Present.
- Chairman of the Board of Directors, Sustainability Solutions for Environmental Services Co., Ltd, 2022- Present.

Audit Committee



Mr. Makarem Sobhi Batterjee

Committee Member
Previous Position:
Committee Member

- Qualifications**
- Honorary Doctorate from The United National Arts Organization/ Institute of Human Resources, 2015
 - MBA, London Business School, UK, 2011
 - B.A. In Health Services Department, Long Beach University, USA, 2002

- Experience**
- Financial Broker at Smen Barney Investment Company, Dallas,Texas - USA. 1998 - 1999
 - Business analyst at Ernst & Young, Dubai - United Arab Emirates, 2000.
 - Marketing Department Manager, Saudi German Hospital Group , 2000 - 2002.
 - Executive Vice President and Business Development Manager, Beit- Batterjee, 2002- 2014.
 - Founder and CEO of Gulf youth for Investment and real estate development company from 2003- 2022.



Mr. Ahmed Mohammed Khalid Dahlaoui

Foreign Committee Member
Previous Position:
Foreign Committee Member

- Qualifications**
- Master's degree in financial risk management, University of Sussex, UK, 2071
- Experience**
- CFO, Omar Zuhair Hafiz Holding (March 2014 - present).
 - Accountant of international subsidiaries and subsidiaries, (June 2012 - March 2014).
 - Accountant, Financial Reporting Department, United Cooperative Insurance Group , (February 2008 - March 2009).

25- Nominations & Remunerations Committee



Mr. Mohammed Abdul Rahman Moemena

Head of the Committee
Previous Position:
Head of the Committee

- Qualifications**
- B.A. In Marketing, King Fahd University of Petroleum and Minerals, Dhahran Saudi Arabia. 1996
- Experience**
- Chief Executive Officer of Moemena Investment Group, 1998 - Present
 - Managing Partner, Edward W Kelly & Partners, 2006 - 2020



Eng. Sobhi Abduljalil Batterjee

Committee Member
Previous Position:
Committee Member

- Qualifications**
- Master's degree in electrical engineering, University of Colorado, USA, 1973.
 - B.A. In electrical engineering, University of Kansas, USA, 1972.
- Experience**
- President of Biet Batterjee Medical Company from 1988 - 2020
 - President of the Saudi German Hospital Group 1988- present



Mr. Makarem Sobhi Batterjee

Committee Member
Previous Position:
Committee Member

- Qualifications**
- Honorary Doctorate from The United National Arts Organization/ Institute of Human Resources, 2015
 - MBA, London Business School, UK, 2011
 - B.A. In Health Services Department, Long Beach University, USA, 2002
- Experience**
- Financial Broker at Smen Barney Investment Company, Dallas,Texas - USA. 1998 - 1999
 - Business analyst at Ernst & Young, Dubai - United Arab Emirates, 2000.
 - Marketing Department Manager, Saudi German Hospital Group , 2000 - 2002.
 - Executive Vice President and Business Development Manager, Beit- Batterjee, 2002- 2014.
 - Founder and CEO of Gulf youth for Investment and real estate development company from 2003- 2022.

26- Executive Management



Dr. Ahmed Mohammed Shebl Al-Atris

Group Chief Executive Officer
Previous Position:
Chief Executive Officer

- Qualifications**
- B.A. In Marketing, King Fahad University of Petroleum and Minerals Dhahran, Saudi Arabia. 1996.
 - Diploma in Hospital Management, American University in Cairo, Egypt, 2005.
 - Diploma in Hospital Management, Ain Shams University, Egypt, 2004.
 - Diploma in Overall Quality Management in Healthcare, American University in Cairo, Egypt, 2003.
 - Bachelor of Medicine and Surgery, Tanta University, Egypt, 1993.

- Experience**
- CEO 2018 to date
 - CEO of Saudi German Hospital - Asser (2009- 2018)
 - Director of Operations, Saudi German Hospital - Aseer (2007 - 2009)
 - Assistant Director of Operations at The Saudi German Hospital - Aseer (2005 - 2007).
 - Assistant General Manager of Nasser Institute Hospital, a company registered in the Arab Republic of Egypt working in the field of healthcare (1997 - 2005)



Mr. Madani Bahyeldin Hozaien

Group Chief Financial Officer
Previous Position:
Group Chief Financial Officer

- Qualifications**
- MBA, Finance, and Economy degrees from top French institutions
 - CPA Egypt, Fellow of Egyptian Taxation & Accounting Societies
 - DBA in progress (Paris School of Business, expected 2025)

- Experience**
- Saudi German Health (KSA) – Group CFO (2019–Present)
 - Oriental Weavers (Egypt) – Group CFO (2016–2019)
 - Elsewedy Electric (Algeria) – Regional CFO (2013–2015)
 - Qalaa Holding (Egypt) – Group CFO & Board Member (2009–2013)
 - Orascom Telecom – CFO (Algeria & North Korea) (2006–2009)
 - Bahgat Group (Egypt) – Group CFO (1998–2006)
 - MAK Albania (Kharafi Group) – Regional Financial Controller (1995–1998)
 - Arthur Andersen (Egypt) – Advisory Senior Manager (1988–1995)



Dr. Nizar Mohammed Sultan Bahabri

Group Chief Medical Officer
Previous Position:
Group Chief of Academic Affairs Directorate

- Qualifications**
- American & Canadian Board Certifications in Internal Medicine & Infectious Diseases
 - Healthcare Management (Yale), Strategic Thinking for CXOs (Cambridge)
 - MBBS, King Faisal University, KSA

- Experience**
- Saudi German Health (KSA & Gulf) – Group CMO, Former Chief of Academic Affairs
 - KFSH & RC-J – Consultant, Internal Medicine & Infectious Diseases
 - Future Home Healthcare (Jeddah) – CMO
 - Dr. Samir Abbas Hospital (Jeddah) – CMO
 - Chamber of Commerce (Jeddah) – Vice Director, Healthcare Board
 - Saudi Society of Infectious Diseases (Makkah Province) – Director
 - Dr. Soliman Fakeeh Hospital (Jeddah) – Various leadership roles, including Vice Dean, CSR Director, and Marketing Executive Director
 - University of British Columbia (Canada) – Fellowship & Residency in Infectious Diseases & Internal Medicine

27- Description of board members who are members of the Board of Directors in other joint stock companies (listed or not listed) for the year 2024

Member's name	Companies where a board member also holds a director position in another company	Location	Legal status
Sobhi Abdul-Jalil Ibrahim Batterjee	Hail National Healthcare Company	Inside the Kingdom	Not Listed
	Bait Al Batterjee Medical College Company for Sciences and Technology	Inside the Kingdom	Not Listed
	Middle East Healthcare Company (Saudi German Health)	Inside the Kingdom	Listed
	International Hospital Construction company	Inside the Kingdom	Not Listed
Khaled Abdel-Jalil Ibrahim Batterjee	Middle East Healthcare Company (Saudi German Health)	Inside the Kingdom	Listed
	Hail National Healthcare Company	Inside the Kingdom	Not Listed
	Bait Al Batterjee Medical College Company for Sciences and Technology	Inside the Kingdom	Not Listed
Makarem Sobhi Abdul Jalil Batterjee	Middle East Healthcare Company (Saudi German Health)	Inside the Kingdom	Not Listed
	Hail National Healthcare Company	Inside the Kingdom	Not Listed
	Bait Al Batterjee Medical College Company for Sciences and Technology		
Sultan Sobhi Abdul Jalil Batterjee	Middle East Healthcare Company (Saudi German Health)	Inside the Kingdom	Listed
	Bait Al Batterjee Medical College Company for Sciences and Technology	Inside the Kingdom	Not Listed
	International Hospital Construction Company	Inside the Kingdom	Not Listed
Mohammed Abdul Rahman Mohamed Moemena	Financial Expert Company	Inside the Kingdom	Not Listed
	Wedad Charitable Foundation	Inside the Kingdom	Not Listed/ Charitable Foundation
	France Bank for Business	Lebanon	
	Initial Saudi Company	Inside the Kingdom	Not Listed

Amr Mohammed Khalid Khashoshgi	Amr Khashoggi Trading Co. LTD.	Inside the Kingdom	Not Listed
	Global Gypsum Company LTD.	Inside the Kingdom	Not Listed
	Qaderoon Business and Disability Network	Inside the Kingdom	Not Listed
	Saudi Enaya	Inside the Kingdom	Listed
	Middle East Healthcare Company (Saudi German Health)	Inside the Kingdom	Listed
	National Food Industries Company	Inside the Kingdom	Not Listed
	Omar Qasim Al-Issai & Co. Holding.	Inside the Kingdom	Not Listed
Mohammed Mostafa Mohammed Omar Bin Siddiq	United Warehouse Company	Inside the Kingdom	Not Listed
	Eastern Food Industries Company Limited (Nigeria)	Outside the Kingdom	Not Listed
	Orange Bed & Bath Company	Inside the Kingdom	Not Listed
	Middle East Healthcare Company (Saudi German Health)	Inside the Kingdom	Listed

