



نابع الصحة
NABA ALSAHA

Prospectus of Naba Alsaaha Medical Services Company

Naba Alsaaha Medical Services Company (the "Company") is a Saudi closed joint stock company with Commercial Registration No. (2051065568) issued from Al-Khobar, on 06/05/1439H (corresponding to 23/01/2018G).

Sale of one million four hundred thousand (1,400,000) ordinary shares representing 20.0% of the Company's total shares in the Parallel Market (Nomu) to Qualified Investors at an Offering Price of (SAR 57) Fifty seven Saudi riyals per share.

The Offering period begins on Monday 10/01/1444H (corresponding to 08/08/2022G) and ends on Sunday 16/01/1444H (corresponding to 14/08/2022G)

Naba Alsaaha Medical Services Company ("the Company" or "the Issuer" or "Naba Alsaaha") was established on 25/02/1405H (corresponding to 18/11/1984G), in the name of Mohammedhassan Al-Jishi & Partners Company as a limited partnership Company with a capital of (SAR 1,200,000) one million two hundred thousand Saudi riyals. On 17/02/1407H (corresponding to 21/10/1986G), the partners in Mohammedhassan Al-Jishi & Partners Company (limited partnership Company) decided to reduce the Company's capital to (SAR 300,000) three hundred thousand Saudi riyals, in addition to modifying the Company's objectives to become medical services (private dispensary) and maintenance and operation of medical centers. On 17/03/1426H (corresponding to 26/04/2005G), the Company's capital was increased from three hundred thousand (300,000) Saudi riyals to two million (2,000,000) Saudi riyals divided into (2000) two thousand shares of equal value of (SAR 1,000) one thousand Saudi riyals per share, and the increase in capital by (1,700,000) one million seven hundred thousand Saudi riyals was financed through the partners' current account, and the legal entity of the Company has also been modified and transferred from limited partnership Company to a limited liability Company. On 13/07/1437H (corresponding to 20/04/2016G), the partners decided to increase the Company's capital from (SAR 2,000,000) two million Saudi riyals to (SAR 25,000,000) twenty-five million Saudi riyals, divided into (25,000) twenty-five thousand shares of equal value of (SAR 1,000) one thousand Saudi riyals per share. The capital increase was financed through the capitalization of an amount of (SAR 7,038,464) seven million, thirty-eight thousand, four hundred and sixty-four Saudi riyals from the Company's retained earnings account, as well as through the capitalization of an amount of (SAR 15,961,536) fifteen million nine hundred and sixty one thousand five hundred and thirty-six Saudi riyals from the credit balance of Mohammedhassan Al-Jishi.

On 04/05/1439H (corresponding to 21/01/2018G), the partners' decision was issued to change the Company's name to Naba Alsaaha Medical Services Company, and the Company's headquarters was also changed to be in the city of Al-Khobar.

According to Ministerial Resolution No. (Q/122) on 23/05/1440H (corresponding to 29/01/2019G), the Company was transferred from a limited liability Company to a closed joint stock Company, while retaining the commercial registration number and date, with the same capital amounting to (SAR 25,000,000) twenty-five million Saudi riyals.

On 12/05/1442H (corresponding to 27/12/2020G), the Extraordinary General Assembly approved an increase in the Company's capital from (SAR 25,000,000) twenty-five million Saudi riyals to (SAR 70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares at a nominal value of (SAR 10) ten riyals per share. The capital increase was financed by capitalizing the retained earnings. For more details, please refer to section (3.2) "Company's Incorporation and the most important developments in Capital Structure".

The Company's current capital is (SAR 70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares of equal value, at (SAR 10) ten Saudi riyals per share. All shares are ordinary shares of one class. Each shareholder (the "Shareholder"), regardless of the number of his shares, has the right to attend and vote at the meetings of the general assembly of shareholders ("General Assembly").

The Offering will be directed to categories of Qualified Investors (the "Offering"), for (1,400,000) one million four hundred thousand ordinary shares (collectively referred to as "Offer Shares" and individually "Offer Share"), at a nominal value of (SAR 10) ten Saudi Riyal per share. The Offering Price will be (SAR 57) Fifty seven Saudi riyals, and the offered shares in total represent 20.0% of the Company's issued capital. All the Company's shares are ordinary shares of one class, and the share does not give any shareholder any preferential rights. Every shareholder ("Shareholder"), regardless of the number of his shares, has the right to attend and vote at the meetings of the General Assembly of Shareholders (the "General Assembly"). The Offering Shares are entitled to any dividends announced by the Company as of the date of this Prospectus and in the following fiscal years (refer to Section No. (5) "Dividends Distribution Policy" of this Prospectus).

Before the Offering, there are five (5) Substantial Shareholders in the Company who own (5%) five percent or more of the Company's total shares and they are: Nayef Mohammedhassan al-Jishi, Nathir Mohammedhassan al-Jishi, Lesley Mohammedhassan al-Jishi, Alraja Advanced Investment Group Company, and Mohammedhassan Abdullah al-Jishi, as on the date of this Prospectus. After the Offering, the Company will have (4) four Substantial Shareholders and they are: Nayef Mohammedhassan al-Jishi, Nathir Mohammedhassan Al-Jishi, Lesley Mohammedhassan Al-Jishi, and Alraja Advanced Investment Group Company, as the shareholder, Mohammedhassan Abdullah Al-Jishi, will own 4% of the Company's shares and therefore will not be among the Substantial Shareholders before and after the Offering please refer to page (xiv) "Substantial Shareholders who own 5% or more of the Company's Shares" of this Prospectus).

Subscription to the Offer Shares shall be limited to the following categories of Qualified Investors:

1. Capital Market Institutions acting for their own account.
2. Clients of a Capital Market Institution authorised by the Authority to conduct managing activities provided that this Capital Market Institution has been appointed as an investment manager on terms which enable it to make decisions concerning the acceptance of an offer and investment in the Parallel Market on the client's behalf without obtaining prior approval from the client.
3. The Government of the Kingdom, any government body, any supranational authority recognised by the Authority or the Exchange, and any other stock exchange recognised by the Authority or the Depository Center.
4. Government-owned companies either directly or through a portfolio managed by a Capital Market Institution authorised to carry out managing activities.
5. Companies and funds established in a member state of the Cooperation Council for the Arab States of the Gulf.

6. Investment Funds.
7. Non-resident foreigners permitted to invest in the Parallel Market and who meet the requirements stipulated in the Guidance Note for the investment of Non-Resident Foreigners in the Parallel Market.
8. Qualified foreign financial institutions.
9. Any other legal persons allowed to open an investment account in the Kingdom and an account at the Depository Center
10. Natural persons allowed to open an investment account in the Kingdom and an account at the Depository Center, and fulfill any of the following criteria:
 - a. has conducted transactions in security markets of not less than 40 million Saudi riyals in total, and not less than ten transactions in each quarter during the last twelve months.
 - b. his net assets is not less than 5 million Saudi Riyals.
 - c. works or has worked for at least three year in the financial sector.
 - d. holds the General Securities Qualification Certificate which is recognised by the Authority.
 - e. holds professional certificate that is related to securities business and accredited by an internationally recognized entity.
11. Any other persons prescribed by the Authority.

The offering period will begin on Monday, 10/01/1444H (corresponding to 08/08/2022G) and will run for (5) five working days, including the last day of closing the subscription on Sunday, 16/01/1444H (corresponding to 14/08/2022G), ("the Offering Period"). Subscription applications can be submitted by Qualified Investors through the electronic channels of the receiving entities "Derayah Financial Company" and "Al Rajhi Bank" during the offering period. In the event of two subscription applications are submitted, the second application will be invalid and only the first subscription will be considered. (For more information, please refer to section (9) "Information related to the terms and conditions of the offering" of this prospectus). Each Qualified Investor will be able to study the investment opportunity and review any additional information available through a data room wherein all documents referred to in section 12, "the Documents available for inspection" of this prospectus are displayed.

Qualified Investors may subscribe to a maximum of three hundred and forty-three thousand (343,000) shares and a minimum of ten (10) shares. Offer shares can be subscribed to through the electronic channels of the receiving entities "Derayah Financial Company" and "Al Rajhi Bank" during the offering period. The full value of the shares subscribed to will be deducted from the subscriber account with the receiving entity and the funds will be transferred directly to the escrow account of the offer process. The final allocation of the offer shares will be announced no later than 19/01/1444H (corresponding to 17/08/2022G). The surplus amounts will be refunded on 20/01/1444H (corresponding to 18/08/2022G), and no commissions or deductions will be made by the receiving entities of the offering proceeds, the Lead Manager, or the Company (please refer to Section (9) "Information relate to the shares and the terms and conditions of the offering" of this prospectus.)

The Offer Shares will be sold by the Shareholders of the Company whose names appear on page (xiv) (referred to collectively as "Selling Shareholders") who, prior to the Offering, owned 100.0% of the Company's shares. After completion of the Offering, the Selling Shareholders will own 80.0% of the Company's shares, and therefore they will retain a controlling stake in the Company. The Offering Proceeds, after deducting the Offering Expenses, will be paid to the Selling Shareholders according to their ownership percentage of the Offered Shares, and the Company will not receive any amount from the Offering Proceeds (see Section. (6) "Using Offering Proceeds" of this Prospectus).

Prior to the Offering, there has been no public market for the Company Shares in Saudi Arabia or elsewhere. The Company has filed an application to the Capital Market Authority in the Kingdom of Saudi Arabia (The Authority) to register and offer its shares in the Parallel Market in accordance with the Rules on the Offer of Securities and Continuing Obligations. This Prospectus and all supporting documents requested by the Authority have been approved, and all necessary official approvals for the share offering process have been obtained. It is expected that shares will be traded in the Parallel Market soon after completion of the shares allocation process, refund of the surplus amounts and completion of all relevant regulatory requirements (for more details, please refer to the "Important Dates and Subscription Procedures" Section of this Prospectus). After the shares are registered in the Parallel Market, Qualified Investors who meet the conditions, whether inside or outside the Kingdom, will be allowed to trade in the Company's shares. The "Important Notice" and "Risk Factors" sections of this Prospectus should be carefully studied by potential investors before they make a decision to subscribe to the Offer Shares

This prospectus includes information provided in compliance with the Rules on the Offer and Continuing Obligations issued by Capital Market Authority of the Kingdom of Saudi Arabia (the "Authority"). The directors, whose names appear on page (iv), collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omissions of which would make any statement in the prospectus misleading. The Authority and the Exchange do not take any responsibility for the contents of this prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Those wishing to buy listed shares under this prospectus shall verify the information related to the shares being offered; and consult a licensed financial advisor when facing any difficulty understanding the contents of this prospectus.

This Prospectus is dated 16/11/1443H (corresponding to 15/06/2022G)

Financial Advisor

Lead Manager and Receiving Entity

Receiving Entity



مجموعة الدخيل المالية
ALDUKHEIL FINANCIAL GROUP



مصرف الراجحي
alrajhi bank







نبع الصحة
NABA ALSAHA

Important Notice

This Prospectus provides complete detailed information about Naba Alsaha Medical Services Company and the shares offered for subscription in the Parallel Market. Investors who apply to subscribe to the offered shares will be treated on the basis that their applications are based on the information contained in this Prospectus, copies of which can be obtained from websites of the Company (www.nams.sa), Aldukheil Financial Group (www.aldukheil.com.sa), Capital Market Authority (www.cma.org.sa), or Saudi Tadawul Group "**Tadawul**" (www.saudiexchange.sa). The Financial Advisor, "**Aldukheil Financial Group Company**" will also announce on the Saudi Tadawul Group website "**Tadawul**" about publishing the Prospectus and making it available to Qualified Investors during the period specified in accordance with the Rules on the Offer of Securities and Continuing Obligations (within a period of no less than (14) days before the listing) and any other developments.

The Prospectus contains information provided according to the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority in the Kingdom Saudi Arabia. The Directors whose names appear on page (iv) collectively and individually assume full responsibility for the accuracy of the information contained in this Prospectus, and confirm, to the best of their knowledge and belief, after conducting the possible studies and to the reasonable extent, there are no other facts that, not including them in the Prospectus, would make any statement contained therein misleading. The Authority and the Saudi Stock Exchange Group (Tadawul) take no responsibility for the contents of this Prospectus, and they do not give any assurances regarding its accuracy or completeness, and they expressly disclaim any responsibility whatsoever for any loss resulting from the information mentioned in the Prospectus or from depending on any part thereof.

The Company has appointed (Aldukheil Financial Group) as a Financial Advisor to the Offering ("**Financial Advisor**") and Derayah Financial Company as the Lead Manager ("**Lead Manager**") in relation to the Offering of shares indicated in this Prospectus.

The information contained in this Prospectus as at the date hereof is subject to change. In particular, the actual financial state of the Company and the value of the Shares may be adversely affected by future developments in inflation, interest rates, taxation, or other economic, political, and other factors, over which the Company has no control (See Section 2 "**Risk Factors of this Prospectus**"). Neither the delivery of this Prospectus nor any oral, written or printed interaction in relation to the Offer Shares is intended to be, or should be construed as or relied upon in any way as a promise or representation as to future earnings, results or events.

This Prospectus is not to be regarded as a recommendation on the part of the Company, its directors, the Selling Shareholders, or any of its advisors to participate in the Offering. The information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice from a financial advisor who is licensed by CMA in relation to the Offering and for considering the appropriateness of the information herein, with regard to individual objectives, financial situations and needs.

Subscription to the Offer Shares shall be limited to the following categories of Qualified Investors according to the requirements of the Rules on the Offer of Securities and Continuing Obligations:

- 1- Capital Market Institutions acting for their own account.
- 2- Clients of a Capital Market Institution authorised by the Authority to conduct managing activities provided that this Capital Market Institution has been appointed as an investment manager on terms which enable it to make decisions concerning the acceptance of an offer and investment in the Parallel Market on the client's behalf without obtaining prior approval from the client.
- 3- The Government of the Kingdom, any government body, any supranational authority recognised by the Authority or the Exchange, and any other stock exchange recognised by the Authority or the Depository Center.
- 4- Government-owned companies either directly or through a portfolio managed by a Capital Market Institution authorised to carry out managing activities.
- 5- Companies and funds established in a member state of the Cooperation Council for the Arab States of the Gulf.
- 6- Investment Funds.
- 7- Non-resident foreigners permitted to invest in the Parallel Market and who meet the requirements stipulated in the Guidance Note for the investment of Non-Resident Foreigners in the Parallel Market.
- 8- Qualified foreign financial institutions.
- 9- Any other legal persons allowed to open an investment account in the Kingdom and an account at the Depository Center
- 10- Natural persons allowed to open an investment account in the Kingdom and an account at the Depository Center, and fulfill any of the following criteria:
 - a- has conducted transactions in security markets of not less than 40 million Saudi riyals in total, and not less than ten transactions in each quarter during the last twelve months.
 - b- his net assets is not less than 5 million Saudi Riyals.
 - c- works or has worked for at least three year in the financial sector.
 - d- holds the General Securities Qualification Certificate which is recognised by the Authority.
 - e- holds professional certificate that is related to securities business and accredited by an internationally recognized entity.
- 11- Any other persons prescribed by the Authority.

The offering period will begin on Monday, 10/01/1444H (corresponding to 08/08/2022G) and will run for (5) five working days, including the last subscription closing day on Sunday, 16/01/1444H (corresponding to 14/08/2022G), ("the Offering Period"). Subscription applications can be submitted by Qualified Investors through the electronic channels of the receiving entities "**Derayah Financial Company**" and "**Al Rajhi Bank**" during the offering period (for more information please refer to Section (9) "**Information related to the shares and the terms and conditions of the offering**" from this prospectus.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy any of the Offer Shares, by any person in any country in which the applicable law in that country does not permit such person to make such an offer or solicitation. The distribution of this Prospectus or the sale of shares is expressly prohibited to any person in any country other than the Kingdom, except for the category of non-resident foreigners who are permitted to invest in the Parallel Market, and who meet the requirements set forth in the Investment Guide of Non-Resident Foreigners in the Parallel Market, Qualified Foreign Financial Institutions and/or foreign investors, companies and funds established in the GCC States through a swap agreement, provided that the regulations and instructions regulating this Offering are observed.

Both the Company and the Financial Advisor require the recipient of this Prospectus to see all the statutory restrictions related to the Offering or sale of the Offering Shares and to observe compliance with them.

Financial Information

The Company's audited financial statements for the fiscal year ending on December 31, 2021G, and the comparative statement for the financial year ending on December 31, 2020G, which are included in this Prospectus, have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Certified Public Accountants (SOCPA). The financial statements for the financial year ending on December 31, 2020G were audited by Ibrahim Ahmed Al-Bassam and Partners Company - a member of PKF International, and the financial statements for the financial year ending on December 31, 2021G were audited by the Allied Accountants Professional Services. The Company issues its financial statements in Saudi riyals.

Forecasts and Forward-looking Statements

Forecasts set forth in this Prospectus have been prepared on the basis of specific and announced assumptions. The Company's future conditions may differ from the assumptions used currently, and therefore no affirmation, representation, or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain statements in this Prospectus constitute forward-looking statements. Such statements can generally be identified by their use of forward-looking words such as "intends", "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected", "would be" or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance, or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied. Some of the risks and factors that could have such an effect are described in more detail in other sections thereof. (For further details, see Section 2 "**Risk Factors**" of this Prospectus). Should any of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, The Company's actual results may vary materially from those described in this Prospectus.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company will submit a Supplementary Prospectus to the CMA if, at any time after the publication of this Prospectus and before completion of the Offering, The Company becomes aware that:

- 1- There has been a significant change in any material information contained in this Prospectus; or
- 2- the occurrence of additional significant matters which would have been required to be included in this Prospectus.

Except in the circumstances mentioned above, the Company does not intend to update or otherwise revise any information contained in this Prospectus, whether as a result of new information, future events or otherwise relating to the Company, industry or risk factors. As a result of the foregoing and other risks, assumptions and uncertainties, expectations of future events and conditions set out in this Prospectus may not occur as expected by the Company or may not occur at all. Accordingly, potential investors should examine all forward-looking statements in the light of these interpretations and not rely primarily on such statements.

Company Directory

Board of Directors

Name	Position	Member- ship Status	Independ- ence	Nation- ality	Age	Number of Shares		Ownership Per- centage (1)		Membership Date (2)
						Before the Of- fering	After the Offering	Before the Of- fering	After the Of- fering	
Abdulwahab Mohammed Saad Al-Ajrourh	Chairman	Non- executive	Independent	Saudi	55	-	-	-	-	14/07/2021G
Nathir Mohammed Hasan Abdullah Al-Jishi	Vice Chairman and CEO	Executive	Non- independent	Saudi	57	1,750,000	1,400,000	25%	20%	14/07/2021G
Nayef Mohammed Hasan Abdullah Al-Jishi	Board Member	Executive	Non- independent	Saudi	39	2,625,000	2,100,000	37,5%	30%	14/07/2021G
Ahmed Saud Abdulaziz Shahini	Board Member	Non- executive	Independent	Saudi	38	-	-	-	-	14/07/2021G
Ali Ahmed Abdullah Al- Helili	Board Member	Non- executive	Independent	Saudi	69	-	-	-	-	14/07/2021G

(1) The ownership percentage mentioned in the table are approximate.

(2) The dates mentioned in this table are the dates of appointment in the current Positions mentioned in the same table. The biographies of board members show the starting date of their appointment in the Company, either in the board or in any other Position prior to these posits (for more information, please refer to **"Biographies of Board Members and Secretary"** in this prospectus).

Company Registered Address

Naba Alsaha Medical Services Company

Al-Khobar, Al-Khuzama District, Abdullah Bin Hathlan Street
P.O. Box 887-31911
Kingdom of Saudi Arabia
Tel: +966-13-8555000
Fax: + 966 -8540244
Website: www.nams.sa
E-mail: info@nams.sa



Company Representatives

First Representatives	Second Representatives
Abdulwahab Mohammed Saad Al-Ajrourh Chairman of the Board of Directors Al-Khobar, Al-Khuzama District, Abdullah Bin Hathlan Street P.O. Box 887-31911 Kingdom of Saudi Arabia Tel: +966-13-8555000, ext. 700 Fax: + 966 -13- 8555111 Website: www.nams.sa E-mail: a.alajrourh@nams.sa	Nathir Mohammedhassan Al-Jishi Deputy Chairman and CEO Al-Khobar, Al-Khuzama District, Abdullah Bin Hathlan Street P.O. Box 887-31911 Kingdom of Saudi Arabia Tel: +966-13-8555000, ext. 100 Fax: + 966 -13- 8555111 Website: www.nams.sa E-mail: nathir@alzahragh.com

Sudi Stock Exchange

Saudi Tadawul Group (Tadawul)

Unit No: 15
King Fahd Road - Olaya 6897
Riyadh 12211 – 3388
Kingdom of Saudi Arabia
Tel: +966 920001919
Fax: +966 11 2189133
Website: www.saudiexchange.sa
Email: csc@saudiexchange.sa



Advisors

Financial Advisor

Aldukheil Financial Group

Riyadh - Wazarat District, Naeem Bin Hammad Street
P.O. Box 2462 Riyadh 11451
Kingdom of Saudi Arabia
Tel: + 966 (11) 4309800
Fax: + 966 (11) 4787795
Website: www.aldukheil.com.sa
E-mail: info@aldukheil.com.sa



The Company's Auditor for the year 2021G

Allied Accountants Professional Services

Riyadh Olaya District, Al Oruba Road - Building No. 3193, First Floor
P.O. Box 8335 Riyadh 12333
Kingdom of Saudi Arabia
Tel: + 966 11 4169361
Fax: + 966 11 4169349
E-mail: Info@rsmsaudi.com
Website: www.rsmksa.com



Lead Manager and Receiving Entity

Derayah Financial Company

Riyadh, Al-Wurud District, Olaya Street
P.O. Box 28654 Riyadh 11323
Kingdom Saudi Arabia
Tel: +966 11 2998000
Fax: +966 11 2998071
Website: www.derayah.com
E-mail: support@derayah



Receiving Entity

Al Rajhi Bank

King Fahd Road, Riyadh
P.O Box 28 Riyadh 11411
Kingdom of Saudi Arabia
Tel: +966 11 211600
Fax: +966 11 2119368
Website: www.alrajhi.com
email: contactcenter1@alrajhibank.com.sa



Notice:

All of the above advisors as well as the Auditors and the Lead Manager have given and not withdrawn their written consent to the publication of their names and logos in the form indicated in the Prospectus; and none of them has withdrawn its approval up to the date of this Prospectus.