28- Board meetings

The table below outlines the meetings conducted by the Board of Directors in 2024, including the respective dates and the attendance of board members:

#	Name	Meeting (1) 30/03/2024	Meeting (2) 05/05/2024	Meeting (3) 04/08/2024	Meeting (4) 03/11/2024	Meeting (5) 22/12/2024	Meeting (6) 02/03/2025	Total
1	Sobhi Abdul-Jalil Batterjee	✓	✓	✓	✓	✓	✓	6
2	Khaled Abdul-Jalil Batterjee	✓	✓	✓	✓	✓	✓	6
3	Makarem Sobhi Batterjee	✓	✓	✓	✓	✓	✓	6
4	Sultan Sobhi Batterjee	✓	✓	✓	✓	✓	✓	6
5	Mohammed Mostafa Mohammed Omar Bin Siddiq	✓	✓	✓	✓	✓	✓	6
6	Mohammed Abdul Rahman Moemena	✓	✓	✓	✓	✓	✓	6
7	Amr Mohammed Khalid Khashoshgy	✓	✓	✓	✓	✓	✓	6

The last meeting of the Extraordinary General Assembly (02/12/1445) took place on June 13, 2024.

29- Board Committees

To ensure optimal performance and effective oversight of the group’s management, the Board of Directors has formed the Audit Committee and the Nominations and Remuneration Committee, with the approval of the General Assembly. These committees are subject to the adopted rules that define their respective tasks and responsibilities. The committees submit their reports and proposals to the Board of Directors, which conducts an annual review of its operating rules based on their recommendations. The members of these committees are awarded a specific bonus for their membership, as determined by each committee's regulations.

30- Audit Committee

The review committee consists of three members, all of whom are non-executive, independent, or external, to ensure neutrality and independence.

#	Name	Board Membership	Title
1	Amr Mohammed Khalid Khashoshgy	Independent	Head of the Committee
2	Makarem Sobhi Batterjee	Non-executive board member	Committee Member
3	Ahmed Mohamed Khalid Dahlawi	External	Committee Member

Audit Committee Functions and Responsibilities

The Audit Committee is entrusted with the following key functions and responsibilities to ensure the integrity and transparency of the Group’s financial operations and governance:

- Review the Group’s quarterly and annual financial statements, providing views and recommendations to the Board of Directors prior to submission.
- Monitor the integrity of the financial statements and all related data reflecting the Group’s financial performance.
- Evaluate the Group’s accounting policies, assess the implications of any proposed changes in accounting practices, disclosure requirements, or relevant regulations, and provide recommendations to the Board of Directors before policy adoption.
- Reviewing the accounting methodologies applied to significant or unusual transactions, particularly those related to mergers, acquisitions, restructuring, and partnership agreements, when multiple accounting methods are available.

- Ensure compliance with relevant accounting standards, in consultation with the Group's auditors.
- Review the auditors' observations regarding the financial statements and follow up on corrective actions taken by the Group.
- Ensure that the Group's financial statements, along with their context, are clear, complete, and informative, enabling shareholders and stakeholders to accurately assess the Group's performance.
- Review all relevant information concerning the Board of Directors & the Executive Management, as presented in the Group’s financial statements, operational and financial performance reports, and governance.
- Assess the adequacy and effectiveness of the Group's internal financial controls and risk management systems, ensuring periodic updates to maintain comprehensive internal controls.
- Ensure proper procedures are in place to assess compliance with the Capital Market Authority (CMA) requirements, including ongoing disclosure obligations, and monitor the effectiveness of these procedures.
- Review the data on internal control and risk management in the Group’s annual report.
- Evaluate the adequacy of the Group's arrangements to enable employees and contractors to confidentially report financial irregularities, ensuring independent investigations and follow-up procedures are in place.
- Review the Group’s fraud detection mechanisms and procedures.
- Investigate any reported instances of potential fraud.
- Oversee the effectiveness of the Group’s Internal Audit Department in executing the tasks and duties assigned by the Board of Directors.
- Provide recommendations regarding the selection and dismissal of the Head of Internal Audit and the external auditing firm.
- Review the internal control system and prepare a written report, including opinions and recommendations.
- Evaluate and assess the annual plans and programs related to the Group's internal control systems to ensure their adequacy.
- Review the Group’s internal audit reports and monitor the implementation of corrective actions for identified findings.
- Monitor the responses of executive management to the findings and recommendations of the Internal Audit Department.
- Ensure that the Internal Audit Department has sufficient access to relevant data and information to perform its duties effectively, in compliance with professional standards.
- Meet with the Internal Audit Department and the Group’s auditors to address significant issues and ensure that the Internal Audit Manager and the Group’s auditors have direct access to the Chair of the Audit Committee at all times.
- Recommend the selection, appointment, dismissal, and remuneration of external auditors, including evaluating their professionalism and independence.
- Monitor the work of the external auditors, including any engagements outside the scope of the audit.
- Ensure the independence and objectivity of the external auditors and the effectiveness of their audit procedures, in accordance with professional and regulatory standards.
- Collaborate with the external auditors to develop and coordinate the audit plan and procedures for the current year, providing feedback and recommendations.
- Review the auditors’ observations on the financial statements and follow up on actions taken, including:
 - 27.1 Significant findings identified by the auditors.
 - 27.2 Accounting and audit standards.
 - 27.3 The level of audit findings.
 - 27.4 The effectiveness of the audit process.
- Review the auditors' commitment letters before submission to management for approval and signature. Ensure direct communication with the external auditors and respond to their recommendations and those of their officials.

Meeting Record of the 2024 Audit Committee

The Audit Committee held five (5) meetings during the year 2024, as outlined below:

#	Name	The committee's status	Meeting (1) 30/03/2024	Meeting (2) 04/08/2024	Meeting (3) 03/11/2024	Meeting (4) 22/12/2024	Meeting (5) 27/02/2025	Total
1	Amr Mohammed Khalid Khashoshgy	Head of the Committee	✓	✓	✓	✓	✓	5
2	Makarem Sobhi Batterjee	Non-executive member	✓	✓	✓	✓	✓	5
3	Ahmed Mohamed Khalid Dahlawi	External member	✓	✓	✓	✓	✓	5

31- Internal Audit

In addition to the company's internal audit function, some jobs are assigned to Ernst & Young.

32- Nominations and Remunerations Committee

The composition of the Nominations and Remuneration Committee is outlined in the table below:

#	Name	Board Membership	Title
1	Mohammed Abdul Rahman Moemena	Independent	Head of the Committee
2	Sobhi Abdul Jalil Batterjee	Non-executive	Committee Member
3	Makarem Sobhi Batterjee	Non-executive	Committee Member

The Nominations and Remunerations Committee is responsible for the following key functions and duties to ensure effective governance, board composition, and fair remuneration policies:

- Recommend board membership and nominations in accordance with established policies and standards, ensuring the consideration of nominees' moral character, criminal record, and suitability.
- Review the board membership requirements annually, identifying necessary skills and preparing a description of required qualifications for board members, including the time commitment expected.
- Assess the board structure and recommend any necessary changes to improve its effectiveness.
- Identify the strengths and weaknesses of the management team and propose corrective actions to align with the Group's strategic objectives.
- Annually assess the independence of independent board members, ensuring there are no conflicts of interest, even if a member serves on other boards.
- Develop clear remuneration policies for board members and executives, ensuring alignment with their performance and the Group's objectives.
- Review the succession planning for board members and senior executives, particularly the CEO, CFO, and Operations Manager, to ensure readiness for addressing the Group's current and future challenges, opportunities, and skill requirements. The Committee takes into account legal, regulatory, and governance requirements, including the Corporate Governance Regulation issued by the relevant Authority.
- In accordance with the Board's Remuneration Policy, review and assess the Group's salary scale in comparison with industry benchmarks, particularly within the regional healthcare sector.
- Assume full responsibility for establishing criteria for selecting salary experts to advise the Committee and define their scope of responsibilities.
- Develop and maintain induction and continuous training programs for board members, ensuring they are well-equipped to carry out their duties. The Committee will encourage new board members to attend both programs, which should cover the following areas:
 - The Group's business and operations.
 - The Group's financial, strategic, and operational position, including risk management.
 - The rights, duties, and responsibilities of board members.
- Supervise the evaluation of executive management's performance, including board members, and ensure that any resulting training programs are effectively implemented. During the performance review, the following factors are considered:
 - Attendance and participation record.
 - Professional knowledge and competencies.
 - Contribution to the Group's strategic objectives.
 - Timely fulfillment of duties and responsibilities.
 - Overall conduct.
- Approve the Group's performance incentive structure, objectives, and total annual payments in accordance with the established programs.
- Review any incentive systems, including stock option grants, for approval by the Board of Directors and shareholders. If approved, the Committee will determine the total value of such incentives and the remuneration of each executive board member, board secretary, and executive management member, including performance criteria.
- Develop a retirement policy, including scope and arrangements, for executive board members and executive management.
- Ensure compliance with the Group's contractual obligations concerning employment termination, ensuring proper payment of termination-related amounts, safeguarding both employee and Group rights, preventing rewards for poor performance, and taking necessary measures to minimize losses.
- Oversee any significant changes to the Group's employee benefits structure to ensure fairness and alignment with the Group's objectives.
- Adopt a policy to cover the necessary expenses incurred by board members in the performance of their duties.