Offering Summary

This Summary is intended to provide a brief overview of the information contained in this Prospectus. Hence, this summary does not contain all information that are significant to some prospective investors. Therefore, this summary should be read as an introduction to this Prospectus. Prospective investors should read and review this prospectus in its entirety. Any decision related to investing in the offered shares by potential investors should be based on all information mentioned in this Prospectus as a whole, especially the **"Important Notice"** section and Section (2) **"Risk Factors"** before making any Investment decision in the Offering Shares:

<p>Company's Name, Description, and Incorporation</p>	<p>Naba Alsaha Medical Services Company ("the Company" or "the Issuer" or "Naba Alsaha") was established on 25/02/1405H (corresponding to 18/11/1984G), in the name of Mohammedhassan Al-Jishi & Partners Company as a limited partnership Company with a capital of (SAR 1,200,000) one million two hundred thousand Saudi riyals. On 17/02/1407H (corresponding to 21/10/1986G), the partners in Mohammedhassan Al-Jishi & Partners Company (limited partnership Company) decided to reduce the Company's capital to (SAR 300,000) three hundred thousand Saudi riyals, in addition to modifying the Company's purposes to become medical services (private dispensary) and maintenance and operation of medical centers. On 17/03/1426H (corresponding to 26/04/2005G), the Company's capital was increased from three hundred thousand (300,000) Saudi riyals to two million (2,000,000) Saudi riyals divided into (2000) two thousand shares of equal value of (SAR 1,000) one thousand Saudi riyals per share, and the increase in capital by (1,700,000) one million seven hundred thousand Saudi riyals was financed through the partners' current account, and the legal entity of the Company has also been modified and transferred from limited partnership Company to a limited liability Company. On 13/07/1437H (corresponding to 20/04/2016G), the partners decided to increase the Company's capital from (SAR 2,000,000) two million Saudi riyals to (SAR 25,000,000) twenty-five million Saudi riyals, divided into (25,000) twenty-five thousand shares of equal value of (SAR 1,000) one thousand Saudi riyals. The capital increase was financed through the capitalization of an amount of (SAR 7,038,464) seven million, thirty-eight thousand, four hundred and sixty-four Saudi riyals from the Company's retained earnings account, as well as through the capitalization of an amount of (SAR 15,961,536) fifteen million nine hundred and Sixty one thousand five hundred and thirty-six Saudi riyals from the credit balance of Mohammedhassan Al-Jishi.</p> <p>On 04/05/1439H (corresponding to 21/01/2018G), the partners' decision was issued to change the Company's name to Naba Alsaha Medical Services Company, and the Company's headquarters was also changed to be in the city of Al-Khobar.</p> <p>According to Ministerial Resolution No. (Q/122) on 23/05/1440H (corresponding to 29/01/2019G), the Company was transferred from a limited liability Company to a closed joint stock Company, while retaining the commercial registration number and date, with the same capital amounting to (SAR 25,000,000) twenty-five million Saudi riyals.</p> <p>On 12/05/1442H (corresponding to 27/12/2020G), the Extraordinary General Assembly approved an increase in the Company's capital from (SAR 25,000,000) twenty-five million to (SAR 70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares at a nominal value of (SAR 10) ten riyals per share. The capital increase was financed by capitalizing the retained earnings.</p> <p>For more details, please refer to section (3.2) "Company's Incorporation and the most important developments in Capital Structure".</p> <p>The Company's current capital is (SAR 70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares of equal value, at (SAR 10) ten Saudi riyals per share. All shares are ordinary shares of one class.</p>
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Summary of the Company Activities	The Company operates under Commercial Registration No. (2051065568) dated 06/05/1439H (corresponding to 23/01/2018G) issued from Al-Khobar. The Company's activities, as per its commercial registration, are represented in the medical operation of medical complexes and day surgery centers.						
	The purposes for which the company was established as stated in its Articles of Association are as follows:						
	<ul style="list-style-type: none">• Human health and social work activities.• Professional, scientific and technical activities.• Construction.• Transportation and storage.• Education.• Real estate activities• Administrative and support services.• Manufacturing Industries.• Mining and quarrying.• Agriculture, forestry and fishing.• Public administration and defense, compulsory social security.• Arts, recreation and entertainment.• Activities of organizations and bodies not under national jurisdiction.• Lodging and Catering activities.• Financial and insurance activities.• Information and communication.• Wholesale and retail trade, repair of motor vehicles and motorcycles.• Water supply and sanitation activities, waste management and treatment.• Supply of electricity, gas, steam and air conditioning.• Other service activities.						
	The Company exercises its activities in accordance with the applicable laws and after obtaining the necessary licenses from the competent authorities if any. (for more information on the licenses under which the Company operates, please refer to section (3.15) "Government Licenses and Certificates" in this prospectus.)						
	The Company is currently operating and managing AlZahra Hospital, Manarat Al-Haramain Pharmacy, Naba Alsaha branch for maintenance and building operation						
	The company's current activity is the operation and management of AlZahra Hospital, Manarat Al-Haramain Pharmacy, and Naba Alsaha branch						
	(For more information about the Company's activity, please refer to section (3) "The Company" of this Prospectus).						
	Substantial Shareholders (who own 5% or more of the Company shares)	The Substantial Shareholders who each own (5%) five percent or more of the Company's shares (before the Offering) are:					
Name		Before the Offering			After the Offering		
		No. of Shares	Nominal value	Ownership percentage	No. of Shares	Nominal value	Ownership percentage
Nayef Mohammedhassan Abdullah Al-Jishi		2,625,000	26,250,000	37,5%	2,100,000	21,000,000	30%
Nathir Mohammedhassan Abdullah Al-Jishi		1,750,000	17,500,000	25%	1,400,000	14,000,000	20%
Lesley Mohammedhassan Abdullah Al-Jishi		1,225,000	12,250,000	17,5%	980,000	9,800,00	14%
Al Raja Advanced Investment Group		1,050,000	10,500,000	15%	840,000	8,400,000	12%
Mohammedhassan Abdullah Mansour Al-Jishi ⁽¹⁾		350,000	3,500,000	5%	280,000	2,800,000	4%
Total	7,000,000	70,000,000	100%	5,600,000	56,000,000	80%	
(1) The shareholder, Mohammedhassan Abdullah Mansour Al-Jishi, will own 4% of the Company's shares after the Offering, and therefore he will not be a Substantial Shareholder after the Offering.							
Issuer's Capital	(SAR 70,000,000) Seventy Million Saudi Riyals paid in full.						
Total number of Issuer's shares	(SAR 7,000,000) Seven Million ordinary shares, fully paid in value.						
Nominal Value of the share	(SAR 10) Ten Saudi riyals per share.						

Total Number of the Offered Shares	(1,400,000) One Million four hundred thousand ordinary shares, fully paid in value.
Percentage of Offer Shares to The Company's Capital	Twenty Percent (20%)
Offering Price	(57) Fifty seven Saudi Riyal per share.
Total Offering Amount	(79,800,000) Seventy-nine million eight hundred thousand Saudi Riyal
Use of the Offering Proceeds	The net Offering Proceeds amounting to (SAR 75,300,000) Seventy-five million three hundred thousand Saudi Riyals will be distributed, after deducting the Offering Expenses estimated at four million and five hundred thousand (4,500,000 Saudi Riyal, to the Selling Shareholders according to the number of shares owned by each selling shareholder of the offered shares. The Company will not receive any part of the Offering Proceeds (see Section (6) " Use of the Offering Proceeds " of this Prospectus).
Categories of Targeted Investors	<p>The Offering shall be limited to the following categories of Qualified Investors according to the requirements of the Rules on the Offer of Securities and Continuing Obligations:</p> <ol style="list-style-type: none"> 1- Capital Market Institutions acting for their own account. 2- Clients of a Capital Market Institution authorised by the Authority to conduct managing activities provided that this Capital Market Institution has been appointed as an investment manager on terms which enable it to make decisions concerning the acceptance of an offer and investment in the Parallel Market on the client's behalf without obtaining prior approval from the client. 3- The Government of the Kingdom, any government body, any supranational authority recognised by the Authority or the Exchange, and any other stock exchange recognised by the Authority or the Depository Center. 4- Government-owned companies either directly or through a portfolio managed by a Capital Market Institution authorised to carry out managing activities. 5- Companies and funds established in a member state of the Cooperation Council for the Arab States of the Gulf. 6- Investment Funds. 7- Non-resident foreigners permitted to invest in the Parallel Market and who meet the requirements stipulated in the Guidance Note for the investment of Non-Resident Foreigners in the Parallel Market. 8- Qualified foreign financial institutions. 9- Any other legal persons allowed to open an investment account in the Kingdom and an account at the Depository Center 10- Natural persons allowed to open an investment account in the Kingdom and an account at the Depository Center, and fulfill any of the following criteria: <ol style="list-style-type: none"> a- has conducted transactions in security markets of not less than 40 million Saudi riyals in total, and not less than ten transactions in each quarter during the last twelve months. b- his net assets is not less than 5 million Saudi Riyals. c- works or has worked for at least three year in the financial sector. d- holds the General Securities Qualification Certificate which is recognised by the Authority. e- holds professional certificate that is related to securities business and accredited by an internationally recognized entity. 11- Any other persons prescribed by the Authority.
Method of Subscription to the Offer Shares	Subscription applications can be submitted by Qualified Investors through the electronic channels of the receiving entities " Derayah Financial Company " and " Al Rajhi Bank " during the offering period (for more details, please refer to section (9) " Information related to the shares and the terms and conditions of the offering ").
Minimum number of shares that can be subscribed to	(10) Ten shares.
Value of the minimum number of shares that can be subscribed to	(570) Five hundred and seventy Saudi Riyal
Maximum number of shares that can be subscribed to	(343,000) three hundred forty-three thousand ordinary shares.
Value of the maximum number of shares that can be subscribed to	(19,551,000) Nineteen million five hundred and fifty-one thousand Saudi Riyal
Offering Expenses	The Selling Shareholders will bear all costs related to the Offering, which amount to about (SAR 4,500,000) four million and five hundred thousand Saudi riyals that will be deducted fully from the total Offering Proceeds amounting to (SAR 79,800,000) Seventy-nine million eight hundred thousand Saudi riyals. The Offering Expenses include the fees of the Financial Advisor and Lead Manager, as well as the expenses relating to opening an Escrow Account, marketing and printing, and other Offering expenses. The Company will not bear any of the expenses related to the Offering as they all will be deducted from the total Offering Proceeds.

Method of Allocation and Refund of the Surplus	The Lead Manager will open an escrow account to receive the subscription amounts. Upon submitting the subscription application, the full value of the shares subscribed to will be deducted from the subscriber's account with the receiving entity and the funds will be transferred directly to the escrow account of the offering process. After completion of the offering period, the allocation will be announced by notifying investors no later than Wednesday, 19/01/1444H (corresponding to 17/08/2022G). The offer shares will be allocated as proposed by the Financial Advisor in consultation with the issuer, and the surplus amounts will be refunded no later than Thursday 20/01/1444H (corresponding to 18/08/2022G.) No commissions or deductions will be made by the Receiving Entities (for more details, please refer to section (9) "Information related to the share and the terms and conditions of the offering" of this prospectus).
Offering Period	Offering Period begins on Monday 10/01/1444H (corresponding to 08/08/2022G) and continues until Sunday 16/01/1444H (corresponding to 14/08/2022G).
Entitlement to Dividends	The Offer Shares will be entitled to receive dividends declared by the Company for the period following the end of the Offering Period and for subsequent fiscal years. (Refer to Section (5) "Dividends Distribution Policy" of this Prospectus).
Voting Rights	The Company has only one class of shares, and no shareholder has any preferential voting rights. Every share of the offered shares has the right to vote, and all shareholders have the right to attend and vote at the General Assembly. The shareholder may delegate any other shareholder, other than the members of the Company's Board of Directors or its employees; to represent him/her in attending the meetings of the General Assembly and voting on its decisions.
Restrictions relating to the Shares	The Existing Substantial Shareholders who own 5% or more of the Company's shares (whose names are mentioned on page (xiv) of this Prospectus) may not dispose of any shares during a period of 12 months from the date on which trading of the Offer Shares commences on the Parallel Market ("Lock-up Period"). The Securities Depository Center will lift the restrictions on those shares directly after expiry of the imposed Lock-up Period ends.
Company's previously listed shares	Prior to the Offering, there has been no public market for the Company Shares in Saudi Arabia or elsewhere. The Company has filed an application with the Authority to register and offer its shares in the Parallel Market according to the Rules on the Offer of Securities and Continuing Obligations. The Company also submitted an application to the Saudi Tadawul Group (Tadawul) for listing in accordance with the Listing Rules. All relevant approvals necessary to complete the Offering process have been obtained. All supporting documents requested by the Authority have been fulfilled.

Key Dates and Subscription Procedures

Expected Timeline of the Offering

Event	Date
Offering Period	Begins on Monday 10/01/1444H (corresponding to 08/08/2022G) and continues until Sunday 16/01/1444H (corresponding to 14/08/2022G).
Deadline for submission Subscription Applications and payment of the full value of the subscribed shares	On Sunday 16/01/1444H (corresponding to 14/08/2022G)
Announcement of final Allocation of the Offer Shares and notifying Investors	On Wednesday 19/01/1444H (corresponding to 17/08/2022G)
Refund of Surplus Amounts (if any)	On Thursday 20/01/1444H (corresponding to 18/08/2022G)
Expected starting date of trading of the Shares	It is expected that The Company's shares will start trading in the Parallel Market after all the requirements are met and all related regulatory procedures are completed. The start of trading in the shares will be announced in the local newspapers and on Tadawul's website (www.saudiexchange.sa).

Note: All dates mentioned in the above Timetable are approximate, and the actual dates will be announced in the local newspapers, and on Tadawul's website (www.saudiexchange.sa), the Financial Advisor's website (www.aldukheil.com.sa) and the Company's website (www.nams.sa).

How to apply for subscription

Subscription to the Offer Shares shall be limited to the following categories of Qualified Investors according to the requirements of the Rules on the Offer of Securities and Continuing Obligations:

- 1- Capital Market Institutions acting for their own account.
- 2- Clients of a Capital Market Institution authorised by the Authority to conduct managing activities provided that this Capital Market Institution has been appointed as an investment manager on terms which enable it to make decisions concerning the acceptance of an offer and investment in the Parallel Market on the client's behalf without obtaining prior approval from the client.
- 3- The Government of the Kingdom, any government body, any supranational authority recognised by the Authority or the Exchange, and any other stock exchange recognised by the Authority or the Depository Center.
- 4- Government-owned companies either directly or through a portfolio managed by a Capital Market Institution authorised to carry out managing activities.
- 5- Companies and funds established in a member state of the Cooperation Council for the Arab States of the Gulf.
- 6- Investment Funds.
- 7- Non-resident foreigners permitted to invest in the Parallel Market and who meet the requirements stipulated in the Guidance Note for the investment of Non-Resident Foreigners in the Parallel Market.
- 8- Qualified foreign financial institutions.
- 9- Any other legal persons allowed to open an investment account in the Kingdom and an account at the Depository Center
- 10- Natural persons allowed to open an investment account in the Kingdom and an account at the Depository Center, and fulfill any of the following criteria:
 - a- has conducted transactions in security markets of not less than 40 million Saudi riyals in total, and not less than ten transactions in each quarter during the last twelve months.
 - b- his net assets is not less than 5 million Saudi Riyals.
 - c- works or has worked for at least three year in the financial sector.
 - d- holds the General Securities Qualification Certificate which is recognised by the Authority.
 - e- holds professional certificate that is related to securities business and accredited by an internationally recognized entity.
- 11- Any other persons prescribed by the Authority.

Qualified Investors must submit the subscription application through the electronic channels of the receiving entities **"Derayah Financial Company"** and **"Al Rajhi Bank"** during the offering period. By completing the subscription application, each investor acknowledges that he has received and read this prospectus, and accordingly is willing to subscribe to the offer shares as set out in the subscription application.

Subscription will be available during the Offering Period, and the subscriber must fulfill the subscription requirements and submit subscription applications in accordance with the instructions contained in section (9) **"Information relating to the Shares and Offering Terms and Conditions"** of this Prospectus. Each investor must agree to all items mentioned in the Subscription Application. The Company reserves the right to reject any subscription application, in part or in whole, if any of the subscription conditions are not met. It is not allowed to revise or withdraw the subscription application after it has been submitted to the Lead Manager, and the Subscription Application once submitted is considered a binding legal agreement between the Subscriber and the Company (for more details please refer to Section (9) **"Information relating to the Shares and Offering Terms and Conditions"** of this prospectus).

Summary of Key Information

Note to Investors

This summary aims to provide an overview of the information contained in this Prospectus, but it does not include all the information that may be important to Qualified Investors. Accordingly, this summary is considered a summary of the basic information contained in this Prospectus, and recipients of this Prospectus must read it in full, before making any decision to invest in the Company. Certain terms and abbreviations used in this Prospectus are defined in Section 1 “**Terms and Definitions**” and elsewhere in this Prospectus.

Company Overview

Naba Alsaha Medical Services Company (“**the Company**” or “**the Issuer**” or “**Naba Alsaha**”) was established on 25/02/1405H (18/11/1984G), in the name of Mohammedhassan Al-Jishi & Partners Company as a limited partnership Company with a capital of (SAR 1,200,000) one million two hundred thousand Saudi riyals. On 17/02/1407H (corresponding to 21/10/1986G), the partners in Mohammedhassan Al-Jishi & Partners Company (limited partnership Company) decided to reduce the Company’s capital to (SAR 300,000) three hundred thousand Saudi riyals, in addition to modifying the Company’s objectives to become medical services (private dispensary) and maintenance and operation of medical centers. On 17/03/1426H (corresponding to 26/04/2005G), the Company’s capital was increased from three hundred thousand (300,000) Saudi riyals to two million (2,000,000) Saudi riyals divided into (2000) two thousand shares of equal value of (SAR 1,000) one thousand Saudi riyals per share, and the increase in capital by (1,700,000) one million seven hundred thousand Saudi riyals was financed through the partners’ current account, and the legal entity of the Company has also been modified and transferred from limited partnership Company to a limited liability Company. On 13/07/1437H (corresponding to 20/04/2016G), the partners decided to increase the Company’s capital from (SAR 2,000,000) two million Saudi riyals to (SAR 25,000,000) twenty-five million Saudi riyals, divided into (25,000) twenty-five thousand shares of equal value of (SAR 1,000) one thousand Saudi riyals. The capital increase was financed through the capitalization of an amount of (SAR 7,038,464) seven million, thirty-eight thousand, four hundred and sixty-four Saudi riyals from the Company’s retained earnings account, as well as through the capitalization of an amount of (SAR 15,961,536) fifteen million nine hundred and Sixty one thousand five hundred and thirty-six Saudi riyals from the credit balance of Mohammedhassan Al-Jishi.

On 04/05/1439H (corresponding to 21/01/2018G), the partners’ decision was issued to change the Company’s name to Naba Alsaha Medical Services Company, and the Company’s headquarters was also changed to be in the city of Al-Khobar.

According to Ministerial Resolution No. (Q/122) on 23/05/1440H (corresponding to 29/01/2019G), the Company was transferred from a limited liability Company to a closed joint stock Company, while retaining the commercial registration number and date, with the same capital amounting to (SAR 25,000,000) twenty-five million Saudi riyals.

On 12/05/1442H (corresponding to 27/12/2020G), the Extraordinary General Assembly approved an increase in the Company’s capital from (SAR 25,000,000) twenty-five million to (SAR 70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares at a nominal value of (SAR 10) ten riyals per share. The capital increase was financed by capitalizing the retained earnings.

The Company’s current capital is (SAR 70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares of equal value, at (SAR 10) ten Saudi riyals per share. All shares are ordinary shares of one class.

The Company headquarters is located in Al-Khobar with its address as follows:

Naba Alsaha Medical Services Company

Al-Khobar, Al-Khuzama District, Abdullah Bin Hathlan Street

P.O. Box 887-31911

Kingdom of Saudi Arabia

Tel: +966-13-8555000

Fax: + 966 -8540244

Website: www.nams.sa

E-mail: info@nams.sa

The Company's ownership structure before and after the offering

The following table shows the ownership structure of the company's shares before and after the Offering:

#	Shareholder	Before the Offering			After the Offering		
		Number of shares	Nominal value (SAR)	Ownership percentage	Number of shares	Nominal value (SAR)	Ownership percentage
1	Nayef Mohammedhassan Abdullah Al-Jishi	2,625,000	26,250,000	37,5%	2,100,000	21,000,000	30%
2	Nathir Mohammedhassan Abdullah Al-Jishi	1,750,000	17,500,000	25%	1,400,000	14,000,000	20%
3	Lesley Mohammedhassan Abdullah Al-Jishi	1,225,000	12,250,000	17,5%	980,000	9,800,000	14%
4	Al Raja Advanced Investment Group Company	1,050,000	10,500,000	15%	840,000	8,400,000	12%
5	Mohammedhassan Abdullah Mansour Al-Jishi	350,000	3,500,000	5%	280,000	2,800,000	4%
6	Public (Qualified Investors)	-	-	-	1,400,000	14,000,000	20%
Total		7,000,000	70,000,000	100%	7,000,000	70,000,000	100%

Source: Naba Alsaha Medical Services Company

Substantial Shareholders who own 5% or more of the Company's Shares

The following table shows the names and ownership of the Substantial Shareholders in the Company before and after the Offering:

#	Shareholder	Before the Offering			After the Offering		
		Number of shares	Nominal value (SAR)	Ownership percentage	Number of shares	Nominal value (SAR)	Ownership percentage
1	Nayef Mohammedhassan Abdullah Al-Jishi	2,625,000	26,250,000	37,5%	2,100,000	21,000,000	30%
2	Nathir Mohammedhassan Abdullah Al-Jishi	1,750,000	17,500,000	25%	1,400,000	14,000,000	20%
3	Lesley Mohammedhassan Abdullah Al-Jishi	1,225,000	12,250,000	17,5%	980,000	9,800,000	14%
4	Al Raja Advanced Investment Group Company	1,050,000	10,500,000	15%	840,000	8,400,000	12%
5	Mohammedhassan Abdullah Mansour Al-Jishi ⁽¹⁾	350,000	3,500,000	5%	280,000	2,800,000	4%
Total		7,000,000	70,000,000	100%	5,600,000	56,000,000	80%

Source: Naba Alsaha Medical Services Company

(1) The shareholder, Mohammedhassan Abdullah Mansour Al-Jishi, will own 4% of the Company's shares after the Offering, and therefore he will not be one of the Substantial Shareholders after the Offering.