The following table provides a summary of the Nominations and Remunerations Committee meetings held in 2024:

#	Name	Title	First meeting 25/03/2024	Second meeting 30/05/2024	Total
1	Mohammed Abdul Rahman Moemena	Head of the committee	✓	✓	2
2	Sobhi Abdul Jalil Batterjee	Committee Member	✓	✓	2
3	Makarem Sobhi Batterjee	Committee Member	✓	✓	2

33- Board Member Remuneration Policy and Executive Management

Board member remuneration is determined based on the recommendations of the Nominations and Remunerations Committee, ensuring full compliance with applicable rules, regulations, and corporate governance standards. It is designed to align with the Group's strategy and objectives, with a focus on attracting and retaining the best-qualified board members, while also considering the Group's sector and performance metrics.

In addition to their fixed salaries and job allowances, the remuneration of senior executives is determined by the Board of Directors, following an annual evaluation recommended by the Nominations and Remunerations Committee. This evaluation considers the Group's objectives, activities, size, and the need to attract the necessary skills and qualifications for executive roles. The level of remuneration also reflects the scope of function, responsibilities, and tasks associated with each executive position.

34- Clarify the relationship between the bonuses granted and the applicable rewards policy, and indicate any fundamental deviations from this policy.

On the recommendation of the Nominations and Remuneration Committee, the Board of Directors determines the remuneration of board members, committee members, and senior executives in accordance with regulations and the General Assembly's Board Members and Its Related Committees policy. There was no substantial deviation from the applicable policy in the rewards awarded during 2024.

35- Board of Directors and Senior Executive Rewards Table (including CEO and CFO)

Board members' bonuses for 2024 (numbers in Saudi riyals):

							Fixed rewards									
	Expense allowance	Total	End-of-service bonus	Total	Preferred shares	Short- and long-term incentive plans	Periodic rewards	Percentage of profits	Total	Reward the Chairman and Managing Director, if he is a member	Reward for technical, admin advisory works	In-kind benefits	Total allowance for attending committee meetings	Attending Board meetings Allowance	A certain amount.	
	Independent members															
	-	-	-	-	-	-	-	-	212,000	-	-	-	-	12,000	200,000	Mohammed Abdulrahman Moumana
	-	-	-	-	-	-	-	-	212,000	-	-	-	-	12,000	200,000	Amr Mohammed Khalid Khashoshgy
	-	-	-	-	-	-	-	-	212,000	-	-	-	-	12,000	200,000	Mohammed Mostafa Mohammed Omar Bin Siddiq
	Non-executive members															
	-	-	-	-	-	-	-	-	212,000	-	-	-	-	12,000	200,000	Sobhi Abdul Jalil Batterjee
	-	-	-	-	-	-	-	-	212,000	-	-	-	-	12,000	200,000	Dr. Khalid Abdul Jalil Batterjee
	-	-	-	-	-	-	-	-	212,000	-	-	-	-	12,000	200,000	Makarem Sobhi Batterjee
-	-	-	-	-	-	-	-	212,000	-	-	-	-	12,000	200,000	Sultan Sobhi Batterjee	
-	-	-	-	-	-	-	-	1,484,000	-	-	-	-	84,000	1,400,000	Total	

36- Senior Executives Reward Table (Including CEO and CFO)

The Company is committed to disclosing the total remuneration awarded to Senior Executives in accordance with the requirements outlined in subparagraph (4/b) of paragraph (A) of Article 90 of the Corporate Governance Regulations. However, detailed disclosure is avoided to safeguard the Company's interests and mitigate potential risks, such as increased competition and reduced job stability, which could negatively impact the Company's performance and shareholder value.

The following table shows the total rewards and compensation of senior executives including the CEO and CFO, for 2024:

Grand Total	7,595,191	
Total Remuneration for executives in the board if Any	-	
Ends of Service Reward	211,093	
Variable Remuneration	Total	1,353,150
	Equity grants values are	-
	Long-Term Incentive Plans	-
	Short-Term Incentive Plans	1,353,150
	Profits	-
	Periodic Remuneration	-
Fixed Remuneration	Total	6,030,948
	In Kind Benefits	58,948
	Salaries & Allowances	5,972,000
Five senior executives who received the highest rewards from the company, including the Group CEO and the CFO.		

The Committee Members Remuneration:

Members of the Audit Committee	The fixed bonuses (excluding attendance allowance)	Attendance Allowance	Total
Amr Mohammed Khalid Khashoshgy	-	75,000	75,000
Ahmed Mohammed Khalid Al-Dahlawi	-	100,000	100,000
Makarem Sobhi Batterjee	-	75,000	75,000
Total	-	250,000	250,000

Members of the Nominations and Rewards Committee	Fixed rewards (except for attendance allowance)	Attendance Allowance	Total
Mohammed AbdulRahman Moemena	-	75,000	75,000
Makarem Sobhi Batterjee	-	75,000	75,000
Sobhi Abdul Jalil Batterjee	-	75,000	75,000
Total	-	-	225,000



37- Shares, debt instruments and ownership of board members and senior executives of the group

The following table shows the ownership of shares and debt instruments of the group by board members and senior executives, including their spouses and minor children, and any changes in that ownership during the financial year 2024.

The following are the details of the group's shares:

#	Name	Title	Type of membership	Nationality	Number of shares Held		Shareholding(%)	
					Number of shares (Direct)	Number of shares (Indirect)*	(Direct)	(Indirect)*
1	Sobhi Abdul Jalil Batterjee	Chairman	Non-executive	Saudi National	887,026	6,042,542	0.96%	6.57%
2	Makarem Sobhi Batterjee	Vice Chairman	Non-executive	Saudi National	1,001	9,395,413	0.001%	10.21%
3	Khaled Abdel-Jalil Batterjee	Board of Directors Member	Non-executive	Saudi National	1,001	1,894,883	0.001%	2.06%
4	Sultan Sobhi Batterjee	Board of Directors Member	Non-executive	Saudi National	1,001	3,310,095	0.001%	3.60%
5	Mohammed Abdul Rahman Moemena	Board of Directors Member	Independent	Saudi National	1,001	N/A	0.001%	N/A
6	Amr Mohammed Khalid Khashoshgy	Board of Directors Member	Independent	Saudi National	N/A	N/A	N/A	N/A
7	Mohammed Mostafa Mohammed Siddiq	Board of Directors Member	Independent	Saudi National	100	N/A	0.0001%	N/A

Representing shares in the Company indirectly owned by board members through (i) their ownership in companies that in turn own shares in the Company, or (ii) shares in the Company directly owned by the relatives

Further, as at the date of the Base Prospectus, each of Dr. Makarem Sobhi Abduljalil Batterjee and Dr. Khaled Abduljalil Ibrahim Batterjee owns 1,000 shares, which represents 0.01%, of the share capital of NHC, which is a subsidiary of the Company. Otherwise, none of the members of the board of directors owns shares directly or indirectly in NHC as at the date of the Base Prospectus, except for their indirect ownership in NHC through their ownership in the Company as shown in the table above of the board members (which include spouses and minor children)

Global Recognitions and Community Engagement



Al Rajhi Takaful Insurance



We signed a Memorandum of Understanding during the Global Health Exhibition 2024 to elevate the quality of medical services at our hospitals and offer integrated health insurance programs.

SAGE Healthcare Concierge Services



We signed a strategic partnership with SAGE Healthcare Concierge Services in Saudi Arabia at the Global Health Exhibition 2024 to advance the medical tourism sector.

Value-Centric Quality Conference



We hosted the second edition of the Value-Based Healthcare (VBHC) Conference in Riyadh, showcasing our dedication to innovation, excellence, and global collaboration.

Al Rajhi Capital



We collaborated with Al Rajhi Capital to introduce our public Sukuk offering, the first of its kind within the healthcare industry in the Kingdom of Saudi Arabia.

Saudi Chapter of the Sigma Theta Tau International Honor Society of Nursing (SIGMA)



We launched the Saudi Chapter of the Sigma Theta Tau International Honor Society of Nursing (SIGMA), the first Sigma Chapter outside the United States.

Hajj and Umrah Support



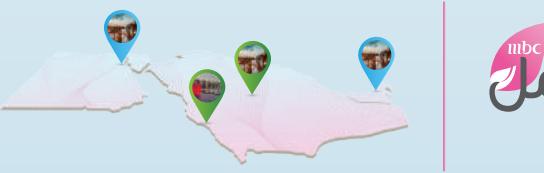
In collaboration with the Ministry of Hajj and Umrah, our mobile clinics, medical teams, and advanced services supported over 200,000 pilgrims.

Albir Society in Jeddah



Partnered with Albir Society in Jeddah to support low-income families, orphans, and dialysis patients.

MBC Hope



In collaboration with MBC Hope, we participated in the Stronger Than Cancer movement in Riyadh, Jeddah, Dubai and Cairo.

World-Class Accreditations



Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI)



Saudi Commission for Health Specialties (SCFHS)



Joint Commission International (JCI)



Planetree Gold Certification for Person-Centered Care



Australian Council on Healthcare Standards International (ACHSI)



Healthcare Information and Management Systems Society (HIMSS) Stage 6



The College of American Pathologists (CAP)



Association for the Advancement of Blood & Biotherapies (AABB)



The Joint Commission (JCI) Stroke Certification



Council of Health Insurance (CHI)



American Heart Association (AHA)



International Consortium for Health Outcomes Measurement (ICHOM)

Healthcare Excellence



Newsweek World's Best Hospitals



MEED Project Awards Best Healthcare and Renovation Project in KSA



Sigma Chapter Alpha Gamma Delta



Ada'a Health Awards Medication Management and Bone Marrow Transplant



World Stroke Organization (WSO) Angels Award Diamond Status

Marketing Excellence



Smarties Marketing Awards KSA 2024

Pioneering Excellence



Arabian Business Healthcare Company of the Year



Brand Finance: Top 150 Middle Eastern Brands



Forbes Top 100 Healthcare Leaders



Daman Awards Excellence in Customer Service and Best Initiative of the Year



World Economic Forum (WEF): Promising Regional Growth Leader

Nursing Excellence



ANCC Accreditation for Practice Transition Accreditation Program (PTAP)



American Nurses Credentialing Center (ANCC) Premier Award



ANCC Accreditation for Nursing Continuing Professional Development (NCPD) 2023




ANCC Magnet Recognition Program




The Daisy Award

Specialized Care



SRC Center of Excellence Orthopedic Surgery, Metabolic and Bariatric Surgery, Minimally Invasive Gynecology, and Minimally Invasive Surgery



Bariatric Center of Excellence

Organizational Excellence



Great Place to Work Certified

Risks

38- Risks

70

38- Risks

Risks related to the group's activity and operation

The quality of healthcare services provided

The inability of the group to continue to provide the required level of quality of healthcare services that satisfy its customers would negatively affect its reputation in the market, leading to customer leakage and a loss of competitiveness to other companies in the sector. This would have a negative impact on the group's business, operations, and financial performance.

Reliance on qualified medical staff

The group's ability to attract and retain qualified doctors and nursing staff remains a challenge, especially in light of the shortage of healthcare workers in the Saudi market, where demand exceeds supply. The group's inability to secure a sufficient number of qualified medical professionals who meet its high standards would have a negative impact on its operations, including the level and quality of healthcare services provided. This would, in turn, affect the group's financial performance.

VIP Customers

The group is unable to maintain its relationships with any of its major customers (e.g., Aramco, Ministry of Health, Social Insurance Corporation, and insurance companies). Risks related to rejected claims Risks related to healthcare sector licensing requirements

Force Majeure Risks

The group or any of its medical facilities or hospitals may be exposed to accidents beyond its control, such as fires or natural disasters, which could disrupt operations and adversely affect the group's financial performance. Emergency capital expenditures, such as the costs of repairing, rebuilding, or rehabilitating damaged facilities, would further impact the group's finances.

Revenue Concentration

The group's inability to retain key doctors or VIP customers would negatively impact its revenue. The Group's Goodwill and Reputation The group owns the brand name "Saudi German Health (SGH)", which has been used by the former's hospitals. This brand name plays a key role in the growth of demand for the group's medical services. The following risks and factors may affect the group's trademark, brand name and reputation:

- Lack of trademark protection
- Lack of management and supervision contracts with hospitals outside the Kingdom
- Medical errors
- Non-mandatory medical certificates.

New Project Risks

The group is currently implementing several medical projects. Any delay or cost overrun in these projects may negatively impact the group's investments.

Financing Risks

The group and Hail National Healthcare Company received credit facilities and loans from the Ministry of Finance, Inma Bank and Samba Financial Group. Under the terms of several facility agreements between the two companies, the creditors can terminate or cancel these facilities.

Future Funding

In addition to relying on self-financing sources, the group may rely on financing from commercial banks to cover working capital needs and expansion plans.

Dealings with Related Parties

The group currently has several agreements with related parties for maintenance, construction, supply, sales, and advisory services. The group does not guarantee the continuity of these agreements and transactions in the future, and the Board of Directors or General Assembly may not agree to renew them, or the related party may not agree to renew its terms. This exposes the group to the risk of not being able to secure alternative contracts on time and on the appropriate terms, which would adversely affect its business, operations, and financial performance, especially as the group relies on these contracts for its operations.

Competitive Environment

Intense competition in the healthcare sector in the Kingdom, including among hospitals, is driving the growth of healthcare providers. Meanwhile, the Ministry of Health is working to strengthen the sector by increasing the number of government hospitals.

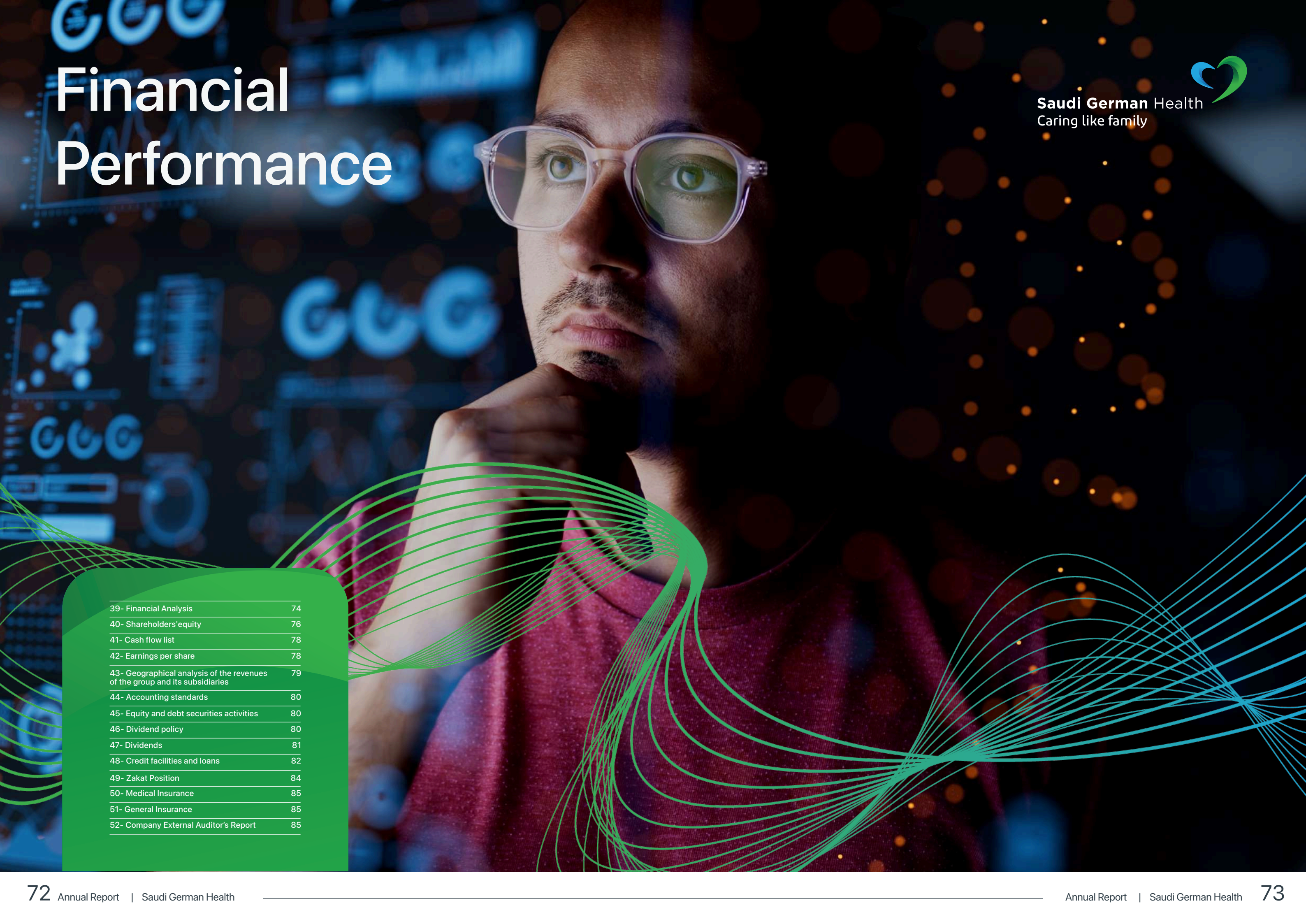
Interest rate volatility risks, currency exchange rates and financial costs
The group's foreign exchange risk exposure arises from its business relationships with international suppliers of products and equipment for its daily medical operations, which are conducted in foreign currencies. This risk is due to fluctuations in the value of foreign currencies, which can impact the cost of these products and equipment.