Company Activities

According to its commercial registration, the Company activities include medical operation of medical complexes and day surgery centers.

As per its Articles of Association, the Company activities include exercising and implementing the following objectives:

• Human health activities and social work	• Public administration and defense, mandatory social security
• Professional, scientific, and technical activities	• Arts, entertainment, and recreation.
• Construction	• Activities of organizations and authorities that are not subject to the national jurisdiction.
• Transportation and storage	• Accommodation and food services activities
• Education	• Financial and insurance activities
• Real estate activities	• Information and telecommunication
• Activities of administrative and support services	• Wholesale and retail trade, repair of motor vehicles and motorcycles
• Manufacturing	• Water supplies, sanitary systems activities, waste management and treatment
• Mining and quarrying	• Electricity, gas, and steam supplies and air conditioning.
• Agriculture, forestry, and fishing	• Other services activities.

The Company exercises its activities in accordance with the applicable laws and after obtaining the necessary licenses from the competent authorities if any. (for more information on the licenses under which the Company operates, please refer to section (3.15) "**Government Licenses and Certificates**" in this prospectus.)

The Company is currently operating and managing AlZahra Hospital, Manarat Al-Haramain Pharmacy and Naba Alsaha branch for maintenance and building operation. (For more information about the Company's activity, please see section (3.8) "**Company's Activity**" in this Prospectus).

Company Mission

Commitment to providing integrated services of high quality through qualified cadres and using the latest technologies to ensure customer satisfaction.

Company Vision

To be one of the best medical service providers in the Kingdom according to the highest quality standards.

Company Strengths and Competitive Advantages

- An integrated management team with more than 36 years of operational experience
- Good financial stability and profitability
- An ambitious company that has the potential to help it expand through strategic planning and seizing opportunities
- Flexible strategy and plans in line with changes in the work environment with the use of indicators for measurement and improvement

Company Strategy

- Upgrading services according to the highest levels of quality, based on more than 36 years of experience
- Increasing the Company's share in the services market by taking advantage of the strong growth in the Kingdom's economy and in line with the Kingdom's Vision 2030, which supports investment.
- Developing and diversifying the Company's sources of income through business expansion and improving its quality
- Investing in national human resources

Summary of Financial Information

The summary of the financial information presented below is based on the Company's audited financial statements for the fiscal year ending on December 31, 2021, and the comparative figures for the year 2020 and the accompanying notes.

Income Statement

Income Statement (SAR)	Fiscal year ending 31 December	
	2020G	2021G
Revenues	115,682,904	117,681,668
Cost of revenue	(69,751,318)	(70,898,315)
Gross profit	45,931,586	46,783,353
Operational Profit	27,647,869	26,971,976
Profit before Zakat	28,335,714	27,528,386
Profit for the year	26,652,886	25,827,253
Total comprehensive income for the year	26,627,416	26,564,374

Source: Audited financial statements for the fiscal year ending on December 31, 2021G

Statement of financial position

Statement of Financial Position (SAR)	Fiscal year ending 31 December	
	2020G	2021G
Total Non-current assets	77,199,059	82,654,928
Total current assets	68,186,378	75,486,767
Total assets	145,385,437	158,141,695
Total Non-current liabilities	47,024,156	37,122,199
Total Current liabilities	19,963,712	18,157,553
Total Liabilities	66,987,868	55,279,752
Total Shareholders Equity	78,397,569	102,861,943
Total shareholders' equity and liabilities	145,385,437	158,141,695

Source: Audited financial statements for the fiscal year ending on December 31, 2021G

Statement of Cash Flows

Cash Flow Statement (SAR)	Fiscal year ending 31 December	
	2020G	2021G
Net cash generated from operating activities	6,035,922	30,738,392
Net cash used in investing activities	(39,639,160)	(10,364,629)
Net cash generated from (used in) financing activities	31,392,057	(15,165,409)
Cash and cash equivalents at the beginning of the year	3,996,968	1,785,787
Cash and cash equivalents at the end of the year	1,785,787	6,994,141

Source: Audited financial statements for the fiscal year ending on December 31, 2021G

Key Performance Indicators

KPIs	2020G	2021G
Revenue growth rate	39,42%	1,73%
Profit growth rate for the year	447,27%	(3,10%)
Gross profit margin	39,70%	39,75%
Net Profit Margin	23,04%	21,95%
Current Ratio (times)	3,42	4,16
Return on Asset	18,33%	16,33%
Return on Shareholders' Equity	34%	25,11%

Source: Audited financial statements for the fiscal year ending on December 31, 2021G

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1. Terms and Definitions

The following table provides a list of definitions and abbreviations for terms used in this Prospectus:

Term or Abbreviation	Definition
The Company or the Issuer	Naba Alsaha Medical Services Company, a closed joint stock company
Management or Senior Management or Executive Management	The management of Naba Alsaha Medical Services Company
Board or Board of Directors	The Company's Board of Directors whose names appear on page No. (iv) of this Prospectus.
Bylaws	Bylaws of the Company.
Ministry of Commerce	Ministry of Commerce (formerly Ministry of Commerce & Investment) in the Kingdom of Saudi Arabia.
Offering	The Initial Public Offering of (1,400,000) one million four hundred thousand ordinary shares representing 20.0% of the Company's capital for the purpose of listing in the Parallel Market.
Offering Shares	(1,400,000) one million four hundred thousand ordinary shares of the Company.
Offering Price	(SAR 57) Fifty seven Saudi riyals per share.
Share	An ordinary share at a nominal value of ten (10) Saudi riyals from the shares of Naba Alsaha Medical Services Company.
Nominal Value	Nominal value of the Company Share, which is (SAR 10) ten Saudi Riyals per share.
Shareholder or Shareholders	Holder of shares or shareholders of the Company at any time.
Current Shareholders' Shares before the Offering	100.0% of the Company's total capital shares, totaling to (7,000,000) seven million thousand ordinary shares of equal value.
Shareholders' shares after the Offering	80.0% of the Company's total shares, totaling to (5,600,000) five million six hundred thousand ordinary shares of equal value.
Selling Shareholders	The Company's Shareholders whose names appear on page No. (xiv) of this Prospectus.
Substantial Shareholders	The shareholders who own 5.0% or more of the Company's Shares, and whose names appear on page No. (xiv) of this Prospectus.
Voting Rights	Voting rights in the Company's general assemblies. The Company has only one class of shares. No shareholder has any preferential voting rights, and each of the offered shares has the right to vote, and every shareholder has the right to attend and vote at the General Assembly. The shareholder may delegate any other shareholder, other than members of the Company's Board of Directors or its employees to represent him/her in attending the meetings of the General Assembly and voting on its decisions.
Person	Natural or legal person
Investor	Each person invests in the Offer Shares.
Subscriber	Each Qualified investor submits an application for subscription in accordance with the subscription terms and conditions.
Subscription Application Form	The subscription application that Qualified Investors must submit to the receiving entity if they are willing to subscribe.
Prospectus	This Prospectus prepared by the Company in relation to the Offering, which is the document required to offer the Company's shares in accordance with the Rules on the Offer of Securities and Continuing Obligations.
Offering Proceeds	The total value of the subscribed shares, amounting to (SAR 79,800,000) Seventy-nine million eight hundred thousand Saudi riyals.
Net Offering Proceeds	The net Offering Proceeds after deducting the Offering expenses.
Offering Period	The period starting from Monday 10/01/1444H (corresponding to 08/08/2022G) and continuing until Sunday 16/01/1444H (corresponding to 14/08/2022G).
Closing Date	It is the end date of the Offering Period, which ends on Sunday 16/01/1444H (corresponding to 14/08/2022G).
Parallel Market (Nomu)	The market in which the Company's shares are traded after being registered and accepted for listing under the "Rules of the Offer of Securities and Continuing Obligations" in the Kingdom of Saudi Arabia.
Advisors or Company Advisors	The Company's Advisors regarding the Offering of The Company's shares in the Parallel Market, whose names appear on page No. (vi) of this Prospectus.
Financial Advisor	Aldukheil Financial Group Company.

Term or Abbreviation	Definition
Lead Manager	Derayah Financial Company.
Kingdom or Saudi Arabia	Kingdom Saudi Arabia.
Government	Government of the Kingdom of Saudi Arabia.
Capital Market Authority or the Authority or CMA	The Capital Market Authority of the Kingdom of Saudi Arabia.
Saudi Exchange / Exchange / stock market / The Market	The Saudi Stock Exchange (Tadawul).
Tadawul	The automated system for trading shares in the Saudi Stock Exchange.
Saudi Organization for Certified Public Accountants (SOCPA)	Saudi Organization for Certified Public Accountants in the Kingdom of Saudi Arabia.
Zakat, Tax and Customs Authority or Zakat Authority	Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia (formerly General Authority of Zakat and Tax).
Escrow Account	An account with a Receiving Agent licensed to operate in the Kingdom in which to deposit the proceeds of the Offering. After the Offering process is completed, it is transferred to the accounts of the Selling Shareholders after deducting the Offering Expenses.
Fiscal year/Financial year	It is the period of time for presenting the results of the entity's activity the beginning and end of which are specified in the Articles of Association or Bylaws of the concerned company. Noting that the Company's financial year ends on December 31 of each Gregorian year.
Financial Statements	The audited financial statements of the Company for the fiscal year ending on 31 2021G.
Listing	Listing the Company's shares in the parallel market and approving the trading of its shares.
Qualified Investor or Qualified Investors	<p>Categories of the Qualified Investors are:</p> <ol style="list-style-type: none"> 1- Capital Market Institutions acting for their own account. 2- Clients of a Capital Market Institution authorised by the Authority to conduct managing activities provided that this Capital Market Institution has been appointed as an investment manager on terms which enable it to make decisions concerning the acceptance of an offer and investment in the Parallel Market on the client's behalf without obtaining prior approval from the client. 3- The Government of the Kingdom, any government body, any supranational authority recognised by the Authority or the Exchange, and any other stock exchange recognised by the Authority or the Depository Center. 4- Government-owned companies either directly or through a portfolio managed by a Capital Market Institution authorised to carry out managing activities. 5- Companies and funds established in a member state of the Cooperation Council for the Arab States of the Gulf. 6- Investment Funds. 7- Non-resident foreigners permitted to invest in the Parallel Market and who meet the requirements stipulated in the Guidance Note for the investment of Non-Resident Foreigners in the Parallel Market. 8- Qualified foreign financial institutions. 9- Any other legal persons allowed to open an investment account in the Kingdom and an account at the Depository Center 10- Natural persons allowed to open an investment account in the Kingdom and an account at the Depository Center, and fulfill any of the following criteria: <ol style="list-style-type: none"> a- has conducted transactions in security markets of not less than 40 million Saudi riyals in total, and not less than ten transactions in each quarter during the last twelve months. b- his net assets is not less than 5 million Saudi Riyals. c- works or has worked for at least three year in the financial sector. d- holds the General Securities Qualification Certificate which is recognised by the Authority. e- holds professional certificate that is related to securities business and accredited by an internationally recognized entity. 11- Any other persons prescribed by the Authority.

Term or Abbreviation	Definition
Non-resident foreigners allowed to invest in the Parallel Market	<ol style="list-style-type: none"> 1- A Qualified Foreign Investor in accordance with the rules regulating the investment of qualified foreign financial institutions in listed securities. 2- An ultimate beneficiary in a swap agreement with an authorized person. 3- A legal person may open an investment account in the Kingdom and an account with the Depository Center, provided that it is licensed or established in a country that applies regulatory and control standards similar to those applied by the Authority or acceptable to it according to the list of countries issued by the Authority in accordance with the requirements of subparagraphs (2) and (3) of Paragraph (A), Article Six of the rules regulating the investment of qualified foreign financial institutions in listed securities. 4- A natural person holding the nationality of a country that applies regulatory and control standards similar to those applied by the Authority or acceptable to it according to the list of countries issued by the Authority in accordance with the requirements of subparagraphs (2) and (3) of paragraph (A), Article Six of the rules regulating investment of Qualified Foreign Financial Institutions in listed securities, residing in one of such countries, and fulfilling any of the following criteria: <ol style="list-style-type: none"> a- He must have carried out transactions in the securities markets with a total value of not less than forty million Saudi Riyal and no less than ten transactions in each quarter during the past twelve months. b- His net assets value shall not be less than five million Saudi Riyal. c- He is working or has worked for at least three years in the financial sector. d- He holds a general certificate for dealing in securities approved by the Authority. 5- He holds a professional certificate specialized in the field of securities business approved by an internationally recognized body.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by the board of the Capital Market Authority under resolution no. 3-123-2017, dated 09/4/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issued under Royal Decree no. M/30, dated 02/06/1424H, and amended under the Capital Market Authority Board resolution no. 5-5-2022, dated 02/06/1443H (corresponding to 05/01/2022G).
Listing Rules	The Listing Rules issued by the Board of Directors of the Saudi Stock Exchange and approved by a decision of the Board of the Capital Market Authority No. (3-123-2017) on 9/4/1439H (corresponding to 27/12/2017G) and amended by virtue of the decision of the Board of the Capital Market Authority No. (1-104-2019) dated 01/02/1441H (corresponding to 30/9/2019G), and amended by virtue of the Authority's Board Resolution No. (1-22-2021) dated 12/7/1442H (corresponding to 24/2/2021G), and amended by Resolution No. (1-19-2022) dated 12/07/1443H (corresponding to 13/02/2022G), and amended by Resolution No. (1-52-2022) dated 12/09/1443H (corresponding to 13/04/2022G).
Companies Law or Companies Regulations	The Companies Law in the Kingdom of Saudi Arabia, issued under royal decree no. (m/3), dated 28/01/1437H (corresponding to 10/11/2015G and amendments thereto).
Corporate Governance Regulations	The Corporate Governance Regulations in the Kingdom of Saudi Arabia, issued by the Board of the Capital Market Authority under resolution no. 8-16-2017, dated 16/05/1438H (corresponding to 13/02/2017G), based on the Companies Law issued under Royal Decree No. M/3, dated 28/01/1437H (corresponding to 10/11/2015G), amended by the Capital Market Authority resolution of No. 3-57-2019, dated 15/09/1440H (corresponding to 20/05/2019G), and amended by the Capital Market Authority resolution of No. 1-7-2021, dated 01/06/1442H (corresponding to 14/01/2021G).
Labor Law	The Saudi Labor Law issued under royal decree no. m/51, dated 23/08/1426H (corresponding to 27/09/2005H).
Nitaqat / Saudization Program	Labor regulations in the Kingdom of Saudi Arabia require companies operating in the Kingdom to employ a certain percentage of Saudis.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards and their interpretations issued by the Board of International Accounting Standards International Financial Reporting Standards)).
Non-Resident Foreign Investor Guide in the Saudi Securities of Parallel Market	The Investment Guide of Non-Resident Foreigners in the Parallel Market issued by the Board of the Capital Market Authority pursuant to Resolution No. (4-95-2017), dated 26/01/1439H (corresponding to 16/10/2017G) based on the Capital Market Law issued by Royal Decree No. (M/30) dated 02/06/1424H (corresponding to 31/07/2003G) as amended by CMA Board's Decision No. (3-65-2019) dated 14/10/1440H (corresponding to 17/06/2019G).
CBAHI	It is a certificate for the accreditation of health facilities that apply national quality standards, issued by the Saudi Health Council - Saudi Central Board for Accreditation of Healthcare Institutions
CAP (College of American Pathologists)	College of American Pathologists
Lock-up Period	The Substantial Shareholders who own shares in the Company as per the Prospectus (whose names appear on page No. (xiv) of this Prospectus) must not dispose of any of those shares for a period of (12) twelve months from the starting date of trading the shares in the Parallel Market. Also, the Financial Advisor, whose ownership percentage in the Company's shares will be 0.5% upon listing, must not dispose of its shares for a period of (12) twelve months from the date of listing. Such Substantial Shareholders may dispose of such shares after the expiry of the twelve-month period without the need to obtain prior approval from the Authority.

Term or Abbreviation	Definition
Value Added Tax (VAT)	On 02/05/1438H (corresponding to 30/01/2017G), the Council of Ministers decided to approve the Unified Agreement on Value Added Tax for the GCC states, which is an indirect tax imposed on all purchased and sold goods and services with some exceptions. The Kingdom of Saudi Arabia has committed to implementing the value-added tax at a rate of 5%, starting from the date of 14/04/1439H (corresponding to 01/01/2018G). VAT has been imposed at every stage of the supply chain, starting from production, through distribution, and up to the final sale of the commodity or service. The Government of the Kingdom of Saudi Arabia has decided, starting from July 2020, to increase the value-added tax rate from 5% to 15%, and a number of products have been excluded, including (basic foods and services related to health care and education). The consumer pays the cost of value-added tax on goods and services that he/she buys. As for businesses, they pay to the Government the value-added tax collected from consumers' purchases. Businesses recover the value-added tax they paid to their suppliers.
General Assembly	General Assembly of the Company Shareholders
Related Parties	They are: 1- Affiliates of The Company. 2- Substantial Shareholders of The Company. 3- Directors and senior executives of The Company. 4- Directors and senior executives of the affiliates of The Company. 5- Directors and senior executives of Substantial Shareholders of The Company. 6- Any relatives of the persons in (1, 2, 3, 4, or 5) above. 7- Any company controlled by any person in (1, 2, 3, 4, 5, or 6) above.
Control	According to the list of Authority's terms and regulations and rules as issued by the Authority, control is the ability to influence the actions or decisions of another person, directly or indirectly, individually or collectively closely or remotely, through any of the following: 1- Owning 30% or more of the voting rights in a company. 2- The right to appoint 30% or more of the members of the management body.
Risk Factors	They are the set of potential influences that must be known and hedged before deciding to subscribe to the Offered Shares
Riyal or SR or SAR	Saudi Arabian Riyal, the official currency of Saudi Arabia
Saudization or Nationalization	Labor regulations in the Kingdom of Saudi Arabia that require companies operating in the Kingdom to employ a certain percentage of Saudis. H
Pandemic or Coronavirus (Covid 19)	A viral infectious disease known as (Corona Virus) and referred to in brief as " Covid-19 " that has started to spread in most of the countries worldwide, including the Kingdom of Saudi Arabia in the beginning of the 2020G. It has been classified as pandemic by the World Health Organization

2. Risk Factors

Investment in the shares that will be offered in the parallel market involves high risks and is only suitable for investors who are able to assess the benefits and risks of this investment and bear any loss that may result from such investment.

Anyone wishing to invest in the shares offered and traded in the parallel market should carefully study all of the information contained in this prospectus, including the risk factors described below before making any Investment decision. The risk factors described below are not inclusive of all the risks that the Company may encounter, as there could be other risks currently unknown to the Company, which may preclude its operations.

The Company's business, financial conditions, future prospects, results of operations and cash flows, may be adversely affected in the event that any of the risks contained in this section that the Company currently believes to be material do occur, or if any other risks that the Board of Directors has not identified or believes that they are immaterial, do occur or become material.

In the event that any of the risks that the Company's management currently believes to be material do occur, or if any other risks that the Company's management has not yet identified or does not currently consider to be material do occur, the share price in the market and the Company's ability to distribute dividends could decrease, and investors could lose all or part of their investment in the Company's shares.

Members of the Board of Directors further declare that, to the best of their knowledge and belief, as of the date of this Prospectus, there are no significant risks, other than what is mentioned in this section, that can affect decisions taken by investors to invest in the shares that will be offered in the parallel market. The risks set out below are listed in an order that does not reflect their importance. Also, additional risks, including risks not currently known or considered immaterial at the present time, may have the effects described above.

2.1 Risks related to the Company's Activity and Operations

2.1.1 Risks related to Concentration of the company's business on one Hospital

The Company's business is currently concentrate on owning, managing and operating AlZahra General Hospital, which is the only hospital that the Company operates (as of the date of this prospectus). Revenues from AlZahra Hospital represent 86.5% and 92,24% of the Company's revenues for the years 2020G and 2021G, respectively. Therefore, in case the company is unable to renew the hospital's licenses or if it is exposed to any accident that affects the continuity of its operations and services provided to patients, such as fires, the malfunction of machines, criminal acts or failure of information systems or any other risks that may result in the disruption of the hospital, partially or totally, this will adversely and substantially affect the revenues of AlZahra General Hospital and thus adversely and substantially affect the Company's revenues and results of operations.

2.1.2 Risks related to Concentration of Revenues from Clients

The Company's revenues depend on a number of major clients, represented by a government agency and insurance companies. Revenues from the largest (5) clients contributed in 74% and 48% of the Company's revenues for the years 2020G and 2021G, respectively. Therefore in the event that the Company is unable to maintain good relations with these clients, in the event of bankruptcy, interruption of the business of these clients, in the event that the Company is unable to meet any requirements from the government or semi-governmental sector, or in the event that the policy of this government agency changes regarding the number of cases referred from it to the private sector, this will adversely and substantially affect the Company's business, revenues and business results.

The following table shows the Company's revenues according to the nature of clients for the two years 2020G and 2021G.

Client	For fiscal year ending on December 31, 2020		For fiscal year ending on December 31, 2021	
	Value (SAR)	Revenue Ratio	Value (SAR)	Revenue Ratio
Government Agency	37,546,625	32%	22,255,670	19%
Insurance Company	29,203,090	25%	15,126,043	13%
Insurance Company	9,463,407	8%	11,173,995	9%
Public joint stock company	6,376,729	6%	4,178,640	4%
Insurance Company	3,469,772	3%	4,115,945	3%
Total	86,059,623	74%	56,850,294	48%

Source: The company

2.1.3 Risks of Difficulty in Hiring Health Practitioners and High-efficiency Administrative Cadres

The Company depends on providing its services, continuing its activity and maintaining its competitiveness on the availability of health practitioners and high-efficiency administrative cadres. Given the difficulty of providing competent health practitioners and qualified administrative cadres, attracting them to work with the Company is among the challenges facing the company, and attracting these cadres and maintaining them may require that the Company make additional efforts or incur additional expenses that may not be known to it at the present time. Health practitioners may receive job offers from other health service providers inside and outside the Kingdom, and accordingly, the Company does not guarantee that it will be able to attract competent health practitioners or qualified administrative cadres. Consequently, the Company may not be able to continue to provide its medical services in high quality, which will adversely and substantially affect the Company's reputation, ability to compete, results of business, financial condition and future prospects.

2.1.4 Inability to Renew or Amend the Existing Contracts

The Company has entered into many service contracts and agreements with a number of insurance Companies, in its capacity as the party that provides medical care for the insured with those companies. The Company also has a contract with the Saudi Arabian Oil Company (Saudi Aramco) to provide health care services to its employees. These contracts have been concluded for a certain period of time, renewable, but there is no guarantee that these contracts can be renewed, or renewed on the conditions similar to the current conditions. Consequently, the Company's inability to renew any of these contracts or renew them on conditions not suitable for the Company, such as changing the price list for the medical services provided, will have a negative and substantial impact on the Company's business, results of operations, financial condition and future prospects.