Cyber Attacks

The group is continuously developing its electronic systems to provide the best possible experience for its patients and to make it easier for its suppliers and customers to work with it. As a result, the group relies heavily on its electronic systems. However, due to significant advances in cyberattack capabilities and the growing professionalism of corporate cyberattacks, the group is also facing increasing risks online. The group is aware of these risks and is working to mitigate them using the best available technologies to protect its information and systems. The group invests heavily in technology and information infrastructure to protect its business and ensure its continued operation.

Given these challenges and potential risks, the group decided to:

- Expand the group’s customer base.
- Increase its share of the private medical services sector.
- Form strategic relationships with all stakeholders in the sector, including patients, medical insurance companies, the Cooperative Health Insurance Board, the General Directorates of Health Affairs, and other players.
- Achieve the interests of all parties.
- Ensure expected revenue growth.
- Maintain planned profitability ratios.



Financial Performance

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39- Financial Analysis

Summary of Income Statement and Budget Items

The following table summarizes the group's financial performance for the year ended December 31, 2024, and the previous year.

Figures in millions of Saudi riyals:

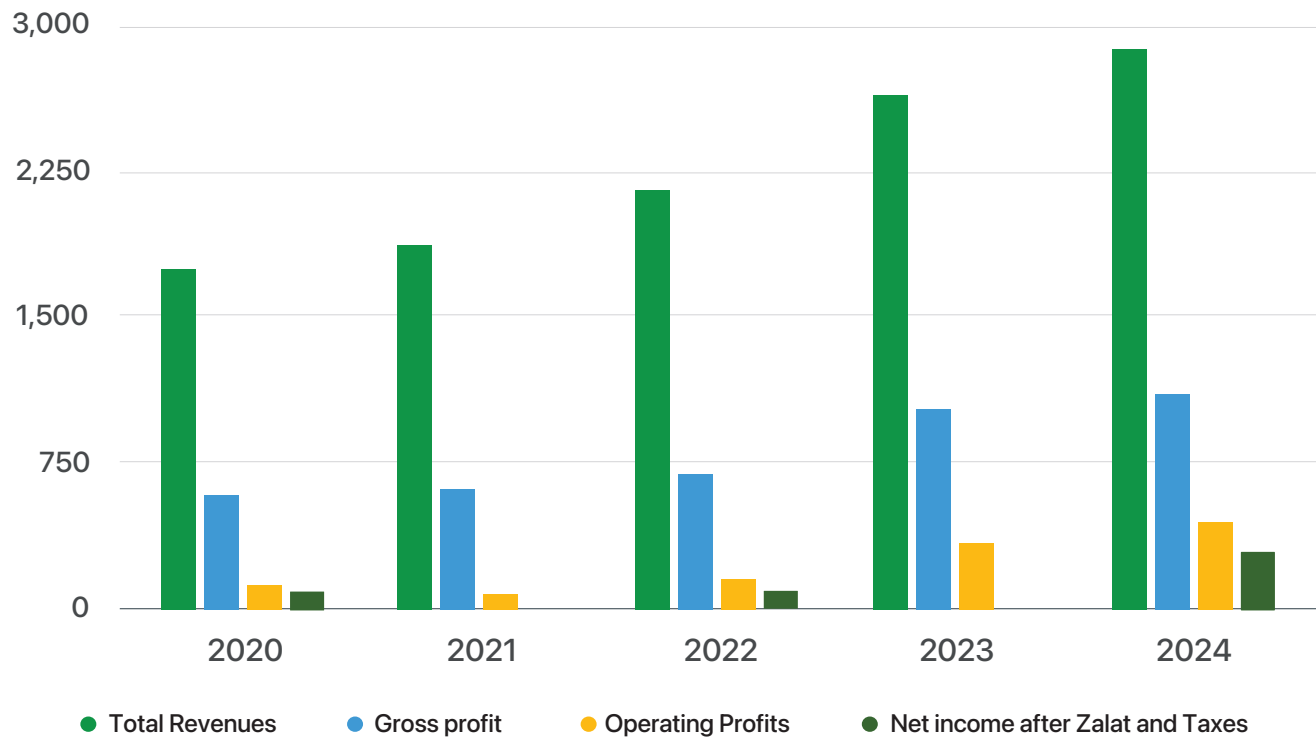
	2023 (Restated)	2024	Change Rate
Total Revenues	2,653	2,882	8.67%
Gross profit	1,014	1,113	9.80%
Operating profits	323	440	36.03%
Net income after zakat and taxes	17	282	1555%

The company's total revenue during the year 2024 increased by 8.67% from 2,653 million riyals to 2,882 million riyals, and total profit increased by 9.80% and operating profit increased by 36.03% from 323 million riyals to 440 million riyals and net profit increased by 1555% from 17 million riyals to 282 million riyals in 2024.

The following table summarizes the company's performance during the period 2020-2024:

	2020	2021	2022	2023 (Restated)	2024
Total Revenues	1,750	1,872	2,151	2,653	2,882
Gross profit	578	608	680	1,014	1,113
Operating profits	107	54	140	323	440
Net income after zakat and taxes	82	17	75	17	282

The chart below shows the company's performance from 2020 to 2024



Comparison of Assets and Liabilities

The numbers are rounded to the closest million SAR

	2020	2021	2022	2023 (Restated)	2024
Current Assets	1,493	1,578	1,957	2,536	2,173
Non-current Assets	2,106	2,396	2,542	2,598	2,952
Total Assets	3,599	3,974	4,499	5,134	5,125
Current Liabilities	1,187	1,369	1,630	2,135	1,261
Non-Current Liabilities	1,136	1,309	1,460	1,634	2,189
Total Liabilities	2,324	2,679	3,091	3,769	3,451

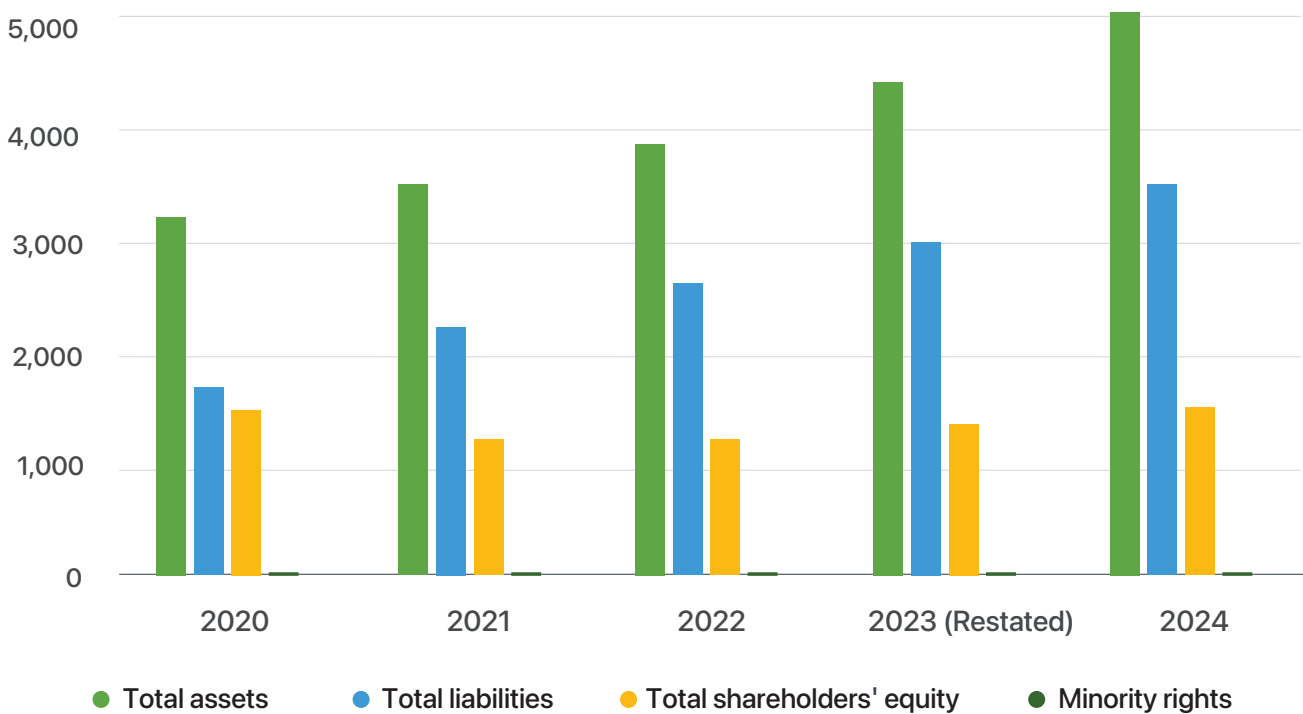
40- Shareholders' equity

The annual financial statements for the year ended December 31, 2024 include changes in shareholders' equity. The following table shows the growth in shareholders' equity over the last five years. (value in million Saudi riyals)