2.1.5 Risks related to the Quality of Health Services

The Company mainly depends on the quality of the medical services it provides in order to maintain its market position and competitive capabilities. The quality of health services includes a group of factors, such as: good diagnosis, effectiveness of treatment, health practitioners qualifications, their experiences and ease of access to them, the availability of modern medical and technical devices, machines, and the availability of modern infrastructure of the hospital, in addition to the ability of health practitioners and other employees to communicate with patients effectively and few patient waiting periods and the provision of health services according to the professional systems and standards.

The Company's inability to provide high-quality medical services may harm its reputation and its ability to maintain its customer base, which will have a negative and significant impact on the Company's business, results of operations, financial condition and future prospects.

2.1.6 Risks of Concentrations of the Company's Revenues on the Government and Semi-governmental Sector

Patients referred by a government agency and semi-governmental sectors to AlZahra General Hospital for treatment constitute part of the Company's clients and revenues, as revenues from them represented a percentage of 40.75% of the Company's revenues for the year 2021G, and 42.41% of the Company's revenues for the year 2020G, whereas that represented 15,17% of the Company's revenues during 2019G.

Therefore, the Company's revenues depend fundamentally on the number of cases referred from the government agency to the private sector. Therefore, in the event that the Company is unable to fulfill the requirements of the Ministry, this will adversely and significantly affect the Company's revenue. In the event that the government agency increased the capacity of its hospitals or has built new hospitals, this will reduce the number of cases referred by them and thus affect the Company's revenues, results of operations and future prospects.

In addition, the accounts receivables from the governmental and semi-government sector represent 58.55% and 42.36% of the total trade accounts receivables, as on December 31, 2020G and 2021G, respectively. Also, 12% of the accounts receivables from the government sector are overdue for a period of 90 days, and 0.2% of the accounts receivables from the government and semi-governmental sector are overdue for a period of 180 days. Accordingly, the Company is exposed to the risks of delay in paying its dues, which will have a negative impact on the cash liquidity of the Company and its financial condition and results of operations.

2.1.7 Risks related to Credit (Accounts Receivables)

Credit risks arise when one of the parties is unable to fulfill a specific financial obligation to the other party, and the company may face credit risk in several temporary or long-lasting cases, such as existence of unpaid receivable balances from clients, failure of other debtor parties to meet their obligations towards the Company, or others. In the event that the debtors are not committed to paying the Company's dues on time or they are not committed at all to pay in part or completely, this will adversely and materially affect the Company's results of operations, financial condition and cash flows.

The balance of the trade accounts receivables reached (58,992,503) reached fifty-eight million nine hundred and ninety two thousand and five hundred and three Saudi riyals for the fiscal year ending on December 31, 2020G, representing 40.57% of the total assets of the Company for the year 2020G, while the balance for the fiscal year ended on December 31, 2021G reached (60,119,914) sixty million, one hundred and nineteen thousand nine hundred and fourteen Saudi Riyals, representing 38.01% of the total assets of the Company for the year 2021G.

The following table shows the details of the ages of the accounts receivables as on December 31, 2021G and 2020G:

	Not late in payment	Late between 1-90 days	Late between 91-180 days	More than 180 days
As on December 31, 2020	11,197,480	16,699,775	12,907,098	18,188,150
As on December 31, 2021	22,666,864	20,628,977	16,582,297	241,776

Source: Audited Financial Statements for Year 2021G

The delay in collecting accounts receivables will have a negative and significant impact on the Company, its financial condition, cash flows and future prospects.

2.1.8 Risks related to the Company's Reputation and Trademarks

The Company seeks to maintain its reputation and trademarks and face any illegal use of its trademarks by others, as the Company has registered its trademark on which it depends to conduct its business in the Kingdom (For more information about the trademarks, please review Section (3.19) "**Trademarks and Intellectual Property**"). In the event that the intellectual property rights of the Company's trademark are violated, including their use by others without a license, the Company may have to enter into costly judicial procedures and have some of its employees focus efforts to these judicial procedures in order to protect its trademarks. Accordingly, this will adversely and substantially influence the Company's business, results of operations, financial condition and future prospects.

2.1.9 Risks of Relying on the Executive Management

The Company's success depends on the capabilities and expertise of its executive management, whether at the level of the Company's management or its hospital (referred to hereinafter as the "**Executive Management**"). The Company relies on managing its business, managing and operating its hospital on a qualified executive management team that is able to manage and start its business effectively. In the event that the work of any member of the Company's executive management is terminated for any reason, the Company may not be able to employ a qualified alternative at the required time or at the same cost. This may lead to a defect in the Company's business or its ability to perform its services properly as required, and thus will adversely affect the Company's business, and financial and operational performance.

2.1.10 Risks related to Rejected Claims

The Company has contracts for providing medical services to patients who benefit from the insurance coverage granted to them by insurance companies with which the Company is contracted. The Company, according to the existing arrangements with these companies, treat the insured patients of these companies and then issue claims that are reviewed and negotiated, so that the due amounts get paid. As a result, the Company is periodically exposed to rejecting payment of part of the claims provided by the hospital affiliated with it for the health services provided to clients of insurance companies. There are various administrative and technical reasons for rejection, the most important of which are:

- All required documents have not been submitted by the Hospital to the insurance company.
- The insurance company does not accept the nature of the services provided to the relevant patient.
- The Company is late in issuing the bills related to health services provided and submitting them to insurance companies.

The delay in paying these claims or rejecting them will adversely affect the Company's results of operations and future prospects.

2.1.11 Risks associated with the Legislation, Regulations and Licenses regulating the Health Care Sector

The Company and its business are subject to the supervision and control of several government agencies that supervise the health care sector, which include the Ministry of Health, the Food and Drug Authority, the Cooperative Health Insurance Council and the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI). All these agencies always seek to apply the best quality standards and control of health services provided by health facilities and continuously review them, especially those systems, instructions and standards applied to the hospital sector in which the Company operates.

The Company's inability to continuously adhere to these regulations, instructions and standards may expose it to violations, fines or penalties imposed by the supervisory authorities, or to suspend or withdraw the necessary licenses to practice the work, which will reflect negatively and significantly on the Company's business, financial and operational performance.

Also, the amendments that may occur to the systems, regulations and instructions that are established and supervised by the supervisory bodies in the future are on the health care sector in which the Company operates, will force the Company to make adjustments to its operational activities or methods of providing its services, in order to rectify its situations and adhere to the requirements of these amendments. This may lead to have the Company incur additional financial expenses due to that and accordingly will adversely affect the Company's business, financial and operational performance.

On the other hand, the failure of any members of the medical, nursing and professional cadres to obtain the licenses and documents necessary to practice their works will expose the Company to penalties that the relevant regulatory authorities may impose, which will negatively affect the Company's work, financial and operational performance.

2.1.12 Risks related to Medical Errors

The Company is subject to medical errors committed by its medical staff during practice of their work, and the Company does not guarantee that such errors do not occur in the future.

Article (41) of the Law of Practicing Healthcare professions states that the participation in cooperative insurance against medical professional errors is obligatory for all doctors and dentists working in public and private health institutions. These institutions are legally responsible for paying any amounts that are ruled to be paid to the affected patient as compensation for the damages caused by medical errors committed by their health practitioners if there is no insurance coverage or the coverage is not enough to cover the value of compensation. According to mentioned Article (41), the medical institution has the right to charge to the health practitioner who has convicted the medical error of what it paid.

It is also possible that the value of the compensation amount that the Company can obtain from the insurance company is less than the total value of the compensation amount to be paid by the Company to the affected patient. In addition, there may be cases or events that are excluded and cannot be insured. It is also possible that the Company may not succeed in proving the basis of its claim to the insurance Company before the relevant judicial authority for any reason. Consequently, this would negatively affect the Company and its financial and operational performance.

2.1.13 Risks related to the Malfunctions of the Medical Equipment and Instruments and the Need to Replace them

The Company depends on providing its health services on the continuity of the function of its medical and technical devices, machinery and equipment has without interruption. Any malfunction on these medical or technical devices or equipment affects the Company's ability to continue to provide its health services to its clients during the period of disruption. Also, the replacement of these devices will negatively affect the possibility of providing health services and thus will affect the results of the Company's business and its financial and operational performance.

This is in addition to the fact that medical technologies are characterized by continuous and accelerated development, and therefore the Company must keep pace with this development through the continuous evaluation of its need of medical and technical devices and equipment, and the need to develop and renew them. Therefore, the Company's inability to obtain the necessary funding to cover high capital expenses for the purpose of development, renewal and repair of these assets in a timely manner may lead to the interruption of the Company's business, which will adversely reflect on the operational activities in the hospital and thus negatively and materially impact its financial results.

In addition, the use of more quality medical devices and technologies by the competitors will affect the Company's competitive ability, which will limit its ability to keep its customers, and that will negatively affect the Company's business, financial and operational performance.

2.1.14 Risks related to Lawsuits and Fines

The Company is subject to claims and complaints during the practice of its operational work, as a lawsuit may be filed or a judicial procedure may be requested in the future by patients, visitors, employees, health practitioners or regulators against the Company. These lawsuits, claims or fines may include, but not limited to, claims related to medical errors, medical complaints, fines or violations related to violating the system of private health institutions, Zakat systems and the labor law and contractual disputes. The Company cannot accurately estimate the costs of these lawsuits, penalties or judicial procedures, which can be filed against it or the final results of these cases or the issued rulings and the compensations and penalties they contain. The Company has not allocated any provision to face the possible claims, and therefore any negative consequences of such cases may adversely affect the Company, results of its operations and financial condition.

The following table shows the cases that still exist until the date of this prospectus.

S/N	The Pleading Authority	Party	Type of Lawsuit	Naba Al-Saha Co. Position	The Lawsuit Claim Amount (SR)	Lawsuit status
1	Enforcement Court in Al -Khobar	Insurance company	Financial	Plaintiff	37,547	Ruled in favor of the plaintiff, and enforcement is underway.
2	Public Court in Qatif	Client	Financial	Plaintiff	163,451	Under consideration by the court.
3	Public Court in Qatif	Client	Financial	Plaintiff	237885	Ruled in favor of the plaintiff, and implementation is underway.
4	Public Court in Qatif	Company's client	Financial	Plaintiff	157,404	Under consideration by the court.
5	Labor Court in Dammam	Female employee	Labor	Defendant	7,200	Ruled in favor of the plaintiff, and enforcement is not yet
6	Enforcement Court in Qatif	Client	Financial	Plaintiff	98,900	Ruled in favor of the plaintiff, and enforcement is underway.
7	Public Court in Qatif	Client	Financial	Plaintiff	190,742	Under consideration by the court.

2.1.15 Risks related to Management and Treatment of Healthcare Waste

The Company's operations are subject to several systems related to the management and treatment of medical waste and the leakage of banned substance in the sewage network, including the GCC Uniform Law of Medical Waste Management (issued by the Royal Decree No. (M/53) dated 16/09/1426H) and the Law of Treated Sewage Water and Reuse (issued by the Royal Decree No. (M/6) dated 13/02/1412H) and its implementing regulations. Therefore, in the event of noncompliance with the standards and regulatory procedures related to managing and treating medical waste properly as required by these Regulations, the Company may be subject to penalties and fines stipulated in the laws, including the closure of the health facility or a section of it for a period not exceeding sixty days, withdrawing the license or a fine of one hundred thousand Riyals, which will negatively affect the Company's business, results of operations, financial condition and future prospects.

2.1.16 Risks related to the Efficiency of Information Systems and Maintaining the Confidentiality of the Patients and Employees Information

The Company depends on the information technology systems to manage Al -Zahraa General Hospital and its facilities. Information systems and databases are considered an essential component of operating and managing medical facilities in general, as through these systems, but not limited to, reservation and scheduling of appointments for patients, issuing and preparing patient bills, insurance claims and keeping patient information. This exposes the Company to the risks of disruption of these systems, failure of protection systems, penetration of the Company's systems, leakage of patient information or electronic viruses. Therefore, if these systems are disrupted or the data is lost, the hospital's operations will stop or interrupt partially, and thus will affect the quality of the services provided by the hospital, and reputation and the Company, and thus influence the Company's business and results of operations.

Also, in the event that the hospital systems are exposed to penetration and the Company's failure to prevent leakage of patient and employee information, lawsuits and legal cases may be filed against the Company, and if such cases are filed, the Company's reputation will be adversely affected, in addition to the costs and financial obligations for following up such issues, and the cost the Company may incur for compensations or fines as a result of these issues, which will negatively reflect on the Company's business, results of operations, financial condition and future prospects.

On the other hand, any malfunction or penetration of AlZahra Hospital or the Company's systems in general, will require the Company to incur additional costs to amend, develop and update its information systems, and thus will adversely impact the Company's business, results of operations and financial condition.

2.1.17 Health Risks Resulting from Infectious Diseases

The Company is exposed to the risk of spreading infectious diseases in the hospital, as healthy individuals may catch infectious diseases during their stay or during their visit to the hospital. Also, infection may be transmitted to health practitioners while providing their services and working in the hospital, which will prevent them from performing their work and providing healthcare services to patients. This may result in claims by visiting customers, resident patients, or health practitioners for compensation, or to file cases against the Company. If this happens, the reputation of the hospital, the work of the Company and results of operations will be adversely and materially affected.

It is also possible that the outbreak of infectious diseases will impose restrictions by the regulators to combat the spread of diseases and their transmission, such as quarantine or sometimes closing parts of the hospital for sterilization or imposing other organizational restrictions, withdrawing licenses, permits, or approvals for health facilities concerned.

The realization of any of the above will adversely and materially affect the Company's business, results of operations, financial condition and future prospects.

2.1.18 Risks related to Non-compliance with the Rules of Professional Conduct and Internal Systems

Health practitioners must comply with the rules of professional conduct shown in the systems and regulations for the practice of health professions) such as the system of practicing health professions issued by Royal Decree No. (M/59) dated 04/11/1426H and its implementing regulations, and the instructions of the Saudi Commission for Health Specialties for Health Practitioner Ethics). However, the Company does not guarantee the commitment of health practitioners working for it to the rules of professional conduct and internal systems that monitor and regulate the work of health practitioners. The Company does not guarantee that the procedures and internal systems followed regarding the application of the rules of professional conduct are sufficient. Health practitioners or the Company may be subjected to financial or criminal fines in the event that they do not comply with the provisions and requirements of these regulations and rules, which may affect the Company's reputation. Occurrence of any of these risks will adversely affect the Company's business, results of operations, financial condition and future prospects.

2.1.19 Risks related to Dependence on Suppliers

The Company's contracts with local suppliers to obtain most of its needs of medical supplies, pharmaceutical items, devices and equipment. The Company may be exposed to shortage of supplies in quantity, lack of quality guarantee or other risks related to the use of suppliers and agents.

The Company's purchases from its (5) five major suppliers of reached a percentage of 27.9% and 11.16% of the cost of revenue for the years 2020G and 2021G, respectively. Therefore, in the event of any defect or interruption in their work, or in the event of stopping the relationship with them, this will adversely and materially affect the Company's business and results of operations.

Although the Company is trying to implement the policy of multiple suppliers to limit its dependence on a specific source or focus on specific suppliers, this may not be possible for the products provided by one source that is an agent or distributor in the Kingdom or the countries of the Gulf Cooperation Council. There are also factors that may adversely affect any or all of the Company suppliers at the same time, including, but not limited to, changes in regulations and systems related to supplier activities, registration procedures, customs clearance, clearance and fees imposed on that. In addition, the Company may be unable to continue to rely on the suppliers it deals with, either because of a negative change in the relationships with them, or the increase in the costs of obtaining products, or the inability of the external supplier, internal supplier, or the subcontractor to provide the Company with the required quantities of products according to the required quality and time.

The realization of any of these risks will lead to a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

The following table shows the value of transactions with the most important suppliers that the Company deals with and its percentage of the cost of the Company's revenues:

Supplier Name	Material	Value of transactions and its Percentage of the Revenue Cost			
		As on December 31, 2020G	Percentage	As on December 31, 2021G	Percentage
Supplier 1	Medicines	6,570,476	9,42%	3,262,318	4,60%
Supplier 2	Medicines	8,512,843	12,20%	1,800,269	2,54%
Supplier 3	Medicines	1,822,025	2,61%	1,276,235	1,80%
Supplier 4	Medicines	1,515,185	2,17%	900,000	1,27%
Supplier 5	Medicines	1,049,733	1,5%	673,826	0,95%
Total		19,470,262	27,9%	7,912,648	11,16%

Source: The Company

2.1.20 Risks related to Exclusive Rights in the Drug and Health Products Market

Often the manufacturers of medical products appoint distributors and suppliers, exclusively through them they distribute and supply medical products manufactured by them. Therefore, in the event that the Company is unable to build a good relationship with the supplier or distributor, this may result in the Company not obtaining these medical products, and accordingly this will adversely and materially affect the Company's business, ability to compete and results of operations.

The exclusive right to distributing or supplying medical products gives the distributor or supplier an advantage in negotiating when selling these products, which results in the inability of the private health facility to negotiate to obtain competitive prices. Therefore, in the event that the Company is unable to negotiate with the exclusive distributors and suppliers in order to obtain competitive prices or if exclusive distributors and suppliers raise the prices of their products and the absence of alternative products in the market, this may force the Company to pay higher prices to obtain these products and thus increase the operational costs for the Company. Any of these factors will have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

2.1.21 Risks related to Failure to Renew or Obtain Major Medical Accreditation Certificates

The Company obtained an accreditation certificate for AlZahra General Hospital issued by the Saudi Central Board for Accreditation of Healthcare Institutions. The Company's inability to renew that certificate and accreditation or keep it valid, or its inability to meet the conditions for granting it, may lead to suspension, interruption or stopping some or all its operational activities, and its inability to do its business and thus adversely and fundamentally affect the Company's business, financial condition, results of operations and future prospects.

Since obtaining medical accreditation certificates from the Saudi Central Board for Accreditation of Healthcare Institutions has now become binding, the Ministry of Health has considered the accreditation issued by the Saudi Central Board for Accreditation of Healthcare Institutions as a prerequisite for renewing the licenses of health facilities. If the Company is unable to obtain, maintain or renew these credits in the future, this will lead to the Ministry of Health's refusal to grant or renew the licenses to Al -Zahra General Hospital, which will have a negative and fundamental impact on the Company's business, results of operations, financial condition and future prospects.

2.1.22 Risks related to Legal Zakat Obligations

The Company submitted Zakat's declarations (uniformly, including the Company's branches) for all years since its establishment until the financial year ending on December 31, 2021G. It obtained a final certificate until April 30, 2023G from the Zakat, Tax and Customs Authority (ZATCA) for the period ending on December 31, 2021G. Zakat's declarations of the Company from its foundation until 2014G are still being examined by the General Authority for Zakat and Income, and no final Zakat assessment was issued to them. As for the years from 2015 to 2017G, the Zakat, Tax and Customs Authority issued a Zakat assessment, which resulted in Zakat differences amounting (SR 556,891) Five Hundred and Fifty-Six Thousand Eight Hundred and Ninety-One Saudi Riyals, no provision was allocated for this claim, and the Company submitted an objection to the amount due to the Zakat, Tax and Customs Authority. The objection is still under study until the date of preparation of this prospectus and therefore no final assessment has been issued. With regard to the year 2018G, the Company obtained on 22/07/2020G a letter from the Zakat Authority with the reassessment of a due amount of (SR 19,557) Nineteen Thousand Five Hundred and Fifty-Seven Saudi Riyals, and the final assessment was issued by the Zakat Authority and the amount was paid in full. As for the period from 2019G until 2021G, the Company submitted its Zakat declarations and they are still examined by the General Authority for Zakat and Income, and no Zakat assessment has been issued.

Therefore, in the event that the Zakat Authority rejects the objection and requests the payment of the due amounts, the Company will bear the payment of these Zakat differences and the additional amounts for these years, and this will adversely affect the Company's business, results of operations and cash flows.

Also, in the event that the Zakat Authority makes reassessment and demands the Company to pay an additional Zakat amount on the declarations submitted for previous years, the Company will bear the payment of these Zakat differences and the additional amounts, and this will have a negative and significant impact on the Company's business, results of operations, financial condition and future prospects.

The Company cannot predict whether the Zakat, Tax and Customs Authority will accept its Zakat estimates for all financial years or demand it to pay material Zakat differences of more value than what the Company paid as a Zakat. In addition to that, the Zakat Authority may impose fines for delaying the payment of these amounts. Therefore, in case the Zakat Authority demands payment of these amounts and differences, the Company will pay these claims and thus will have negative and significant impacts on its cash flows, financial condition and results of business.

2.1.23 Risks related to Non-compliance with Saudization Requirements

Saudization is a government trend that requires all companies operating in the Kingdom of Saudi Arabia to employ a specific number of Saudi employees. The “**Nitaqat**” program classifies the facilities to the platinum, green, yellow and red ranges, and the entities shall adhere to the minimum rate of Saudization.

The number of employees in the Company, as on 31/12/2021G (501) five hundred and one employee, and (171) one hundred and seventy-one of them are Saudi employees representing 34.13% of the total Company workforce. Thus, AlZahra General Hospital was classified within the platinum range, the Al-Haramain Pharmacy was classified within the platinum range, and the Company's branch was classified within the low green range. The Company cannot ensure its continued compliance with the requirements of the Saudization program and “**Nitaqat**” program, and in the event of non-compliance with the requirements of Saudization, the Company may face sanctions imposed by government agencies, such as suspending visa requests, sponsorship transfers for non -Saudi employees, and excluding it from government tenders and government loans. It may be difficult for the Company to maintain the percentage of Saudization required in accordance with the Saudization program. In addition, the Company may not be able to employ the required workforce, employ the required number of Saudi employees, or to attract employees, health practitioners, and non-Saudis administrative cadres for their existing and future health facilities on favorable conditions. The occurrence of any of the above stated factors will preclude the Company's business, results of operations, financial condition and future prospects.

2.1.24 Risks related to Relying on the Insurance Market

The Company is linked to many agreements with health insurance companies in order to provide its medical and therapeutic services to customers of these companies. The Company, in its revenues, greatly relies on customers insured by insurance companies according to the cooperative health insurance policy. The Company's revenues from insurance companies reached (54,364,211) fifty-four million three hundred sixty-four thousand two hundred eleven Saudi Riyal, during the year 2020G, which constituted 46.99% of the revenues. These revenues reached (SR 65,216,822) sixty-five million two hundred and sixteen thousand eight hundred and twenty-two Saudi Riyals, representing 55.42% of the Company's revenues for the year 2021G.

These agreements are renewed automatically unless one of the parties notifies the other party before a certain period (varies according to each agreement). Therefore, the renewal of these agreements may be subject to re-negotiation on the prices of the medical services, and the financial performance of the insurance companies depends greatly on the local and global economic conditions that may also affect the companies that operate in the Kingdom. The growth rate of the health insurance market in the Kingdom may not be high or maintain its stability in terms of the number of insured persons or the value of the underwritten premiums, or the claims incurred by the insurance companies or returns on their investments realized from net cash resulting from the insurance premiums subscribed to. This may make insurance companies negotiate with private health facilities to obtain greater discounts in exchange for medical services provided to insured customers by those companies. Consequently, in the event that the Company fails to maintain a fixed level of prices and fees, or in the event of failure to renew these agreements, the Company's business, results of operations will be negatively and substantially affected.

Insurance companies operating in the Kingdom are also subject to a number of arrangements and legislations. In the event that these companies are unable to adhere to them, they may be obligated to stop accepting any new subscribers in all or some insurance activities or stopping those companies from practicing their activities or withdrawing their license and preventing them from selling their insurance products. Accordingly, the exposure of insurance companies to the aforementioned penalties will negatively affect their businesses and thus the work of the private health facilities that deal with those companies. The occurrence of any of the above risks will lead to a negative and fundamental impact on the Company's operations, financial condition, results of operations and future prospects.

Likewise, in the event that the Cooperative Health Insurance Council makes any amendments to the cooperative health insurance policy, including, but not limited, increase of the deductible amount paid by the insured in some categories of health facilities, decrease of the benefits and limits of insurance coverage, reduction of the maximum fees for physician consultation under the policy, or in the event that the customers of the insurance companies reduced the network of the medical service provider covered by their health insurance policy, which leads to exclusion of the Company from the service providers list. This will have a significant impact on the Company, as it may result in a decrease in the numbers of the Company's customers and patients, or to maintain its customers, the Company may, for example, reduce the prices of its health services, and thus decrease the level of profitability. The occurrence of any of the above risks will lead to a negative and significant impact on the Company's business, results of operations, financial condition and future prospects.

The economic concentration of a small group of insurance companies having a large share of the insurance market may also reduce the level of competitiveness between insurance companies or give them a dominant situation in the health insurance market specifically, and thus may lead to forcing private health facilities to reduce their health services fees or increase cases of rejection of medical claims between them and insurance companies. Moreover, it is expected that there will be a number of integration and acquisitions between insurance companies, and the occurrence of these transactions in the insurance sector will increase the shares of the new entities resulting from these mergers or increase the shares of the acquired companies, thus increasing their ability to bargain and negotiate in a way better than before to reduce medical services fees. This will increase the intensity of competition between private health facilities to serve customer insured by insurance companies. The occurrence of any of the above risks will lead to a negative and material impact on the Company's operations, financial condition, results of operations and future prospects.

2.1.25 Risks related to Experience in Managing a Company Listed in the Saudi Stock Market

The Company is managed as a private company and therefore its senior management employees have limited experiences in managing public joint stock companies or may not have any experience to carry out the management of a listed company, especially with regard to commitment and adherence to regulations and laws for joint stock companies listed in the Saudi Stock Market. The Company's senior management staff, in particular, and its board of directors must also make additional efforts to ensure the Company's commitment to the regulatory rules and disclosure rules imposed on companies listed in the Saudi financial market. These additional efforts may reduce the time that the employees of the senior management allocate for management of the Company's daily activities. Also, the Company's inability to adhere to the regulations and laws imposed on listed companies, the requirements of disclosure and the ongoing obligations in a timely manner and without any delay will expose the Company to fall into legal violations imposed on it by the Capital Market Authority or other regulatory authorities, and this will lead to the imposition of financial fines that the Company must pay. In the event that financial fines are imposed or penalties imposed on the Company, this will negatively affect the Company's business, reputation, results of operations, financial condition and future prospects.

2.1.26 Risks related to Contracts and Transactions with Related Parties

In the context of its regular business, the Company deals with some related parties, such as members of the Board of Director, Substantial Shareholders, or companies owned by relatives of Substantial Shareholders and members of the Company's board of directors. The company is also linked to a number of contracts with related parties, namely Mohammedhassan Abdullah Al-Jishi, Lezlie Mohammedhassan Al-Jishi and Fatima Al-Jishi, represented in housing lease contracts for employees and a land for parking belonging to AlZahra General Hospital as detailed in the following table. These contracts were concluded on commercial basis and they are subject to the approval of the Company's General Assembly.

The total amount of transactions with the related parties, as on December 31, 2021G reached (SR 9,621,656), representing 32.63% of the total value of contracts and transactions during the year 2021G. As on December 31, 2020G, the total amount of transactions with the related parties reached (SR 8,226,789) representing 26.9% of the total value of contracts and transactions during the year 2020G.

As on December 31, 2021G, the balance due from a related party amounted (SR 347,974), which represents 0.22% of the total assets of the Company, and there are no amounts due to related parties.

As on December 31, 2020G, the balance due from a related party amounted (SR 288,244) representing 0.19% of the total assets of the Company, while the balance due to a related party amounted (SR 2,589,039), representing 4.62% of Company's total liabilities.

The following tables show details of transactions with related parties.

	Type of Relationship	Nature of Dealing	Total value of transactions in 2021G	Ratio of total contracts and transactions during the period	Balance as on December 31, 2021G	Ratio of total liabilities	Ratio of total assets	Ratio of revenues
Salman Mohammedhassan Al-Jishi	Related person with Shareholders	Financial transfers	1,388,126	4,71%	-	N/A	-	N/A
Salman Mohammedhassan Al-Jishi Group	Company related to shareholders	Expenses paid on behalf	50,766	0.17%	-	N/A	-	N/A
Raja Advanced Real Estate Investment Group	Company related to shareholders	Expenses paid on behalf	117,730	0.40%	347,974	N/A	0.22%	N/A
FAFA Factory for Packaging Products	Company related to shareholders	Expenses paid on behalf	5,361	0.02%	-	-	N/A	N/A
Nayef Mohammedhassan Al-Jishi	Shareholder	Dividends	787,500	2.67%	-	-	N/A	N/A
Mohammedhassan Abdullah Al-Jishi	Shareholder	Financing, rental and dividends	2,054,862	6.97%	-	-	N/A	N/A
Nathir Mohammedhassan Al-Jishi	Shareholder	Commissions, collection, financing and dividends	4,299,527	14.57%	-	-	N/A	N/A
Al Raja printing press	Company related to shareholders	Expenses paid on behalf	235,284	0.8%	-	-	N/A	N/A
Lezlie Mohammed Al-Jishi	Shareholder	Dividends	367,500	1.25%	-	N/A	N/A	N/A
Al Raja Advanced Investment Group Company	Shareholder	Dividends	315,000	1.07%	-	N/A	N/A	N/A
Total			9,621,656	32.63%	347,974	-	0.22%	-

	Type of relation	Nature of dealing	Total value of transactions in 2020G	Ratio of total contracts and transactions during the period	Balance as on December 31, 2020G	Ratio of total liabilities	Ratio of total assets	Ratio of revenues
Salman Mohammedhassan Al-Jishi	Related person with Shareholders	Financial transfers	1,874	0.01%	1,874	N/A	0,001%	N/A
Salman Mohammedhassan Al-Jishi Group	Company related to shareholders	Expenses paid on behalf	50,766	0.17%	50,766	N/A	0,034%	N/A
Raja Advanced Real Estate Investment Group	Company related to shareholders	Expenses paid on behalf	470,722	1.54%	230,244	N/A	0.15%	N/A
FAFA Factory for Packaging Products	Company related to shareholders	Expenses paid on behalf	8,430	0.03%	5,360	N/A	0,003%	N/A
Nayef Mohammedhassan Al-Jishi	Shareholder	Expenses paid on behalf	684,582	2.24%	-	N/A	-	N/A
Mohammedhassan Abdullah Al-Jishi	Shareholder	Financing	3,673,720	12%	1,125,178	1.67%	N/A	N/A
Nathir Mohammedhassan Al-Jishi	Shareholder	Commissions collection	2,753,181	9%	1,449,147	2.16%	N/A	N/A
Al Raja printing press	Company related to shareholders	Expenses paid on behalf	14,714	0.05%	14,714	0.02%	N/A	N/A
Lezlie Mohammed Al-Jishi	Shareholder	Dividends	306,250	1%	-	N/A	N/A	N/A
Al Raja Advanced Investment Group Company	Shareholder	Dividends	262,500	0.86%	-	N/A	N/A	N/A
Total			8,226,789	26.9%	2,877,283	3.85%	0.188%	-

N	Premises	Lessor	Purpose	Location	Beginning of Contract	End of Contract	Value of the Annual Rent (SR)
1	13 Residential Apartments	Mohammedhassan Al-Jishi	Housing for Employees	Al -Qatif, Imam Ali Street	01/01/2022G	31/12/2026G	187,200
2	11 Residential Apartments	Mohammedhassan Al-Jishi	Housing for Employees	Al -Qatif, AlJazira Street	01/01/2022G	31/12/2026G	171,600
3	6 Residential Apartments	Mohammedhassan Al-Jishi	Housing for Employees	Al -Qatif, Imam Ali Street	01/01/2022G	31/12/2026G	66,240
4	4 Residential Apartments	Mohammedhassan Al-Jishi	Housing for Employees	Al -Qatif, AlQuds Street	01/01/2022G	31/12/2026G	60,000
5	4 Residential Apartments	Fatima Aljishi	Housing for Employees	Al -Qatif, Riyadh Street	01/01/2022G	31/12/2026G	72,000
6	3 Residential Apartments	Lesley Al-Jishi	Housing for Employees	Al -Qatif, Riyadh Street	01/01/2022G	31/12/2026G	72,000
7	Parking land for AlZahra General Hospital	Mohammedhassan Al-Jishi	Parking land for AlZahra General Hospital	Al -Qatif, King Faisal Street	01/01/2022G	31/12/2027G	750,000

All transactions and contracts with related parties must be subject to the approval of the Ordinary General Assembly of the Company. The approval of the Company's General Assembly has been obtained on these transactions and contracts in the General Assembly held on 17/04/1443H (corresponding to 22/11/2021G), as well as the General Assembly held on 02/11/1443H (corresponding to 01/06/2022G). In the event that there are any transactions with future related parties, they will be presented on the date of the earliest of the Company's General Assembly. In the event that the Company's General Assembly does not approve these transactions, the Company will have to search for other parties who are not related parties to deal with them. In addition, in the event that the Company is not able to collect the dues from the related parties, or in the event that the agreements are not completed on purely commercial foundations, this will negatively affect the Company's business, results of operations, and financial condition.

2.1.27 Risks related to the Coronavirus (COVID-19) Pandemic

In the beginning of the year 2020, an infectious viral disease known as (Corona virus, or "COVID-19"), began spreading in most countries of the world, including the Kingdom of Saudi Arabia, and as a result, the World Health Organization classified it on March 2020 as a global pandemic and called on all countries to take preventive measures needed to confront this virus to reduce its spread. Therefore, the Government of Saudi Arabia quickly took decisions in this regard, resulted in, but not limited to, imposing a partial or complete curfew in some cities and governorates and restricting movement between them, closure of airports and commercial complexes and all activities within them, except for food stores and pharmacies, and reducing the number of working hours for some sectors and compelling some of them to work remotely.

Although the company is committed to the instructions issued by the Ministry of Health and the Ministry of Human Resources and Social Development to apply preventive measures and precautions, including social distancing in the workplace, temperature check for each employee when entering the Company's headquarters, wearing masks when entering and being at the Company's headquarters or one of its facilities. The Company does not guarantee that none of its employees may be infected with the virus, which may lead to the disruption of the employee or the health practitioner from work, or may lead to the transmission of the infection to the rest of the employees or visitors to the hospital, which will lead to disruption of the employee or suspension of receiving new visitors due to spread of the infection.

2.1.28 Risks of Geographical Concentration

The Company's revenues are currently dependent on its hospital, which is located in the Qatif Governorate in the Eastern Region, and as a result, the Company's hospital operations are partially or totally exposed to any factors that may affect the progress of its work, whether by increasing competition with other private health facilities, or a decrease in the number of insured persons, especially in the same area, would lead to a decrease in the Company's revenues, and therefore it will have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

2.1.29 Risks related to the Inability to Implement Future Projects

The Company plans to open a specialized hospital in the central region, specifically in the city of Riyadh. The Company has purchased the private land through credit facilities and it works to complete the studies and designs for the project. The Company's ability to implement its future projects depend mainly on obtaining the necessary financing and necessary licenses, implementing expansion plans in accordance with the specified timetable and the estimated costs, appointing the appropriate medical and administrative staff and other requirements. Accordingly, if the Company is not able to obtain the necessary funding and the necessary licenses, this will be negatively and materially reflected on its financial condition and results of operations. Also, in the event of not realizing the desired profitability of the expansion operations, which may be due to various reasons, including the change of the market situation at the time of the implementation of the expansion, or in case of a defect in the feasibility study, this will negatively affect the Company's business results, profitability and future prospects.

2.1.30 Risks related to Financing

The Company obtained a long-term loan from the Ministry of Finance on 10/03/1424H (corresponding to 11/03/2003G) in the amount of (26,6) twenty-six million six hundred thousand Saudi Riyals, to establish AlZahra General Hospital. The loan is guaranteed against the Company's land and its buildings, and the Ministry of Finance is entitled to sell the mortgaged assets as a guarantee of the loan. During the year 2021G the loan of the Ministry of Finance was paid and the mortgage is underway to be cleared from the Company's land and its buildings. The Company obtained banking facilities worth 35 million Saudi Riyals from the Arab National Bank to finance the purchase of land in the city of Riyadh with the aim of establishing a new hospital. These credit facilities are guaranteed by a bond on order of (35) thirty-five million Saudi Riyals, as well as a joint payment and performance bond, and mortgaged real estate assets belonging to Mohammedhassan Al-Jishi, Nathir Al-Jishi and Nayef Al-Jishi, and mortgaging the land and buildings of AlZahra General Hospital when completing and settling the loan of the Ministry of Finance, to a maximum of October 2022.

The financing agreements contain several conditions, including, but not limited to, the necessity of paying the facilities used during a specific timetable, preserving the financial, administrative and legal situation and its ownership and not to change the activity as of the date of this agreement. The lending bank is also entitled, according to the relevant facilities agreements, to cancel, suspend or reduce the amounts of facilities at any time without warning. The lending bank is also entitled to request full payment of existing loans, and there is no guarantee that the bank will not take any of these measures against the Company. Also, in the event that the Company violates any of the financing conditions of the Ministry of Finance, the Ministry may obligate the Company to pay the full amounts due or it may seize the property of the borrowing authority or sell of the mortgaged properties to pay the loan. Accordingly, the Company's lack of commitment to the restrictions imposed on it from the funding bodies or its inability to pay these loans and facilities will adversely affect the Company's business, financial condition and future prospects.

2.1.31 Risks related to the Inability to Renew or Amend the Existing Lease Contracts

The Company has (15) fifteen rental contracts that were concluded to rent housing for the medical and administrative staff of the Company, and all of these contracts were for one year. If the two parties wish to renew the contract, this will be done by writing a new contract agreed upon by the two parties. The Company's inability to maintain the continuity of rental contracts related to these sites and renew them with the same current conditions or with better conditions. In the event that the lessor does not want to renew the contract, the Company will be forced to evacuate its employees from the leased premises and find other places that may be at a higher cost than the current cost, and thus, increasing the expenses incurred by the Company, which will adversely affect the Company's results and profitability.

2.1.32 Risks related to Fluctuation of Currency Exchange Rates

The Company may be exposed to the risks of changes in foreign exchange rates, and as part of the Kingdom's policy, the Saudi Riyal, until the date of this prospectus, is linked to the US dollar at an exchange rate of 3.75 Saudi Riyals for one (1) USD, but there are no assurances of the stability of the exchange rate of the Saudi Riyal against the US dollar. The fluctuations in the value of the Saudi Riyal against foreign currencies (including the US dollar) that the Company uses will lead to increase of expenditures, which will have a negative and material impact on the Company's business, results of operations, financial condition and future prospects.

2.2 Risks related to the Market and the Sector in which the Company Operates

2.2.1 Risks related to the Kingdom's Economic Performance

The expected future performance of the Company depends on a number of factors related to economic conditions in the Kingdom in general, including, but not limited to inflation factors, gross domestic product growth, individual share of income, etc. The Kingdom's economy depends mainly on oil and petroleum industries, which still control a large share of the gross domestic product. For this, any negative fluctuations that occur in oil prices have a direct and fundamental impact on the plans and the growth of the Saudi economy and government spending in general, and as such will adversely affect its the financial performance of the Company because of its work within the Saudi economic system, which is affected by government spending rates. Also, the continuous growth of the economy depends on several other factors that include continuous population growth and public and private investments in the infrastructure, and for this any negative change in any of these factors will have a significant impact on the economy, which will adversely and significantly affect the Company's business, results of operations, financial condition and future prospects.

2.2.2 Risks related to Political and Economic Instability in the Middle East region

The Company's financial performance depends on the prevailing economic and political conditions in the Kingdom, in addition to the regional and global economic conditions that in turn affect the Kingdom's economy. There is no guarantee that the negative developments in the countries of the region and relations with these countries, or the economic and political conditions in those countries, or in other countries will not negatively and substantially affect the Kingdom's economy, the foreign direct investment in it or the financial markets in the Kingdom in general. These factors may affect the Company's business, results of operations, financial condition and future prospects.

2.2.3 Risks related to Competition in the Kingdom

The Company works in a competitive environment and faces strong competition with other health facilities, where private health facilities compete based on several factors, including reputation, the distinction of health care services, medical technical excellence and the extent of customer satisfaction. This competition has increased in recent years among healthcare providers to attract customers to their health facilities. Consequently, the volume of competition and the number of healthcare providers in the Kingdom is increasing, and the Company does not give any guarantees regarding its ability to compete effectively. This competition may make the Company, in order to maintain its customers, for example, but not limited to, to reduce the prices of its health services, and thus decrease the level of profitability. This will have a negative and fundamental impact on the Company's business, results of operations, financial condition and future prospects.

2.2.4 Risks related to the Application of Value-Added Tax

The Council of Ministers decided to approve the unified value-added agreement for the Gulf Cooperation Council states, which entered into force, starting 1 January 2018G. According to this agreement, a value-added tax of 5% is imposed on products, services and sectors, including the healthcare sector. The government of the Kingdom has decided to increase the value-added tax from 5% to 15%, starting 1 July 2020G, with an exception to a number of products, services and sectors from this tax, including basic foods and services related to health care and education. However, there is no guarantee that this exception will continue in the future, and therefore if the exception is canceled or if the value-added tax is raised or if fees and other taxes are imposed on companies, the Company may not be able to raise the prices of its services due to several factors and considerations, including the nature of the contractual relationship with some customers or factors of competition prevailing in the market. This will lead to have the Company bear the value-added tax not collected from the customer, and this will have a negative impact on the Company's business, results of operations, financial condition and future prospects.

2.2.5 Risks associated with the Application of the Corporate Governance Regulation

The Board of the Capital Market Authority issued a new Corporate Governance Regulation in accordance with Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G), based on the Companies Law issued by Royal Decree No. (M/3) dated 28/01/1437H (corresponding to 11/11/2015G), as amended by CMA Board Resolution No. (1-7-2021) dated 01/06/1442H (corresponding to 14/01/2021G). Although the corporate governance regulation is a guideline for companies listed on the parallel market as at the date of this Prospectus, but if it is mandatory applied, the Company's success to properly comply with it depends on how the Board of Directors and its committees, management and employees of the Company accommodate and understand these rules and procedures, and the ability to implement these procedures on time. In the event of noncompliance by the Company with them which will have a negative and material impact on the Company's business, financial condition and results of operations.

2.2.6 Risks related to Non-compliance with Current Regulations and Laws and/or Issuance of New Regulations and Laws

The Company is subject to the supervision of a number of government agencies in the Kingdom, including, but not limited to the Ministry of Health, the Capital Market Authority (after offering the shares of the Company in the parallel market). Therefore, the Company is subject to the risk of changes in systems, regulations, circulars and policies in the Kingdom. The legislative and organizational environment in the Kingdom is witnessing the issuance of a number of laws and regulations, that is, it is more likely to change and develop. The costs of adherence to these laws are high, as that any changes to the current laws and regulations or issuance of new laws or regulations, this will lead to the Company to incur unexpected additional financial expenses for purpose of adhering to these regulations and meeting the requirements of these laws. Or, the Company may be subject to the penalties and fines imposed by the competent supervisory authorities if it does not adhere, continuously, to these laws and regulations which will adversely affect its work, results of operations, financial condition and future prospects.

2.2.7 Risks of Interest Rates Fluctuation

Interest rates may change depending on the economic, political or regulatory variables, locally or globally, whether fixed or variable, that will be due to the Company's financiers. Therefore, this will lead to an increase in the costs of financing that the Company needs, which will have a negative impact on the Company's business, results of operations, financial performance and future prospects.

2.2.8 Risks of Growth Opportunities

The company's ability to develop its business depends on the level of competition in the market, the availability of material and human resources, the ability of its management team, legal systems, and others. There is no guarantee of maintaining a continuous level of growth, as the Company may face difficulties in expanding its activities, developing its market share and increasing its sales. Therefore, if the Company is not able to positively manage its growth, its ability to develop its activity, increase or preserve its market share, increase its profits, and enhance the returns for its shareholders, will be affected, and accordingly, the Company's financial condition will be adversely affected.

2.2.9 Risks related to the Occurrence of Natural Disasters

The natural disasters that are beyond the control of the Company, such as floods, earthquakes, storms, and others, may harm the Company's facilities in the event of their occurrence. They may result in high costs incurred by the Company and may affect its ability to continue practicing its operations, and may lead to income decreases. Therefore, in the event of occurrence of such disasters, causing damages to the Company's facilities, the Company's business, results of operations and financial condition will be adversely and materially affected.

2.2.10 Risks related to Imposition of New Fees or Taxes

Other fees or taxes may be imposed on the companies by the Government in the future. Accordingly, if new taxes or fees are imposed other than the currently applied ones, this will directly and adversely affect the net profits of the Company.