Millions of riyals	2020	2021	2022	2023 (Restated)	2024
Capital	920	920	920	920	920
Statutory reserve	192	194	201	219	219
Retained earnings	119	144	243	177	478
Total shareholder's equity	1,275	1,295	1,408	1,365	1,674

Key balance sheet items

Millions of riyals	2020	2021	2022	2023 (Restated)	2024
Total assets	3,599	3,974	4,499	5,134	5,125
Total liabilities	2,324	2,679	3,091	3,769	3,451
Total shareholder's equity	1,275	1,295	1,408	1,365	1,674
Minority rights	43	38	43	46	48



Total assets increased from 3,599 million riyals in 2020 to 5,125 million riyals in 2024. Total liabilities increased from SAR 2,324 million in 2020 to SAR 3,451 million in 2024. This is mainly due to the company's continued investment in fixed assets for renovation and expansion of existing hospitals as well as investment in new projects.

41- Cash flow list

The following table shows the company's cash flow list for the year ended December 31,2024 and previous years.

(value in millions SR)

	2020	2021	2022	2023 (Restated)	2024
Net cash flows from operating activities	(263)	77	76	191	939
Net cash flows from investment activities	(291)	(417)	(249)	(242)	(507)
Net cash flows from financing activities	517	352	161	80	(424)
Net changes in cash	(37)	11	(12)	29	8
Cash at the beginning of the year	54	17	28	16	44
Year-end cash	17	28	16	44	52

42- Earnings per share

	2023 (Restated)	2024
Earnings per share	0.19	3.06

The company owns a total of 92.04 million shares and its earnings per share increased from 0.19 SR to 3.06 Saudi Riyals as a result of increase in profits.

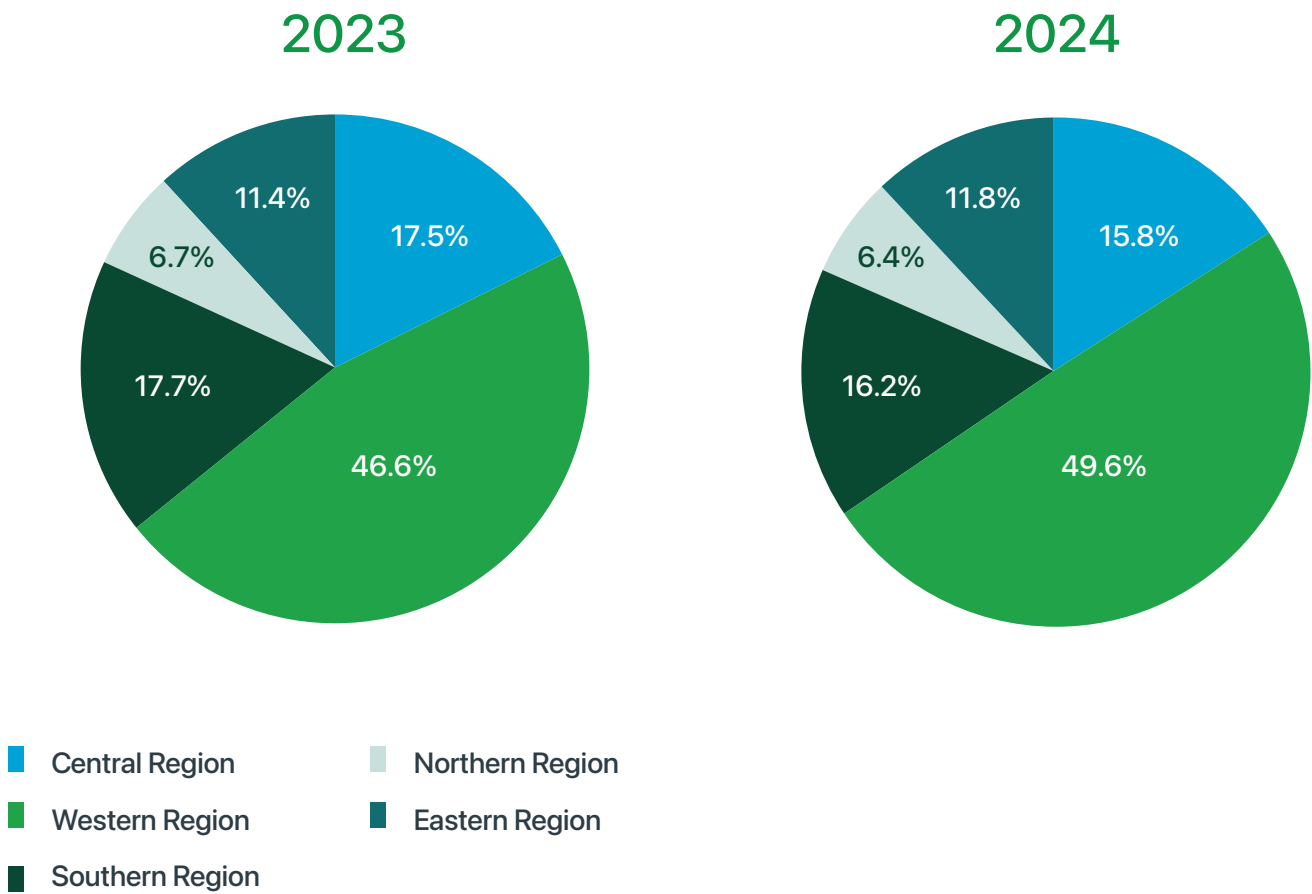
Details of Operational Activities for 2024

The company's operating profit increased by 36.03% from SAR 323 million to SAR 440 million.

43- Geographical analysis of the revenues of the group and its subsidiaries

Geographical distribution of the company's revenues of financial year 2023 and 2024:

(Million Saudi Riyals)	2023	2024
Central Region	465	456
Western Region	1,235	1,429
Southern Region	468	468
Northern Region	177	185
Eastern Region	303	340
Outside Saudi Arabia	3	4



Note: Revenues outside Saudi Arabia represent the revenue of the supervisory fee.

44- Accounting standards

The group’s accounting standards are consistent with those in force in Saudi Arabia. The Saudi Association of Chartered Accountants developed accounting standards in the Kingdom.

Adoption of International Financial Reporting Standards (IFRS):

In 2017, the group appointed SRCO Professional Corporation, an external consultant, to examine the impact of adopting the new International Accounting Standards (15.9), as approved by the Saudi Chartered Accountants Authority (SOCPA). The group’s financial statements were prepared accordingly.

The group has successfully transitioned to international financial reporting standards, as approved by the Saudi Chartered Accountants Authority. Accordingly, the group has announced its financial results for all quarterly periods in 2019, as well as annual financial statements audited in accordance with international accounting standards (9.15).accounting standards (9.15).

45- Equity and debt securities activities

Stock activities:

The number of outstanding shares of the group, fully listed for trading in Tadawul, is 92.04 million shares at the end of 2024.

Debt Securities:

The group does not have any debt instruments convertible into K-shares on 31 December 2024.

46- Dividend policy

Per the group’s statute, the distribution of cash dividends is subject to approval by the General Assembly on the recommendations of the Board of Directors after taking into account various relevant factors. These factors include the group’s financial position and obligations that may be restricted from the distribution of cash dividends under the credit facility agreements to which the group is linked. These factors also involve the results of the business, cash needs and current and anticipated expansion plans. The decision to distribute dividends to shareholders, which aims to enhance the value of shareholders’ investment, is subject to the maximum possible capital expenditure, investment needs, profits and financial position, market conditions, general economic conditions, immediate reinvestment needs, capital, business opportunities, economic activity, and legal and regulatory considerations. The dividends are distributed in Saudi riyals if any.