2.2.11 Risks related to Changing the Mechanism for Calculating Zakat and Income

The Zakat, Tax and Customs Authority (ZATCA) issued the circular number 1438/16/6768 dated 05/03/1438H (corresponding 04 December 2016G), which obliges the Saudi companies listed in the financial market to calculate income and Zakat based on the nationality of the shareholders and actual ownership among the Saudi and Gulf citizens and others, as set out in “**Tadawulati System**” at the end of the year. Before the issuance of this circular, the Companies listed in the financial market were generally subject to payment of Zakat or tax on the basis of its founders’ ownership according to their Articles of Association, and the effect of the listed shares was not taken into consideration in determining the Zakat base. This circular was decided to be applied on the year ending December 31, 2016G and subsequent years. However, the Zakat, Tax and Customs Authority issued its letter No. 1438/16/12097 dated 19/04/1438H (corresponding to 17 January 2017G), postponing the implementation of the circular for the fiscal year ending December 31, 2017G and the years after. Until the Zakat, Tax and Customs Authority issues its directives, regarding the mechanisms and procedures for the implementation of this circular, such implementation of this circular, including the final requirements that should be fulfilled, is still under review, as well as the rules that impose income tax on all non-Gulf residents subscribed in listed Saudi Companies which apply deductible tax on dividends distributions for non-resident shareholders regardless of their nationalities. The Company did not evaluate the financial impact of this circular, nor did take adequate steps to ensure commitment to it, because it is a closed joint stock Company, owned by Saudi shareholders. In the event that the financial impact of this circular in case of its application is significant, or in case the Company incurred additional costs to take necessary steps to ensure compliance with it, this will adversely impact its business, results of operations, financial condition and future prospects.

2.3 Risks related to the Shares

2.3.1 Risks related to Potential Fluctuations in the Share Price

The share price in the market may not be stable and vulnerable to a great degree of fluctuation, and therefore subscribers may not be able to resell their shares at the subscription price or above it, or they may not be able to sell them at all. The market price for the subscription shares after the offering may be affected by many factor, including, but not limited to, the deterioration in the results of the Company’s business, the inability to implement future plans, the emergence of new competitors, and changes in market conditions, government systems or organizational environment as a whole, which will adversely and materially affect the Company’s business, financial condition and future prospects.

2.3.2 Risks of Liquidity of the Offering Shares

Before the offering, the Company’s shares have not been listed in any stock market, whether inside or outside the Kingdom, and there are no assurances about the presence of an active market and liquidity after the offering. If an active market for trading the Company’s shares does not develop, this will adversely and materially affect the liquidity and price of the Company’s shares, or may lead to a full or partial loss of the Company’s subscriber investments, which will negatively and fundamentally affect the expected returns for subscribers.

2.3.3 Risks associated with Actual Control by Substantial Shareholders after the Listing

After completing the offering and listing of the Company’s shares, the Substantial Shareholders (whose names and ownership percentages are shown on page No. (xiv)) will own 80% of the Company’s shares. Therefore, the Substantial Shareholders will have the ability to influence all matters and decisions that require the approval of the shareholders, including, the Company’s important operations and transactions, including, but not limited to integration, acquisition, sale of assets, election of the Board members, the increase or reduction of the capital, the issuance of additional shares, or distribution of dividends. As a result, Substantial Shareholders can exercise their right in a way that may not be in the interest of other shareholders, or it may have a negative and fundamental impact on the Company’s business, financial condition and results of operations.

2.3.4 Risks of Selling a Large Number of Shares in the Parallel Market after the Offering

The sale of a large number of shares in the market after the completion of the offering and listing of the Company shares, or conception of that, will adversely affect the market price of shares. Also, after completion of the offering process, Substantial Shareholders will undergo a lock-up period for twelve months from the date of starting trading of shares in the financial market. The sale of a large number of shares by any of the Substantial Shareholders after the end of the lock-up period may lead to negative impacts on the Company's share market, and as such may result in a decrease in the market price of shares.

2.3.5 Risks related to Dividends Distribution to Shareholders

The future distribution of profits depends on several factors, including, but not limited to future profits, financial condition, capital requirements, Company reserves, conditions of financing agreements, general economic conditions, analysis of opportunities, investment needs, and other relevant factors that the Board of Directors may consider important from time to time. Based on these factors, the Board of Directors will decide whether to raise any recommendation to the General Assembly of the shareholders to distribute profits in the future or not. The Company does not provide any guarantee at all that the Board of Directors will recommend distribution of profits or that the shareholders will be approve in the General Assembly's meetings the recommendation of the Board of Directors to distribute any profits. The Company does not provide any guarantee regarding the amounts that will be paid as dividends in any year.

2.3.6 Risks of Issuing New Shares

In the event that the Company decides to increase its capital by issuing new shares, this will negatively affect the market price of the share, and will lead to a decrease in the percentage of ownership of the shareholders in the Company if they do not subscribe to the new shares issued at that time.

2.3.7 Risks associated with Fluctuation of the Share Prices on the Market

The price of the offering was determined based on several factors, including the Company's performance in previous periods and future prospects for its business, and the general conditions of the economy and the health sector. It cannot be confirmed that the Company's shares will be traded at the offering price or at a higher price than the offering price. The market price of the Company's shares after the offering is affected by several factors, including but not limited to, the difference of the actual operational results from the expected performance of the Company, changes in the legislations regulating the Company's activity as they have impacts on the Company or its customers or its competitors, changes in economic, legal and regulatory factors (locally and internationally) that are not related to the Company's performance, such as the economic recession, the imposition of sanctions and other factors, which may negatively affect the share price, and thus will adversely affect subscribers and their investment expectations.

2.3.8 Risks of the Company's Inability to Fulfill the Requirements for Moving to the Main Market or Any Other Regulatory Requirements

The Company can submit a request for listing in the main market after the elapse of regular period (two years according to the rules of listing) from the date of its listing in the parallel market, and after the fulfillment of all the regulatory requirements issued by the Capital Market Authority and the Saudi Capital Market (Tadawul) based on the rules for offering securities, ongoing obligations and the rules of listing which are related to the transfer of Companies listed in the parallel market to the main market. If the company is unable to meet these requirements or any additional future regulatory requirements that the CMA may impose on the Company or the market, the Company will not be able to move to the main market. Since that the parallel market until the date of this prospectus, is a market in which trading is limited to eligible investors only, the daily trading volume and liquidity are lower than the main market, which will adversely affect the Company's share liquidity and market value.

3. The Company

3.1 Company Overview

Naba Alsaha Medical Services Company ("**the Company**" or "**the Issuer**" or "**Naba Alsaha**") is a Saudi closed joint stock company under Commercial Registration No. (2051065568) issued from Al-Khobar, on 06/05/1439H (corresponding to 23/01/2018G).

The Company's capital is currently (70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares, at a nominal value of (SAR 10) ten riyals per share, all of them are of one class.

The Company's current activity is the operation and management of AlZahra Hospital, Manarat Al-Haramain Pharmacy, and the Company's branch for medical services in Al-Khobar.

The head office of the Company is located in the city of Al-Khobar as per the following address:

Naba Alsaha Medical Services Company

Al-Khobar, Al-Khuzama District, Abdullah Bin Hathlan Street

P.O. Box 887-31911

Kingdom of Saudi Arabia

Tel: +966-13-8555000

Fax: + 966 -8540244

Website: www.nams.sa

E-mail: info@nams.sa

3.2 Company's Incorporation and the most important developments in Capital Structure

The Company was first established in the name of Mohammedhassan Al-Jishi & Partners Company as a limited partnership Company with a capital of (SAR 1,200,000) one million two hundred thousand Saudi riyals under the Articles of Association dated 25/02/1405H (18/11/1984G), and the Commercial Registration No. (2053005743), dated 28/04/1405H (corresponding to 20/01/1985G).

Partners	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	250,000	20,83%
Fayez Mohammed Al Kabra	150,000	12,50
Mohammed Haider Al Hammam	150,000	12,50
Masoud Haider Hammam	150,000	12,50
Ruqayya Ali Bu Aisha	150,000	12,50
Haniyah Hassan Saleh Al-Jishi	300,000	25%
Nayef Mohammedhassan Al-Jishi	50,000	4,16%
Total	1,200,000	100%

Source: the Company's Articles of Association dated 25/02/1405H (corresponding to 18/11/1984G)

On 13/03/1406H (corresponding to 25/11/1985G), the partner Mohammed Haider Al-Hammam and the partner Masoud Haider Al-Hammam decided to exit the Company, and to purchase their shares by the partner Mohammedhassan Abdullah Al-Jishi. Accordingly, the partners decided to amend the Articles of Association so that the distribution of shares would be as follows:

Partners	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	550,000	45,83%
Fayez Mohammed Al Kabra	150,000	12,50
Ruqayya Ali Bu Aisha	150,000	12,50
Haniyah Hassan Saleh Al-Jishi	300,000	25%
Nayef Mohammedhassan Al-Jishi	50,000	4,16%
Total	1,200,000	100%

Source: Articles of Association dated 13/03/1406H (corresponding to 25/11/1985G)

On 17/02/1407H (corresponding to 21/10/1986G), the partners in Mohammedhassan Al-Jishi & Partners Company (limited partnership Company) decided to reduce the Company's capital to (SAR 300,000) three hundred thousand Saudi riyals, in addition to modifying the Company's Purposes to become medical services (private clinic) and maintenance and operation of medical centers.

Partners	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	137,500	45,83%
Fayez Mohammed Al Kabra	37,500	12,50%
Ruqayya Ali Bu Aisha	37,500	12,50%
Haniyah Hassan Saleh Al-Jishi	75,000	25%
Nayef Mohammedhassan Al-Jishi	12,500	4,16%
Total	300,000	100%

Source: Articles of Association dated 17/02/1407H (corresponding to 21/10/1986G)

On 10/11/1413H (corresponding to 02/05/1993G), the partner Fayez Mohammed Al-Kabra decided to waive his share in the capital of the Company in favor of the partner Mohammedhassan Abdullah Al-Jishi, with its rights and obligations. The shares were redistributed as shown in the table below.

Partners	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	175,000	58,33%
Fayez Mohammed Al Kabra	37,500	12,50%
Haniyah Hassan Saleh Al-Jishi	75,000	25%
Nayef Mohammedhassan Al-Jishi	12,500	4,16%
Total	300,000	100%

Source: Articles of Association dated 10/11/1413H (corresponding to 02/05/1993G)

On 27/07/1414H (corresponding to 10/01/1994G), the partners in Mohammedhassan Al-Jishi & Co. Company decided to amend the Articles of Association, with the exit of the partner Roqayya Ali Bu Aisha and her relinquishing her share in the Company's capital with her rights and obligations in favor of the partner Mohammedhassan Abdullah Al-Jishi. The shares were distributed as follows.

Partners	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	212,500	70,83%
Haniyah Hassan Saleh Al-Jishi	75,000	25%
Nayef Mohammedhassan Al-Jishi	12,500	4,16%
Total	300,000	100%

Source: Articles of Association dated 27/07/1414H (corresponding to 10/01/1994G)

On 01/07/1419H (corresponding to 22/10/1998G), the partner, Mohammedhassan Abdullah al-Jishi, decided to assign part of his shares to Salman Mohammedhassan al-Jishi, Lesley Mohammedhassan al-Jishi, Nayef Mohammedhassan al-Jishi and Fatima Mohammedhassan al-Jishi. The following table shows the distribution of shares after entering the new partners.

Partners	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	60,000	20%
Haniyah Hassan Saleh Al-Jishi	75,000	25%
Salman Mohammedhassan Al-Jishi	75,000	25%
Lesley Mohammedhassan Al-Jishi	30,000	10%
Nayef Mohammedhassan Al-Jishi	30,000	10%
Fatima Mohammedhassan Al-Jishi	30,000	10%
Total	300,000	100%

Source: Articles of Association dated 01/07/1419H (corresponding to 22/10/1998G)

On 17/03/1426H (corresponding to 26/04/2005G), the Partner Mohammedhassan Abdullah Al-Jishi decided to assign his entire share in the Company in favor of partner Nathir Mohammedhassan Al-Jishi as a new partner in the Company. Also, the Company's capital was increased from three hundred thousand (300,000) Saudi riyals to two million (2,000,000) Saudi riyals divided into (2000) two thousand shares of equal value of (SAR 1,000) one thousand Saudi riyals per share. The increase in capital by (1,700,000) one million seven hundred thousand Saudi riyals was financed through the partners' current account, and the partners agree to amend the legal entity of the Company from limited partnership Company to a limited liability Company.

Partners	Total Value of Shares (SAR)	Owner ship Percentage
Haniyah Hassan Saleh Al-Jishi	500,000	25%
Salman Mohammedhassan Al-Jishi	300,000	15%
Nathir Mohammedhassan Al-Jishi	300,000	15%
Lesley Mohammedhassan Al-Jishi	300,000	15%
Nayef Mohammedhassan Al-Jishi	300,000	15%
Fatima Mohammedhassan Al-Jishi	300,000	15%
Total	2,000,000	100%

Source: Articles of Association dated 17/03/1426H (corresponding to 26/04/2005G)

On 02/02/1431H (corresponding to 17/01/2010G), the partner Salman Mohammedhassan Abdullah Al-Jishi decided to assign all of his shares, amounting to (300) three hundred shares to Nathir Mohammedhassan Al-Jishi by (100) one hundred shares and Nour Salman Mohammedhassan Al-Jishi as a new partner by (200) two hundred shares. The shares were redistributed as shown in the table below.

Partners	No. of Shares	Value per Share	Total Value of Shares (SAR)	Owner ship Percentage
Haniyah Hassan Saleh Al-Jishi	500	1,000	500,000	25%
Nour Salman Mohammedhassan Al-Jishi	200	1,000	200,000	10%
Nathir Mohammedhassan Al-Jishi	400	1,000	400,000	20%
Lesley Mohammedhassan Al-Jishi	300	1,000	300,000	15%
Nayef Mohammedhassan Al-Jishi	300	1,000	300,000	15%
Fatima Mohammedhassan Al-Jishi	300	1,000	300,000	15%
Total	2,000	-	2,000,000	100%

Source: Articles of Association dated 02/02/1431H (corresponding to 17/01/2010G)

On 04/01/1434H (corresponding to 18/11/2012G), Mrs. Nour Salman Mohammedhassan al-Jishi decided to assign all her shares in the Company, which amounted to (200) two hundred shares in favor of the partner, Nathir Mohammedhassan al-Jishi, with her rights and duties. The shares were distributed as shown in the table below.

Partners	No. of Shares	Value per Share	Total Value of Shares (SAR)	Owner ship Percentage
Haniyah Hassan Saleh Al-Jishi	500	1,000	500,000	25%
Nathir Mohammedhassan Al-Jishi	600	1,000	600,000	30%
Lesley Mohammedhassan Al-Jishi	300	1,000	300,000	15%
Nayef Mohammedhassan Al-Jishi	300	1,000	300,000	15%
Fatima Mohammedhassan Al-Jishi	300	1,000	300,000	15%
Total	2,000	-	2,000,000	100%

Source: Articles of Association dated 04/01/1434H (corresponding to 18/11/2012G)

On 13/07/1437H (corresponding to 20/04/2016G) the partners decided to amend the Company's Articles of Association by entering the heirs of the partner Haniya Hassan Saleh Al-Jishi, and the heirs agreed to divide the shares of the late Haniya by mutual consent. Mr. Salman Mohammedhassan Al-Jishi assigned his entire share in favor of Mr. Nathir Mohammedhassan Abdullah Al-Jishi, and Mr. Nathir Mohammedhassan Abdullah Al-Jishi also assigned part of his shares in the Company, which represent 15% of the Company's capital in favor of Alraja Advanced Investment Group Company as a new partner in the Company, and the partners decided to increase the Company's capital from (SAR 2,000,000) two million Saudi riyals to (SAR 25,000,000) twenty-five million Saudi riyals, divided into (25,000) twenty-five thousand shares of equal value, of (SAR 1,000) one thousand Saudi riyals per share. The amount of the capital increase was financed through the capitalization of (SAR 7,038,464) Seven million and thirty-eight thousand four hundred and sixty-four Saudi riyals from the Company's retained earnings account, as well as through capitalization (SAR 15,961,536) fifteen million nine hundred and sixty-one thousand five hundred and thirty-six Saudi riyals from the credit balance of Mohammedhassan Al-Jishi.

Partners	No. of Shares	Value per Share	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	1,250	1,000	1,250,000	5%
Nathir Mohammedhassan Al-Jishi	6,250	1,000	6,250,000	25%
Lesley Mohammedhassan Al-Jishi	4,375	1,000	4,375,000	17,5%
Nayef Mohammedhassan Al-Jishi	5,000	1,000	5,000,000	20%
Fatima Mohammedhassan Al-Jishi	4,375	1,000	4,375,000	17,5%
Al Raja Advanced Investment Group	3,750	1,000	3,750,000	15%
Total	25,000	-	25,000,000	100%

Source: Articles of Association dated 13/07/1437H (corresponding to 20/04/2016G)

On 04/05/1439H (corresponding to 21/01/2018G), Mrs. Fatima Mohammedhassan Abdullah Al-Jishi decided to assign all her shares in the Company in favor of partner Nayef Mohammedhassan Abdullah Al-Jishi, with rights and obligations. The partners also agreed to change the Company's name to Naba Alsaha Medical Services Company, and the Company's headquarters was changed to be in the city of Al-Khobar and based on the transfer of the Company's headquarters from the city of Qatif to the city of Al-Khobar, the number and date of the Commercial Registration was changed, as the Company was registered in Al-Khobar under new number (2051065568), dated 06/05/1439H (corresponding to 23/01/2018G).

Partners	No. of Shares	Value per Share	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	1,250	1,000	1,250,000	5%
Nathir Mohammedhassan Al-Jishi	6,250	1,000	6,250,000	25%
Lesley Mohammedhassan Al-Jishi	4,375	1,000	4,375,000	17,5%
Nayef Mohammedhassan Al-Jishi	9,375	1,000	9,375,000	37,5%
Al Raja Advanced Investment Group	3,750	1,000	3,750,000	15%
Total	25,000	-	25,000,000	100%

Source: Articles of Association dated 04/05/1429H (corresponding to 21/08/2018G)

According to Ministerial Resolution No. (Q/122) on 23/05/1440H (corresponding to 29/01/2019G), the Company was transferred from a limited liability Company to a closed joint stock Company, while retaining the commercial registration number and date, with the same capital amounting to (SAR 25,000,000) twenty-five million Saudi riyals.

On 12/05/1442H (corresponding to 27/12/2020G), the Extraordinary General Assembly approved an increase in the Company's capital from (SAR 25,000,000) twenty-five million to (SAR 70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares at a nominal value of (SAR 10) ten riyals per share. The following table shows the distribution of shares"

Shareholder	No. of Shares	Nominal Value per Share	Total Value of Shares (SAR)	Owner ship Percentage
Mohammedhassan Abdullah Al-Jishi	350,000	10	3,500,000	5%
Nathir Mohammedhassan Al-Jishi	1,750,000	10	17,500,000	25%
Lesley Mohammedhassan Al-Jishi	1,225,000	10	12,250,000	17,5%
Nayef Mohammedhassan Al-Jishi	2,625,000	10	26,250,000	37,5%
Al Raja Advanced Investment Group	1,050,000	10	10,500,000	15%
Total	7,000,000	-	70,000,000	100%

3.3 Company Mission

Commitment to providing integrated services of high quality through qualified cadres and using the latest technologies to ensure customer satisfaction.

3.4 Company Vision

To be one of the best medical service providers in the Kingdom according to the highest quality standards.

3.5 Company Strengths and Competitive Advantages

- An integrated management team with more than 36 years of operational experience
- Good financial stability and profitability
- An ambitious company that has the potential to help it expand through strategic planning and seizing opportunities
- Flexible strategy and plans in line with changes in the work environment with the use of indicators for measurement and improvement

3.6 Company Strategy

- Upgrading services according to the highest levels of quality, based on more than 36 years of experience
- Increasing the Company's share in the services market by taking advantage of the strong growth in the Kingdom's economy and in line with the Kingdom's Vision 2030, which supports investment.
- Developing and diversifying the Company's sources of income through business expansion and improving its quality
- Investing in national human resources

3.7 Future Plans

The Company endeavors to expand its medical care services, as it plans to open a hospital in Riyadh, with the following specialties:

- | | | |
|------------------------|------------------------------|-----------------------------|
| • Internal Medicine | • Pediatrics | • Obstetrics and Gynecology |
| • Dermatology | • General Surgery | • Emergency |
| • Laboratory | • Radiology | • General X-ray |
| • Ultrasound | • MRI | • Physical Therapy |
| • Orthopedics | • Nose, Ear and Throat (ENT) | • Dentistry |
| • Physiotherapy Clinic | | |

The land on which the hospital will be built has been purchased, the details of which are shown in the table below, and the approval of the Ministry of Municipal and Rural Affairs and Housing was obtained to use the developed building system for health services, and a license was obtained for the initial approval of the Ministry of Health for the construction of the hospital, which was issued on 02/05/1443H under number (140030015). However, the construction work of the hospital has not started yet and work is underway to complete the studies of the project

Location	Deed Number	Area (m2)
Riyadh, Al Munsiyah District	89349100281	9025

The Company is also working to expand its business in the field of medical maintenance and non-medical operation for others, as well as in the field of pharmacies and medical distribution.

3.8 Company activities

According to its commercial registration, the Company activities include medical operation of medical complexes and day surgery centers.