The group intends to distribute annual dividends to shareholders, but it does not guarantee that it will distribute any dividends or guarantee the amount to be distributed in any given year. The distribution of dividends is subject to certain restrictions in the group’s statutes, as Article 45 stipulates that net annual profits shall be distributed after deducting all expenses and other costs as follows.

- Avoids ten percent (10%) of net profit to form a regular reserve. The provision of these allocations can be suspended to the regular reserve by a decision of the General Assembly once the regular reserve reaches (30%) of the group’s capital.
- Based on the Board of Directors’ request, the AGM may set aside ten percent (10%) of the net annual profit of an optional reserve to serve one or more specific purposes.

- Of the remaining dividends, shareholders are paid a down payment of at least five percent (5%) of the paid-up capital.
- The remaining amount will be distributed to shareholders as an additional share of the profits or departed until the following financial year, subject to the approval of the General Assembly of Shareholders.

The following table shows the profits distributed by the company in the past five years: Historical profits during the last financial years (In Saudi Riyals)

	2020	2021	2022	2023 (Restated)	2024
Distributions for declared earnings of the year	—	—	—	—	—
Distributions paid during the year	-	—	—	—	—
Net income per year	81,992,572	17,201,012	75,182,816	17,038,421	282,001,652
Percentage of declared distributions to net income	—	—	—	—	—

47- Dividends

Dividends for 2023:

No dividends were distributed for the year 2023

Dividends for 2024:

On March 24, 2025, the Board of Directors resolved to recommend the distribution of cash dividends amounting to SAR 46,020,000 to the Company's shareholders. This proposed dividend equates to SAR 0.50 per share, representing 5% of the nominal value of each share for the fiscal year ending December 31, 2024. The distribution date will be announced later, following the approval of the Ordinary General Assembly.

48- Credit facilities and loans

The group has signed several credit facility agreements with local banks to obtain various facilities and loans in Saudi riyals. Under these agreements, the banks are entitled to a percentage of the financing profits, which is determined by the prevailing profit rates in the market. Additionally, the group obtained loans from the Ministry of Finance to finance the construction of Saudi-German hospitals medical tower in Riyadh and Makkah. The following table details the available facilities and their use as of 31 December 2024. All of the group's loans are in accordance with Islamic law.

(Value in millions SR)

Institution	Length	Credit Limit	Withdeawals	Amount paid in advance	Outstanding amount	Paid in 2024
1- Ministry of Finance						
Ministry of Finance	12 Years	336	326	-	296	(11)
Total MOF Loans		336	326	-	296	(11)
2- Saudi national bank						
Short Term	6 Month	150	81	-	81	(81)
Long Term	10 Years	500	133	-	133	(133)
Total Samba Financial Group Loans		650	214	-	214	(214)
3- Inma Bank						
Short term	9 Months	250	194	-	194	(194)
Long term	10 Years	750	372	-	372	(372)
Total Inma Bank Loans		1000	566	-	566	(566)
4- AL-Bilad Bank						
Short term	12 Months	350	113	-	113	(113)
Long term	5 Years	100	33	-	33	(33)
Total AL-Bilad Bank Loans		450	146	-	146	(146)

5- Emirates Dubai Bank

Short term	6 Months	150	134	-	16	(107)
Total Emirates Dubai Bank Loans		150	134	-	16	(107)

6- Al-Rajhi Bank

Short Term	12 Months	120	60	-	60	(60)
Long term	1 Year	485	185	-	185	(185)
Total Al-Rajhi Bank Loans		605	245	-	245	(245)

7- Riyadh Bank

Short term	6 Months	100	-	-	-	-
Long term	8 Years	200	183	-	-	(17)
Total Riyadh Bank Loans		300	183	-	-	(17)

8- Banque saudi fransi

Short term	6 Months	100	72	-	72	(28)
Long term	7 Years	300	113	-	187	-
Total Banque saudi fransi Loans		400	185	-	259	(28)

9- ANB BANK

Short term	6 Months	50	2	-	2	-
Long term	7 Years	200	4	-	4	-
Total ANB BANK Loans		250	6	-	6	-

10- QNB BANK

Short term	6 Months	200	109	-	109	-
Total QNB BANK Loans		200	109	-	109	-

Total Loans		4,341	2,114	-	1,857	1,334
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Note: No advance payments were made in 2024 for the loans.

49- Zakat Position

- The Company finalized its Zakat status up to the year 2014.
- ZATCA issued a Zakat assessment for the years ended December 31, 2015 to 2018, and claimed additional Zakat differences of SR 104,116,626. Following the objection, ZATCA issued a revised assessment showing a reduction of the Zakat differences to SR 97,391,676. The case was escalated to the General Secretariat of Zakat, Tax and Customs Committee (GSTC). A preliminary decision was issued showing a reduction of the Zakat due to SR 83,369,470. Following the Appeal a decision was issued showing a reduction of the Zakat differences to SR 72,885,846. ZATCA did not implement the Appeal decision correctly and reflected a higher amount of SR 84,867,277 on the Erad system. The Company filed a petition against the Appeal decision, which is still under study to date.
- ZATCA issued a withholding tax (WHT) assessment for the years ended December 31, 2015 to 2018 and claimed WHT and penalties differences of SR 52,741,685. The case was escalated to the Appeal Committee at the GSTC. A decision was issued supporting ZATCA. The Company filed a petition against the appeal decision. which is still under study till to date.
- The Company benefited from the ZATCA's initiative and waived the delay fines of SR 14,210,681.
- ZATCA issued the assessment for the years ended December 31, 2019 and 2020, and claimed additional Zakat differences of SR 71,030,487. Following the objection, ZATCA issued its revised assessment showing a reduction of the Zakat differences to SR 67,589,953. The case was escalated to the Appeal Committee at the GSTC. A decision was issued supporting ZATCA. The Company filed a petition against the appeal decision. which is still under study till to date.
- The Company obtained the approval to install the Zakat and withholding tax differences for the years 2015 to 2020 over 12 years.
- The Company file the Zakat and Tax returns for the years 2021 to 2023 and obtained the unrestricted certificates. ZATCA did not finalize the review of the Company's returns for the said years to date.

Zakat for Hail National Health Services Company (subsidiary)

The subsidiary has finalized its Zakat assessment up to the year ended 31 December 2012. The subsidiary filed the Zakat return for the year ended 31 December 2013 and obtained the unrestricted Zakat and tax certificate for the said year. The ZATCA issued the Zakat assessment for the said year, which showed Zakat differences of SR 0.059 million due from the subsidiary. The subsidiary filed an objection against the said assessment, which is still under review by ZATCA. The Subsidiary filed the Zakat/tax returns for the years ended 31 December 2014 to 2022 and obtained the Zakat/tax certificate for the said years.

50- Medical Insurance

As of December 31, 2024, the company allocated approximately 34.5 million Saudi Riyals to ensure that all employees across the group's branches are covered by comprehensive medical insurance.

51- General Insurance

As of December 31, 2024, the company paid approximately 900,000 Saudi Riyals to provide insurance coverage for all properties across the group's branches.

52- Company External Auditor's Report

According to the report of EY, the group's external auditor, they have audited the group's financial statements for the year ended December 31, 2024. The audit was conducted based on a review of the group's annual and preliminary financial statements.

The group's current financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

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53- Shareholders’ Equity and the General Assembly:

The group's statutes and governance rules guarantee shareholders all rights pertaining to their shares, including dividends, liquidation proceeds, attendance and voting at general assemblies, transferability, and oversight of the board. To encourage participation, the group offers remote electronic voting for shareholders unable to attend meetings in person.

The group's statutes and governance system for the general assembly of shareholders ensure all shareholders can exercise their statutory rights through established procedures and safeguards. The general assembly remains the group's highest authority.

The actions taken by the Board of Directors to inform its members, especially non-executives, of shareholder suggestions and observations on the group and its performance.

The Board of Directors adopted a policy and disclosure procedures that ensure shareholders have the right to inquire and request information, and that their queries are answered in a way that does notharm the group's interests. Serious shareholder proposals and notices are submitted to the Board through appropriate channels for review and action.

54- General Assembly Meetings

Overview of General Assembly Meetings Conducted During the Last Fiscal Year and the Board Members in Attendance:

#	Name	First meeting (Extraordinary General Meeting) 13/06/2024
1	Sobhi Abdul-Jalil Ibrahim Batterjee	✓
2	Makarem Sobhi Batterjee	✓
3	Khaled Abdel-Jalil Batterjee	✓
4	Sultan Sobhi Batterjee	✓
5	Mohammed Abdul Rahman	✓
6	Amr Mohamed Khalid Khashoshgy	✓

55- Number of the Company’s Shareholder Records Requests

#	Order date	Reason for request
1	07/03/2024	Company’s procedures
2	31/03/2024	Company’s procedures
3	13/06/2024	General Assembly
4	30/06/2024	Company’s procedures
5	30/09/2024	Company’s procedures
6	31/12/2024	General Assembly

56- Disclosures

Details of shares and debt instruments issued by each affiliate company

On 14 January 2024, the Group successfully issued its first Sukuk – Series I, amounting to SR 1,000 million, as part of its SR 1,500 million Sukuk Programme. The Sukuk were issued with a minimum purchase requirement of 5 units, each with a par value of SR 5,000. The Sukuk bears a return of 7.2% per annum, payable quarterly in arrears. These securities will be redeemed at par on their maturity date, which is set for 5 years from the issuance. Additionally, the Sukuk are registered with the Saudi Stock Exchange (Tadawul).