As per its articles of association, the Company activities include exercising and implementing the following Purposes:

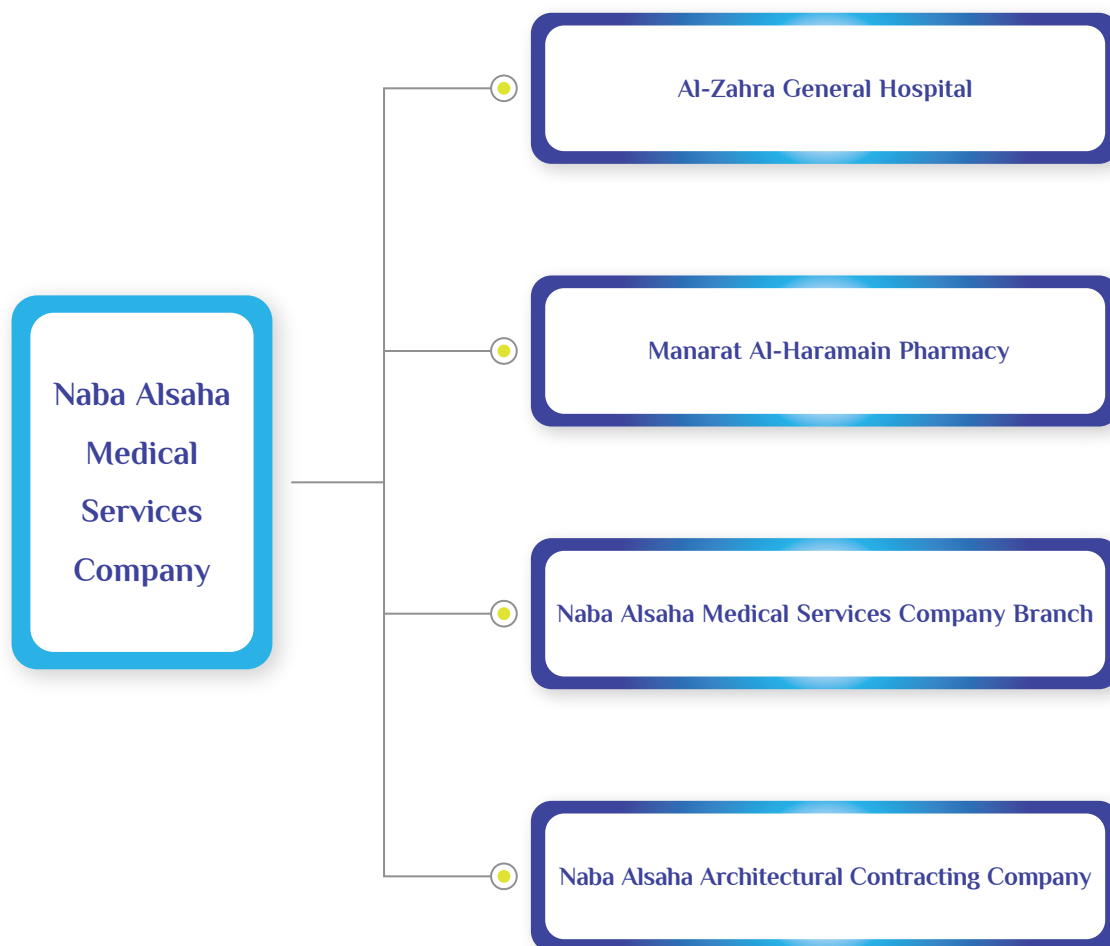
- | | |
|--|--|
| • Human health activities and social work | • Public administration and defense, mandatory social security |
| • Professional, scientific, and technical activities | • Arts, entertainment, and recreation. |
| • Construction | • Activities of organizations and authorities that are not subject to the national jurisdiction. |
| • Transportation and storage | • Accommodation and food services activities |
| • Education | • Financial and insurance activities |
| • Real estate activities | • Information and telecommunication |
| • Activities of administrative and support services | • Wholesale and retail trade, repair of motor vehicles and motorcycles |
| • Manufacturing | • Water supplies, sanitary systems activities, waste management and treatment |
| • Mining and quarrying | • Electricity, gas, and steam supplies and air conditioning. |
| • Agriculture, forestry, and fishing | • Other services activities. |

The Company exercises its activities in accordance with the applicable laws and after obtaining the necessary licenses from the competent authorities if any. (for more information on the licenses under which the Company operates, please refer to section (3.15) **"Government Licenses and Certificates"** in this prospectus.)

The Company is currently operating and managing AlZahra Hospital, Manarat Al-Haramain Pharmacy, Naba Alsaha branch for maintenance and building operation.

3.9 Company Branches

The following diagram shows the organizational structure of the Company and its branches:



As shown in the figure above, the Company has four (4) branches detailed as follows:

- AlZahra General Hospital is a Branch of the Company registered under commercial registration number (2053016544), dated 28/10/1426H (corresponding to 30/11/2005G), to exercise the public hospitals activities.
- Manarat Al-Haramain Pharmacy is a Branch of the Company registered under commercial registration number (2053017825), dated 9/5/1428H (corresponding to 26/05 2007G), to exercise pharmacies activities.
- Naba Alsaha Medical Services Company is a branch of the Company registered under registration no. (2053034205), dated 19/5/1438G, corresponding to 16/2/2017G) to exercise maintenance work and operation of buildings.
- Naba Alsaha Architectural Contracting Company – is a Branch of the Company registered under commercial registration no. (2051239670), dated 21/6/1443H (corresponding to 24/01/2022G).

The following table shows the details of the commercial registrations of the Company branches:

Name	Legal entity	Commercial Registration No.	Place of Issue	Activity	Date of Issue	Date of Expiry
Naba Alsaha Medical Services Company	Closed joint stock company	2051065568	Alkhobar	Medical operation of hospitals	06/05/1439H	29/06/1444H
AlZahra General Hospital	branch	2053016544	Al- Qatif	Hospitals	28/10/1426H	27/10/1444H
Naba Alsaha Medical Services Company	branch	2053034205	Al-Qatif	General construction of non-residential buildings such as schools, hospitals, and hotels; building maintenance services activities, general constructions of residential buildings	19/05/1438H	18/05/1444H
Manarat Al-Haramain Pharmacy	branch	2053017825	Al - Qatif	Pharmacy activities	09/05/1428H	28/03/1445H
Naba Alsaha Architectural Contracting Company	branch	2051239670	Alkhobar	General construction of non-residential buildings such as schools, hospitals, and hotels	21/06/1443H	21/06/1444H

Source: Naba Alsaha Medical Services Company

3.9.1 AlZahra General Hospital

AlZahra General Hospital is located in Al-Qatif Governorate in the Eastern Province of the Kingdom of Saudi Arabia. The hospital provides medical services outpatient and inpatient facility, surgery, emergency, and intensive care. The hospital has a laboratory and an integrated radiology centre and is comprised of four buildings, i.e., the main building, pharmacy building, utilities building and maintenance building. The following table shows the built up of each building.

	Built-up Area (square meter)
Main Hospital Building	15,420
Utilities Building	1,200
Pharmacy Building	400
Maintenance Building	400
Total	17,420

Source: Naba Alsaha Medical Services Company

3.9.2 Strengths and Competitive Advantages of the Hospital

- A private newly built and highly equipped hospital
- Accredited by CBAHI (Saudi Central Board for Accreditation of Healthcare Institutions)
- Provides all main medical specialties and most of the subspecialties.
- The hospital supports continuous education approved by the Saudi Authority and the cardiopulmonary resuscitation training centers.
- Distinct qualified staff of consultants and specialists.
- The hospital buildings are new, and all diagnostic and ancillary departments are equipped with state-of-the-art equipment that help in providing sophisticated medical services. The hospital invests annually in providing modern equipment to keep pace of the latest medical developments.
- The hospital has a distinct location and is easily reached since its located at a main street adjacent to all main streets that leads easily to all areas and villages of the governorate.

The main building is composed of seven (7) floors and a basement. In terms of beds, the hospital capacity is one hundred and twenty-five (125) beds equipped with advanced medical equipment.

3.9.2.1 Hospital Departments

Anesthesia	Internal Medicine – Endocrinology
<ul style="list-style-type: none"> • general Anesthesia • spinal Anesthesia • epidural anesthesia • moderate anaesthesia • conscious sedation 	<ul style="list-style-type: none"> • diagnosis of diabetes and dealing with its complications • diagnosis and treatment of the thyroid gland and parathyroids • diagnosis and treatment of hyperprolactinemia • vitamin D Deficiency disease • hyperglycemia and hypoglycemia
Internal Medicine – Nephrology	Internal Medicine - Neurology
<ul style="list-style-type: none"> • acute nephropathy • chronic nephropathy • renal infections and immune infections • treatment of kidney stones • hyponatremia and hypernatremia • hypokalemia and hyperkalemia • hypomagnesemia and hypermagnesemia 	<ul style="list-style-type: none"> • peripheral neuropathy • headache and migraine • vertigo • neural complications general diseases • brain traumas
Internal Medicine – Pulmonology	Internal Medicine – Infectious Diseases
<ul style="list-style-type: none"> • diagnosis and treatment of acute bronchitis • diagnosis and treatment of angina pectoris (allergy) • diagnosis and treatment of pulmonary infections 	<ul style="list-style-type: none"> • diagnosis and treatment of infectious diseases.
Internal Medicine – Rheumatology	Internal Medicine - Hematology
<ul style="list-style-type: none"> • arthritis • diagnosis and treatment of lupus erythematosus • diagnosis, treatment and follow-up of osteoporosis 	<ul style="list-style-type: none"> • diagnosis and treatment of anemia (sickle cell anaemia and hemolytic anaemia) • diagnosis and treatment of thrombocytopenia • diagnosis and treatment of blood hyperviscosity

ENT	Gastrointestinal Diseases and Endoscopy
<ul style="list-style-type: none"> • endoscopic diagnosis of sinus diseases • endoscopic diagnosis of throat diseases and voice change • diagnosis of hearing and balance diseases • diagnosis of head and neck tumors • treatment of tinnitus • swallowing disorders • palate joint disorders • otitis media • treatment of acoustic neuroma sleep apnea • assessment and treatment of hearing problems • treatment of snoring • treatment of nosebleed by local cauterization or GA • tonsillectomy, and removal of polyps behind the ear • sinus surgery and endoscopic removal of nasal polyps • nasal septoplasty • endoscopic reduction of nasal turbinate • implanting ventilation passageways for water infiltration behind the eardrum • tympanoplasty and removal of caries from the ear and the caruncle bone • diagnostic and therapeutic • laryngoscopy and removal of vocal cord polyps • removal of foreign bodies from the nose, ear and throat • laryngeal cleft surgery 	<ul style="list-style-type: none"> • diagnosis and treatment of celiac disease • diagnosis and treatment of colon polyps • treatment of gastrointestinal bleeding • treatment of irritable bowel syndrome • treatment of Reye syndrome • treatment of ulcerative colitis • treatment of jaundice • treatment of liver diseases • treatment of gastroesophageal regurgitation • treatment of intestinal bleeding • treatment of hepatitis C • treatment of pancreatitis • treatment of ulcerative colitis • treatment of dyspepsia • treatment of Wilson disease • treatment of anemia • treatment of high iron in blood • treatment of sickle cell anemia • treatment of gastrointestinal diseases • treatment of gastric disorders • treatment of swallowing disorders • treatment of gastric ulcer • treatment of rectal and anal diseases • treatment of constipation • treatment of viral gastroenteritis • treatment of diarrhea • treatment of dyspepsia • treatment of gastroesophageal regurgitation • treatment of liver diseases • treatment of bile duct problems and diseases • treatment of liver cirrhosis • treatment of Crohn disease • treatment of esophagus diseases and disorders • treatment of gastrointestinal disorders • colon and rectum cancer scan • upper esophagogastroduodenoscopy • colon and rectum endoscopy • abdominocentesis • liver biopsy • colon polypectomy

Surgery	Neurosurgery
<ul style="list-style-type: none"> • general surgery • laparoscopic cholecystectomy • breast tumor surgery • stomach surgery • colon cancer surgery • colon and intestines surgery • intestinal surgery - colostomy • splenectomy • salivary glands removal and surgery • laparoscopic appendectomy • fistula surgery • hemorrhoid and anal fissure surgery • hernial surgery • thyroid gland surgery • umbilical hernia surgery 	<ul style="list-style-type: none"> • pediatric neurosurgery • marrow and spinal surgery • hydrocephalous surgery • cerebral hemorrhage surgery • treatment of brain tumors • vascular neurosurgery and blood vessels surgery • skull base surgery • epilepsy surgery • peripheral nerves surgery • endoscopic sympathectomy
Urology	Cardiology
<ul style="list-style-type: none"> • treatment of interstitial cystitis • treatment of involuntary urination • treatment of renal stones • treatment of bladder diseases and problems • treatment of testicular disorders • treatment of prostatic hyperplasia • cystoscopy • ureteroscopy • laser surgery • urinary and genital system surgery • urethral stenosis surgery • testicular varices and hydrocele surgery • repair of congenital defects in children • ureter and urethra stones 	<ul style="list-style-type: none"> • treatment of mitral valve prolapse • ECG under stress test • treatment of angina pectoris • treatment of hypertension • treatment of hypotension • treatment of arrhythmia • treatment of arteriosclerosis • treatment of atrial fibrillation • treatment of cardiac muscle congestion • cardiac ultrasound • treatment of heart attacks • treatment of cardiac valves diseases
Dermatology	Emergency
<ul style="list-style-type: none"> • treatment of psoriasis • treatment of scleroderma • treatment of skin pigmentation disorders • treatment of leishmaniasis • laser treatment of vitiligo • treatment of pityriasis rosea • treatment of acne • treatment of nail diseases • treatment of scabies • treatment of herpes • treatment of eczema • treatment of conjunctivitis • treatment of hair fall • treatment of viral diseases (smallpox herpes) • body fluid loss diseases • treatment of skin bacterial infections • removal of warts • skin peeling 	<ul style="list-style-type: none"> • treatment of angina pectoris • treatment of seizures • treatment of hypertension • treatment of arrhythmia • treatment of eye injuries • treatment of heart attacks • treatment of asphyxia • treatment of diarrhea • treatment of brain injuries and traumatic • fractures • treatment of fractures and sprains • care of wounds and surgical incisions • high temperature and heat strokes diseases • body fluid loss diseases • bacterial infection diseases (e-coli)

Gynecology	Obstetrics
<ul style="list-style-type: none"> • diagnosis of infertility reasons • treatment of cystic ovaries • treatment of uterine fibroids • treatment of uterine diseases • treatment of infertility in women • treatment of uterine cervix disorders • treatment of endometriosis • contraception by ligation of fallopian tube • birth control – contraception • subcutaneous contraceptive implant insertion • hysterectomy • hysteroscopy • mammography • vaginoscopy • pap smears • tightening of perineum and loose vagina • laparoscopic surgery (removal of ectopic pregnancy, excision of ovarian cysts and laparoscopic hysterectomy) • transvaginal hysterectomy without laparotomy 	<ul style="list-style-type: none"> • treatment of ectopic pregnancy • treatment of pregnancy diabetes • treatment of the pregnant hypertension • normal delivery surgery • frequent c-section delivery surgery • premature delivery surgery • vaginal ligation surgery • curettage
Laboratory – Immunity and Hormones	Laboratory - Hematology
<ul style="list-style-type: none"> • Viruses including (for example, hepatitis B and C virus, HIV, rubella virus, adenovirus, parasites such as toxoplasmosis). • viruses which include but not limited to (hepatitis B and C virus – HIV, German fever) • immune diseases including: <ul style="list-style-type: none"> - lupus erythematosus analyses - rheumatoid analyses - analyses of blood vessels immune diseases - analyses of the rest of immune diseases • hormones including: <ul style="list-style-type: none"> - analyses of pituitary gland, thyroid gland and adrenal gland - Clearblue digital pregnancy test - analysis of infertility hormones and ovarian fertility • other services include: <ul style="list-style-type: none"> - analysis of vitamin D and vitamin B12 - analysis of iron level and syphilis laparoscopic surgery (removal of ectopic pregnancy, excision of ovarian cysts and laparoscopic hysterectomy transvaginal hysterectomy without laparotomy) 	<ul style="list-style-type: none"> • Complete blood count and differential • Analysis of coagulant factors • Analyzes of red blood cells, including (hemoglobin electrophoresis, sickle cell anemia and red blood cell enzymes). • malaria and filaria test • cancerous blood cells and body fluid test
Laboratory – Blood Bank	Laboratory – Clinical Chemistry
<ul style="list-style-type: none"> • blood group test • blood transfusion cross-matching test • blood group antibody screening • direct and indirect Coombs test • red blood cells, plasma, and platelets • transfusion services 	<ul style="list-style-type: none"> • renal and liver functions • cardiac enzymes and proteins • functions of the pancreas • sugar and A1C analysis • blood gases • chemical analysis of body fluids • blood salts and rare minerals • iron level

Laboratory - Microbiology <ul style="list-style-type: none"> wounds, pus, urine, and stool culture blood and body fluids culture spinal fluid culture antibiotic resistance tests 	Laboratory - Parasites <ul style="list-style-type: none"> complete urine and stool analysis stool occult blood analysis analysis of stomach germ in stool or breathe analysis of stool viruses
Dentistry <ul style="list-style-type: none"> Adult and pediatric dentistry treatment of gum and peripheral tissue dental nerve treatment conservative dental treatment fixed and removable prosthodontics mouth diseases prosthetic dentistry dental and oral hygiene advanced dentistry preventive dentistry 	Orthopedics <ul style="list-style-type: none"> treatment of inflammation of tendons and ligaments treatment of disc prolapse treatment of fractures and bruises treatment of ankle injuries and disorders treatment of osteitis and arthritis endoscopy of sports injuries and knee and shoulder ligaments injuries hip replacement joint dislocation and fractures surgery knee joint replacement osteoporosis and rickets carpal tunnel release plantar fasciitis surgery cubital tunnel syndrome
Ophthalmology <ul style="list-style-type: none"> comprehensive tests for the eyes, adults and children cataract surgery (phaco- ultrasound) eye laser research unit to detect diabetic retinopathy treatment of strabismus in children and adults inflammations and disorders of the eyelid color blindness cataract surgery eye injuries cataract surgery Epstein-Barr virus 	Laboratory – Physical Therapy <ul style="list-style-type: none"> treatment of spine problems - treatment of musculoskeletal problems pediatric physiotherapy physiotherapy for woman health physiotherapy for sports injury Physiotherapy for the elderly people physiotherapy for pain post surgery rehabilitation (cruciate ligament, knee joint replacement reconstruction of shoulder joint) post accident rehabilitation programs rehabilitation programs for the nervous system diseases such as: clots – multiple sclerosis post fracture program

Pediatrics	Children and Adult Patients Lengthy Stay Service
<ul style="list-style-type: none"> • treatment of meningitis in children • treatment of arthritis – rheumatoid • treatment of seizure disorders • treatment of pneumonia • treatment of respiratory system viruses treatment of colds – influenza • treatment of asthma • treatment of bronchitis • treatment of measles • treatment of diabetes, type one in children • treatment of dust allergy • treatment of tuberculosis • treatment of jaundice in neonates • treatment of hyperglycosemia • treatment of scabies • treatment of lice • treatment of parotitis • follow up of cerebral paralysis • glands disorders • precocious puberty • infectious diseases • giving vaccinations • Asperger syndrome • Turner syndrome • Usher syndrome • Down syndrome • Epstein – Barr virus 	<ul style="list-style-type: none"> • renal dialysis for acute renal failure cases • treatment of all shocks (septic shock, cardiogenic shock, hypovolemic shock) • treatment of cerebrovascular accidents • respiratory failure • cardiac failure • multiple injuries • cardiopulmonary resuscitation • myocardial infarction • unstable angina pectoris • treatment of sudden hypertension • meningitis • pneumonia • infections • bleeding • cerebral hemorrhage • sick cell anemia • ketoacidosis • obstetric hemorrhage • pregnancy poisoning • post-surgical care • total parenteral nutrition • pulmonary obstruction (pulmonary artery clot) • chronic exacerbated pulmonary obstruction • Neonates and premature babies intensive care unit
Radiology and Medical Imaging - MRI	Radiology and Medical Imaging (CT Scan)
<ul style="list-style-type: none"> • MRI, brain, nervous system and spine • MRI, vertebrae and cartilages • MRI, body arteries and veins • MRI, joints and muscles • MRI, liver and biliary ducts • MRI, abdomen and gastrointestinal system • MRI, pelvis MRI, inner ear • MRI, eyeball • MRI, intracerebral pituitary gland 	<ul style="list-style-type: none"> • CT, coronary arteries of the heart • CT, body arteries • CT, cerebrum, • CT, abdomen and pelvis • CT, joints • CT, sinuses, and facial bones • CT, three phase, for the liver • CT, ear bones • CT, colon, virtual endoscope • CT, eyeball • CT, neck, chest and lungs • CT, vertebrae
Radiology and Medical Imaging – Ultrasound and Color Doppler	Radiology and Medical Imaging – Digital X-Ray
<ul style="list-style-type: none"> • ultrasound, abdomen and pelvis • ultrasound and color doppler, pregnancy follow-up • 3D and 4D, fetal ultrasound • ultrasound and color doppler, body arteries and veins • ultrasound, joints and muscles • ultrasound, breast and thyroid gland • ultrasound, soft tissues • ultrasound and color doppler, testicles • inner ultrasound, ovulation follow-up 	<ul style="list-style-type: none"> • digital x-ray, all body parts • dental panorama x-ray • x-ray (with contrast), fallopian tubes and uterine cavity in delayed pregnancy cases

3.9.3 Clinics per Medical Specialty

AlZahra General Hospital provides its services through forty (40) clinics, per medical specialty as shown in the following table:

Table (1): No. of clinics in AlZahra General Hospital, per medical specialties

Specialty	Number of Clinics
Emergency Clinics	3
Internal Medicine	3
Endocrinology	1
Gastroenterology	1
Surgery	2
Neurosurgery	1
Orthopedics	2
Urology	2
Otolaryngology	2
Ophthalmology	2
Cardiology	1
Pediatrics	2
Gynecology and Obstetrics	5
Anesthesia	1
Dermatology and Beautification	1
Dentistry	3
Physiotherapy	1
Radiology	1
Respiratory Therapy	1
Breastfeeding	1
Health Education	1
Nutrition	1
Family Health	1
Aramco Patients Clinic	1
Total	40

Source: Company

3.9.4 Manarat Al-Haramain Pharmacy

Manarat Al-Haramain Pharmacy was established by shareholder Mohammedhassan Abdullah Al-Jashi as a sole proprietorship establishment under commercial registration no. (2053016544), dated 09/05/1428H (corresponding to 26/05/2007G) in support of AlZahra General Hospital business. The Company acquired the pharmacy in 2017G.

The pharmacy provides the services to AlZahra General Hospital OPD patients and to the patients who have medical prescriptions from other hospitals. The pharmacy carries out the following:

- Providing and dispensing medications and offering pharmaceutical advice on the use of medications.
- Providing cosmetics and babies requirements.
- Providing some simple requirements and medical equipment and training patients on its optimal use (such as insulin pumps, mobility equipment and household medical instruments).

The Company exercises the pharmacy activity under the Ministry of Health final license no. (3810103006110051), dated 22/04/1428H, which will expire on 03/12/1448H. The Pharmacy Manager, Abdullah Hakeem Al-Qaroos, has a professional practice license from the Ministry of Health under no. (38001759460,) issued on 28/12/1441H which will expire on 03/01/1444H.

3.9.5 Naba Alsaha Company Branch

The branch was established to provide maintenance and housekeeping services to AlZahra General Hospital as well as maintenance services to the hospital housing. The maintenance includes electrical systems services, air-conditioning, gas systems, water and sewage and electromechanical systems. Based on the experiences gained in this field, the Company is considering provision of external maintenance services.