57- Related Party Transaction

Contracts and Agreements with Relevant Parties
The following table summarizes transactions with related parties in 2024.

(Value in millions of Saudi Riyals):

	The name of the related party	The nature of the transaction	Amount of transaction			Terms of dealing	Duration
			Due from	Prepayments & other current assets	Due to		
1	Emirates Healthcare Development Company (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Management fees	–	–	–	Prevailing market conditions, as the duration of this management consulting deal is continuous, and it began many years ago.	10 years from 3/6/2015, renewable annually
2	Egypt Healthcare Company (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Management Fees	3,872,752	–	–	Prevailing market conditions, as the duration of this management consulting deal is continuous, and it began many years ago.	10 years from 24/5/2015, renewable annually
3	Bait Al Batterjee College of Medical Sciences and Technology (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Training fees	374,487	–	–	prevailing market conditions as this medical training deal has been going on for many years.	One year
4	Bait Al Batterjee Fitness Company (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Medical Services	616	–	–	Prevailing market conditions since the duration of this deal is continuous and it started several years ago	One year

	The name of the related party	The nature of the transaction	Amount of transaction			Terms of dealing	Duration
			Due from	Prepayments & other current assets	Due to		
5	Bait Al Batterjee Medical Company (the main shareholder of MEAHCO) (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Advisory fees	–	(6,300,895)	–	Prevailing market conditions, as the duration of this management consulting deal is continuous, and it began many years ago.	10 years from May 24, 2015, to be renewed annually
6	Abdul Jalil Khalid Batterjee Medical Instrumentation Maintenance Company (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Repair of Medical Instrument	–	(1,676,430)	(1,676,430)	Prevailing market conditions since the duration of this deal have been continuous and it started many years ago.	One year
7	Megamind IT Solution Company (Sobhi Abdel Jalil Batterjee, Makarem Sobhi Batterjee, Khaled Abdel Jalil Batterjee and Sultan Sobhi Batterjee)	IT services	–	(93,216,718)	–	Prevailing market conditions since the duration of this deal is continuous and it started many years ago.	3 years
8	Batterjee Al Batterjee Pharmaceutical Company (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Supplies of certain pharmaceutical	–	–	45,343,173	Prevailing market conditions since the duration of this deal is continuous and it started many years ago.	One year
9	International Hospital Construction Company (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Construction and renovation	–	–	224,565,029	Prevailing market conditions since the duration of this deal is continuous and it started many years ago.	One year
10	Gulf Youth Company for Investment and Real Estate Company (JAN-PRO) (Sobhi Abdel Jalil Batterjee, Khaled Abdel Jalil Batterjee, Makarem Sobhi Batterjee and Sultan Sobhi Batterjee)	Janitorial services	–	–	32,920,990	Prevailing market conditions since the duration of this deal is continuous and it started many years ago.	One year

Sanctions, Penalties, and Preventive Measures Imposed on the Company: Non-Compliance Reasons, Authorities Involved, and Remedial Actions

Except as provided below, there is no material punishment, penalty, precautionary procedure or preventive measure imposed on the Company by the Capital Market Authority or any other supervisory, regulatory or judiciary authority. The following table shows a summary of the violations that were imposed on the Company in 2024 and the corrective measures taken by the Company in relation to these violations and the steps taken to avoid their recurrence.

	Punishment, Penalty, Precautionary Procedure, or Preventive Measure (SAR)	Reasons for non-compliance	The imposing authority	The measures undertaken to remedy and avoid such non-compliance in the future
1	50,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
2	10,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
3	7,000	Unavailability of the Civil Defense License at the Housing Compound	General Directorate of Civil Defense	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
4	3,000	Unavailability of the Civil Defense License at the Housing building	General Directorate of Civil Defense	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
5	10,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
6	10,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
7	25,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
8	10,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
9	10,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
10	20,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.

11	5,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
12	5,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
13	90,000	Advertisements that are not in compliance to the law of the private health institutions.	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
14	50,000	Violation to the regulatios of the law of the priave health institutions	The Committee of The Violations of Law of the Private Health Institutions.	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
15	24,000	Non-Compliance to Saudization	Ministry of Human Resources & Social Development	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
16	300	Non-Payment to Salaries on time	Ministry of Human Resources & Social Development	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
17	6,000	Non-Compliance to Saudization	Ministry of Human Resources & Social Development	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
18	6,000	Non-Compliance to Saudization	Ministry of Human Resources & Social Development	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
19	6,000	Non-Compliance to Saudization	Ministry of Human Resources & Social Development	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
20	6,000	Non-Compliance to Saudization	Ministry of Human Resources & Social Development	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
21	5,000	Non-Renewal to municipality license on time	Al Madinah Al Munawarah Municipality	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.
22	20,000	Unavailability of Environmental Permits	National Center for Environmental Compliance	The payment has been made, with the necessary corrective measures taken by the company in a timely manner; and the commitment of the competent department to the regulatory requirements have been confirmed.

This statement details any businesses or act ties that a member of the Board of Directors currently engages in, or has previously engaged in, that could be in competition with the group’s business interests

#	Board member engaging in competing business	Relationship type with the Company	Nature of Competing Business
1	Eng. Sobhi Abduljallel Batterjee	Board Chairman	AlSoboh new medical LLC is a limited liability company operating in the field of public hospitals. Bab Al-Khair Medical Services Company is a limited liability, not for-profit company working in the field of establishing and operating hospitals, medical centers, government and private clinics.
2	Dr. Makarem Sobhi Batterjee	Board Vice Chairman	Bab Al-Khair Medical Services Company is a limited liability, not for-profit company working in the field of establishing and operating hospitals, medical centers, government and private clinics.
3	Dr. Khalid Abdel-Jalil Batterjee	Board Member	Company procedures • Bab Al-Khair Medical Services Company is a limited liability, not for-profit company working in the field of establishing and operating hospitals, medical centers, government and private clinics.
4	Mr. Sultan Sobhi Batterjee	Board Member	Bab Al-Khair Medical Services Company is a limited liability, not for-profit company working in the field of establishing and operating hospitals, medical centers, government and private clinics.

On June 17,2021 (7 Dhu al-Qi dah 1442H), a shareholders' extraordinary general assembly meeting approved the participation of Chairman of the Board Eng. Sobhi Abduljallel Batterjee in a business competing with the company's commercial activities.

OnJune17,2021(7 Dhu al-Qi" dah 1442H), a shareholders' extraordinary general assembly meeting approved the participation of the Vice Chairman of the Board Dr. Makarem Sobhi Batterjee in a business competin with the company's commercial activities.

OnJune 17,2021 (7 Dhu al-Qi* dah 1442H), a shareholders' extraordinary general assembly meeting approved the participation of board member Dr. Khalid Abdel-Jalil Batterjee in a business competing with the company's commercial activities.

On June 17,2021 (7 Dhu al-Qi" dah 1442H), a shareholders' extraordinary general assembly meeting approved the participation of board member Mr. Sultan Sobhi Batterjee in a business competing with the company's commercial activities.





58- Board members' statements

The board members of MEAHCO acknowledge:

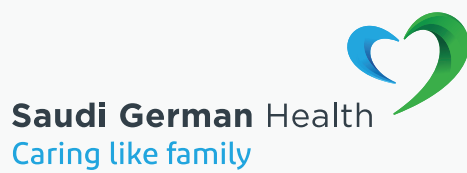
The group's records are properly prepared
That the internal control s em was well-founded and effectively implemented
There is no doubt about the group's ability to continue its activity.

59- Concluding Remarks

According to this report, the group achieved significant growth in 2024 despite difficult market conditions. This positive indication suggests that the group is operating in a market with strong foundations. The group is pursuing major expansion plans over the next two years, targeting both domestic and international markets. Notably, the group's relatively low debt-to-capital ratio provides financial flexibility to secure loans for these expansion efforts.

60- Thanks and appreciation

In conclusion, the Board of Directors of MEAHCO extends its deep appreciation to the group's employees at all levels for their dedication and hard work. The Board also expresses its gratitude to the group's shareholders, banks, suppliers, other stakeholders, and government agencies for their continued support, which has been instrumental to the group's success.



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