3.9.6 Naba Alsaha Architectural Contracting Company (Branch)

This branch of the company was registered under the commercial registration no. (2051239670), dated 21/06/1443H (corresponding to 24/01/2022G). The branch was established to carry out the construction works of the Company's future projects and maintain the required level of quality.

3.10 Company Revenues

The following table shows the details of the Company's revenues for the years 2020G and 2021G, according to the nature of customers.

Table (2): Details of the company's revenue according to the nature of customers

Item	Fiscal Year Ending on 31 December	
	2020G	2021G
Revenues of insurance companies	54,364,211	65,216,822
Revenues of governmental and semi-governmental sectors	49,064,921	47,956,111
Cash income	21,310,996	12,185,399
Other Income ⁽¹⁾	317,789	751,873
Total	125,057,918	126,110,205
Minus: Expected losses in the value of claims submitted ⁽²⁾	(9,375,014)	(8,428,537)
Revenues	115,682,904	117,681,668

Source: The Company

(1) Other income represents the value of medical services not covered by insurance for certain employees of the Company and some other individuals.

(2) This item represents the provision for doubtful accounts in varying proportions for each company dealt with.

The following table shows the details of the Company's revenues for the years 2020G and 2021G AD according to each branch.

Table (3): Details of the Company's revenue of each branch

Branch*	Revenues	
	2020G	2021G
AlZahra General Hospital	100,099,174	108,556,888
Manarat Alharamain Pharmacy	15,583,730	9,124,780
Revenues	115,682,904	117,681,668

No revenue was generated from the Company's maintenance branch and the architectural contracting branch

3.11 Company Clients

The following table shows the most important five clients of the Company, and their contribution to the Company's revenues for the years 2020G and 2021G.

Client	Fiscal Year Ending on 31 December 2020		Fiscal Year Ending on 31 December 2021	
	Value in (SAR)	Percentage of Revenue	Value in (SAR)	Percentage of Revenue
Governmental Agency	37,546,625	32%	22,255,670	19%
Insurance company	29,203,090	25%	15,126,043	13%
Insurance company	9,463,407	8%	11,173,995	9%
Joint stock company	6,376,729	6%	4,178,640	4%
Insurance company	3,469,772	3%	4,115,945	3%
Total	86,059,623	74%	56,850,294	48%

Source: The Company

3.12 Major Suppliers

The following table shows the most important (5) five suppliers of the company in relation to the supply of medicines, medical consumables, tools, solutions and laboratory supplies.

Table (4): The Companies most important Suppliers

Supplier's Name	Materials	Value of the transactions and their percentage of the total cost of revenue			
		As 31 December 2020G	Percentage	As 31 December 2021G	Percentage
Supplier 1	Medicines	6,570,476	9,42%	3,262,318	4,60%
Supplier 2	Medicines	8,512,843	12,20%	1,800,269	2,54%
Supplier 3	Medicines	1,822,025	2,61%	1,276,235	1,80%
Supplier 4	Medicines	1,515,185	2,17%	900,000	1,27%
Supplier 5	Medicines	1,049,733	1,5%	673,826	0,95%
Total		19,470,262	27,9%	7,912,648	11,16%

Source: The Company

3.13 Properties Owned by the Company

Table (5): Lands owned by the Company

S	Property	Location	Area	Deed Number
1	Land	Qatif - King Faisal Street	256 square meters	330605003816
2	Land	Qatif - King Faisal Street	261 square meters	830611004263
3	Land	Qatif - King Faisal Street	263 square meters	930609003318
4	Land	Qatif - King Faisal Street	6,886 square meters	251/3 ⁽¹⁾
5	Land	Riyadh - Al Munsiyah District - Al Sahaba Road	9,025 square meters	893491000281
6	Land	Riyadh - Al Munsiyah District - Mohammed Al Barqi Street	960 square meters	617811003237

Source: The Company

(1) The land is mortgaged to the Ministry of Finance and work is underway to release the mortgage, after paying the full amount of the loan.

3.14 Leased Properties

S	Property	Purpose	Location	Contract starting date	Contract end date	Annual rent (SAR)
1	13 residential apartments	Employees accommodation	Qatif, Imam Ali Street	01/01/2022G	31/12/2026G	187,200
2	11 residential apartments	Employees accommodation	Qatif, Al Jazeera Street	01/01/2022G	31/12/2026G	171,600
3	6 residential apartments	Employees accommodation	Qatif, Imam Ali Street	01/01/2022G	31/12/2026G	66,240
4	4 residential apartments	Employees accommodation	Qatif, Al Quds Street	01/01/2022G	31/12/2026G	60,000
5	4 residential apartments	Employees accommodation	Qatif, Riyadh Street	01/01/2022G	31/12/2026G	72,000
6	3 residential apartments	Employees accommodation	Qatif, Riyadh Street	01/01/2022G	31/12/2026G	72,000
7	17 residential apartments	Employees accommodation	Qatif, King Faisal Street	01/01/2022G	31/12/2022G	306,000
8	Office	An office representing the company's headquarters	Al Khobar, Al Khozama District	08/08/2021G	07/08/2022G	27,840
9	Parking lot for AlZahra General Hospital	Parking lot for AlZahra General Hospital	Qatif, King Faisal Street	01/01/2022G	31/12/2027G	750,000
10	one residential apartments	Employees accommodation	Qatif, Al Quds Street	01/02/2022G	31/01/2023G	17,250
11	one residential apartments	Employees accommodation	Qatif, Al Quds Street	01/02/2022G	31/01/2023G	17,250
12	one residential apartments	Employees accommodation	Qatif, Al Quds Street	15/01/2022G	14/01/2023G	19,250
13	one residential apartments	Employees accommodation	Qatif, Al Quds Street	01/06/2022G	31/05/2023G	19,300
14	one residential apartments	Employees accommodation	Qatif, Al Jazeera Street	01/05/2022G	30/04/2023G	19,200
15	one residential apartments	Employees accommodation	Qatif - Al-Quds Street	01/03/2022G	28/02/2023G	21,200
16	2 residential apartments	Employees accommodation	Qatif, Al-Ikhlas Street	01/02/2022G	31/01/2023G	39,000
17	6 residential apartments	Employees accommodation	Qatif, Al Jazeera Street	22/03/2022G	21/03/2023G	132,000
18	one residential apartments	Employees accommodation	Qatif - First Street	01/08/2021G	31/07/2022G	18,500

3.15 Licenses and Government Certificates

The Company and its branches have obtained the licenses shown in the following tables:

3.15.1 Company's Head Office

Table (6): Governmental licenses and certificates for the Company's Head Office

Type of License	License Number	Issuance Date	Expiry Date	Issuing Agency
Commercial Registration	2051065568	6/5/1439H	29/6/1444H	Ministry of Commerce - Commercial Registry Office in Al-Khobar City
Chamber of Commerce and Industry Membership Certificate	4017	17/7/1442H	29/6/1444H	Chamber of Commerce and Industry in the Eastern Province
Certificate of Zakat and Income	1110217493	26/09/1443H	10/10/1444H	General Authority for Zakat and Tax
VAT registration certificate	300508804500003	2/12/1438H	-	General Authority for Zakat and Tax
Commercial activity license - municipality	42125969123	-	08/01/1444H	Eastern Province Municipality / Al-Khobar Governorate Municipality
Safety certificate	42-000753036-1	08/01/1443H	08/01/1444H	Ministry of Interior, General Directorate of Civil Defense

Source: Above Licenses and Certifications

3.15.2 AlZahra General Hospital

Table (7): Governmental licenses and certificates for AlZahra General Hospital

Type of License	License Number	Issuance Date	Expiry Date	Issuing Agency
Commercial Registration	2053016544	28/10/1426H	27/10/1444H	Ministry of Commerce - Commercial Registry Office in Qatif City
Chamber of Commerce and Industry Membership Certificate	76861	03/12/1442H	27/10/1444H	Chamber of Commerce and Industry in the Eastern Province
License to open a health institution	3810101001200083	22/06/1420H	12/09/1445H	General Directorate of Health Affairs in the Eastern Province
Accreditation Certificate (CBAHI)	EST/PVT/HOS/0314	19/10/2021G	18/10/2024G	Saudi Health Council - Saudi Center for Accreditation of Health Institutions
Civil Defense License	43-000312746-3	09/09/1443H	09/09/1444H	General Directorate of Civil Defense

Source: Above Licenses and Certifications

3.15.3 Manarat Alharamain Pharmacy

Table (8): Special government licenses and certificates for Manarat Al-Haramain Pharmacy

Type of License	License Number	Issuance Date	Expiry Date	Issuing Agency
Commercial Registration	2053017825	9/5/1428H	28/3/1445H	Ministry of Commerce - Commercial Registry Office in Qatif City
Chamber of Commerce and Industry Membership Certificate	45377	17/07/1442H	28/03/1445H	Chamber of Commerce and Industry in the Eastern Province
Ministry of Health license	3810103006110051	22/4/1428H	03/12/1448H	Ministry of Health - General Directorate of Health Affairs in the Eastern Province
Commercial activity license - municipality	4.008E+10	-	21/8/1444H	The Municipality of the Eastern Province / Al-Qatif Municipality
safety certificate	43-000147061-4	10/04/1443H	10/04/1444H	General Directorate of Civil Defense

Source: Above Licenses and Certifications

3.15.4 Branch of Naba Alsaha Medical Services Company

Table (9): Governmental licenses and certificates for the branch of Naba Alsaha Medical Services Company

Type of License	License Number	Issuance Date	Expiry Date	Issuing Agency
Commercial Registration	2053034205	19/5/1438H	18/5/1444H	Ministry of Commerce - Commercial Registry Office in Qatif City
Membership certificate in the Chamber of Commerce and Industry	231376	17/07/1442H	18/5/1443H	Chamber of Commerce and Industry in the Eastern Province
Commercial activity license - municipality	41113608291	-	22/12/1443H	Municipality of the Eastern Province / Al-Qatif Municipality
Civil Defense License	38-000046352-1	12/03/1443H	12/03/1444H	General Directorate of Civil Defense

Source: Above Licenses and Certifications

3.15.5 Naba Alsaha Architectural Contracting Company

Table (10): Governmental licenses and certificates for Naba Alsaha Architectural Contracting Company

Type of License	License Number	Issuance Date	Expiry Date	Issuing Agency
Commercial Registration	2051239670	21/6/1443H	21/6/1444H	Ministry of Commerce - Commercial Registry Office in Al-Khobar City
Contractors Membership Certificate	214521457	12/05/2022G	26/10/2022G	Saudi Contractors Authority
Chamber of Commerce and Industry Membership Certificate	341391	21/06/1443H	21/06/1444H	Chamber of Commerce and Industry in the Eastern Province
Commercial activity license - municipality	43069261052	-	05/07/1444H	Eastern Province Municipality / Al-Khobar Governorate Municipality
safety certificate	43-000863468-1	05/07/1443H	05/07/1444H	Ministry of Interior, General Directorate of Civil Defense

Source: Above Licenses and Certifications

3.16 Associate Companies

On 22/06/1443H (corresponding to 25/01/2022G), Naba Alsaha Medical Services Company invested an amount of (283,334) Bahraini Dinars (equivalent to 2,819,173 Saudi riyals) in Eyadat Holding Company, a closed Bahraini joint stock company registered in the Kingdom of Bahrain with Commercial Registration No. (130434), dated April 25/04/2019G, with an issued capital of (250,000) two hundred and fifty thousand Bahraini dinars. Naba Alsaha Medical Services Company owns 20% of Eyadat Holding Company through its investment.

Eyadat Holding Company is the owner of Avexia Hospital and Clinics for Day Surgery. The hospital is located in the Kingdom of Bahrain - the capital, Manama, and specializes in providing many services, including the following:

Surgery	Outpatient Clinics
<ul style="list-style-type: none"> General Surgery. Orthopedic Surgery. Plastic surgery. Eye surgery. Diseases of the digestive system. Urology 	<ul style="list-style-type: none"> Internal Medicine. Dermatology clinics. Dentist. General Surgery. Gynecology.

It is expected that the clinics will start operating at the beginning of 2023G

3.17 Research and Development Policy


The Company does not have a specific policy for the research and development process.

3.18 Disruption of Activity

The Company confirms that there has been no interruption in its business that could affect or have had a noticeable impact on its financial condition during the last twelve months.

3.19 Trademarks and Intellectual Property

The Company has obtained a valid trademark deposit certificate from the Saudi Authority for Intellectual Property stating that the trademark detailed below has been accepted, and that it is still under procedures.

Trademark	Owner	No. of Registration Request	Category	Country of Registration
 نبع الصحة NABA ALSAHA	Naba Alsaha Medical Services Company	111121	44	Kingdom of Saudi Arabia

Source: Trademark Deposit Certificate

It is worth noting that the Company's trademark has been officially registered in the Kingdom of Saudi Arabia. The Company does not own any trademarks other than that mentioned above. The Company has not entered into any license agreement to use its trademark above for any other party, whether inside or outside the Kingdom, in addition to that it does not have any license to use the trademarks of foreign companies on the Company's publications or marketing brochures inside the Kingdom.

3.20 Employees and Saudization

3.20.1 Employees

The number of the Company's employees as of December 31, 2021G was (501), including (171) Saudi employees and (330) non-Saudi employees. The table below shows the number of the Company's employees, distributed according to specializations:

Table (11): Employees per speciality

Specialty	2020G			30/12/2021		
	Saudis	Non-Saudis	Total	Saudis	Non-Saudis	Total
Doctors	5	58	63	3	62	65
Nursing	20	119	139	13	137	150
Rays	2	8	10	6	4	10
laboratory technician	4	4	8	7	5	12
Physical therapy technician	2	3	5	5	3	8
Anesthesia technician	-	1	1	-	2	2
Respiratory Therapy	4	1	5	4	1	5
Pharmacy	3	4	7	6	11	17
Health aid	15	-	15	13	-	13
Kitchen	11	6	17	15	2	17
Accounting	11	6	17	8	7	15
Secretariat	6	1	7	3	2	5
Medical reports	3	0	3	2	-	2
Companies billing	8	7	15	13	9	22
HR	7	-	7	9	-	9
Information technology	2	3	5	2	3	5
Reception	16	-	16	21	-	21
Patient Relations	2	-	2	2	-	2
Records	9	2	11	4	-	4
Exchange	4	-	4	3	-	3
Drivers	1	10	11	2	8	10
Cleanliness	-	37	37	-	34	34
Security supervisors	9	2	11	10	-	10
Maintenance and engineers	3	11	14	2	28	30
Social workers	2	-	2	2	-	2
Other				16	12	28
Total	149	283	432	171	330	501

Source: The Company

3.20.2 Saudization

The Saudization program "Nitaqat" was approved pursuant to the decision of His Excellency the Minister of Labor No. (4040) dated 12/10/1432H (corresponding to 10/09/2011G), based on Cabinet's Resolution No. (50) issued on 21/05/1415H (corresponding to 27/10/1994G). The application of the program began on 12/10/1432H (corresponding to 10/09/2011G). The Ministry of Human Resources and Social Development has developed the Nitaqat program to encourage institutions to hire Saudi nationals and evaluate the performance of any company based on specific domains, namely the platinum domain, the green domain (divided into sub-categories, i.e.: low, medium, and high), yellow and red domains. Companies that are within the platinum or green domains are considered to have fulfilled the requirements of Saudization, and therefore are entitled to a number of benefits, such as enabling non-Saudi workers to obtain and renew work visas or change their professions (except for professions designated exclusively for Saudi citizens). Companies placed below the yellow range or in the red range (depending on the extent to which they do not comply with the specified requirements), they are considered to have violated the Saudization requirements, and may be subject to some penal measures, for example limiting their ability to renew work visas for foreign employees or obtain new work visas.

It is worth noting that there are no workers, whether Saudis or non-Saudis, who are not registered under the Company's name. The Company's domains were classified according to its subsidiaries as follows:

- The Company's branch (AlZahra General Hospital) is committed to achieving the required Saudization percentage and is in the platinum range. The Saudization rate (according to the Nitaqat program) as on 10/05/2022G was 35.35%.
- The Company's branch (Manarat Alharamain Pharmacy) is committed to achieving the required Saudization percentage and is in the platinum range, where the percentage of Saudization (according to Nitaqat program) as on 10/05/2022G was 35.71%.
- The Company's branch (Naba Alsaha Medical Services Company) is committed to achieving the required Saudization percentage and is located in the low green zone, where the percentage of Saudization (according to the Nitaqat program) for the branch as on 10/05/2022 was 28.07%.

The Company's Board of Directors declares that there is no intention to make any fundamental change to the nature of the Company's activity, and also declares that, unlike what was mentioned in the Associate Companies section, the Company does not have any commercial activity or any assets outside the Kingdom until the date of this Prospectus. The Company's Board of Directors also declares that there has been no interruption in the Company's business that could affect or have had a noticeable impact on its financial condition during the last twelve (12) months.

4. Ownership Structure and Organization Structure

4.1 Ownership Structure before and after Offering

The company's current capital is (SAR 70,000,000) seventy million Saudi riyals, divided into (7,000,000) seven million ordinary shares at a nominal value of (SAR 10) ten Saudi riyals per share, paid in full. The following table shows the Company's ownership structure before listing:

Table (12): The Company's ownership structure before and after the Offering

#	Shareholder	Before the Offering			After the Offering		
		Number of shares	Nominal value (SAR)	Ownership percentage	Number of shares	Nominal value (SAR)	Ownership percentage
1	Nayef Mohammedhassan Abdullah Al-Jishi	2,625,000	26,250,000	37,5%	2,100,000	21,000,000	30%
2	Nathir Mohammedhassan Abdullah Al-Jishi	1,750,000	17,500,000	25%	1,400,000	14,000,000	20%
3	Lesley Mohammedhassan Abdullah Al-Jishi	1,225,000	12,250,000	17,5%	980,000	9,800,000	14%
4	Alraja Advanced Investment Group Company	1,050,000	10,500,000	15%	840,000	8,400,000	12%
5	Mohammedhassan Abdullah Mansour Al-Jishi	350,000	3,500,000	5%	280,000	2,800,000	4%
6	Public (Qualified Investors)	-	-	-	1,400,000	14,000,000	20%
Total		7,000,000	70,000,000	100%	7,000,000	70,000,000	100%

Source: The Company

4.1.1 Overview of Al Raja Advanced Investment Group Company

It is a Saudi closed joint stock company with Commercial Registration No. (2051038637), dated 24/11/1429H (corresponding to 22/11/2008G). The company's activity, according to its articles of association, is to own, establish, develop and operate industrial projects and invest in them and own properties for the company.

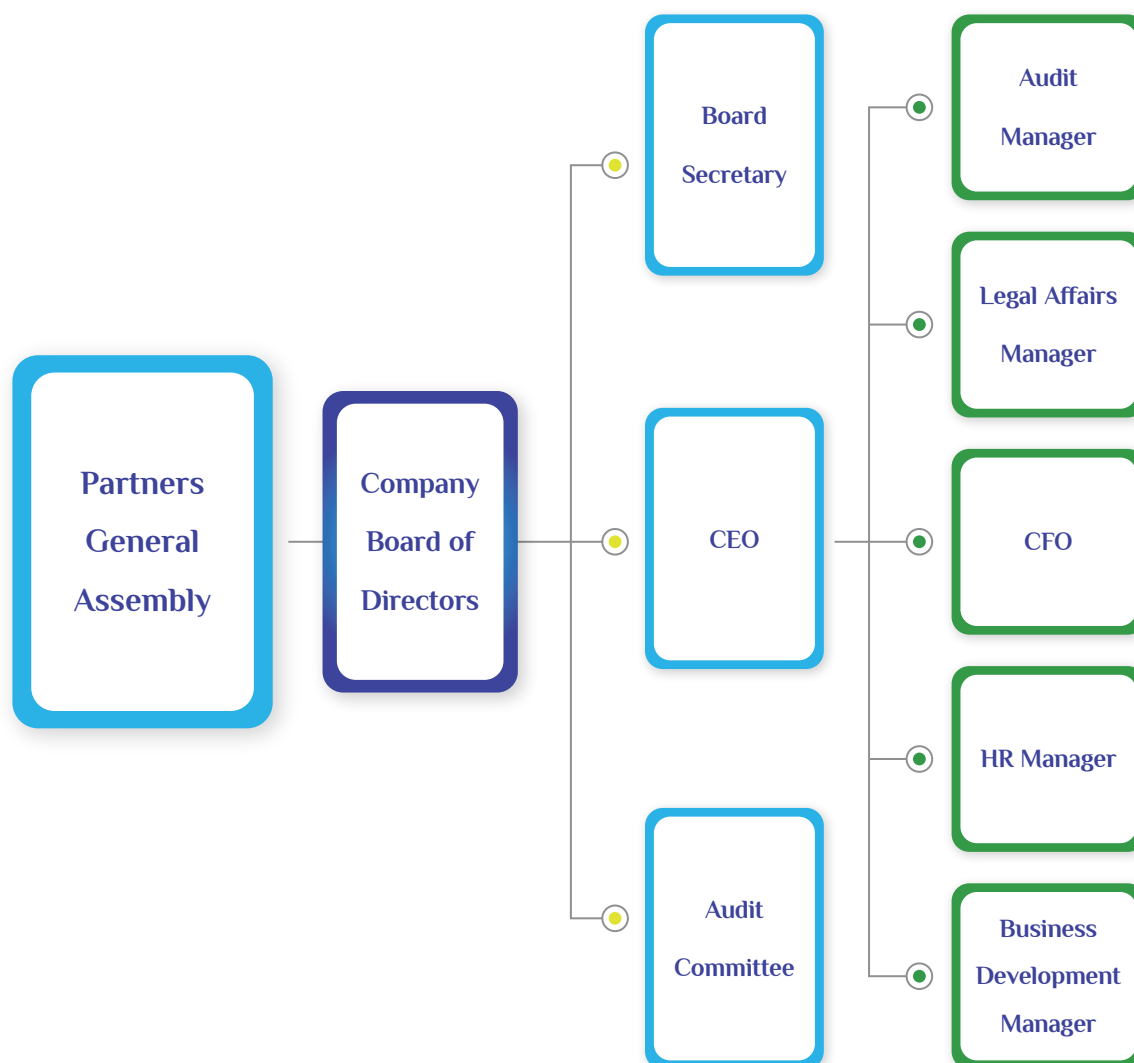
The company's capital is (2,000,000) two million Saudi riyals, divided into (200,000) two hundred thousand ordinary shares, as detailed in the following table:

Table (13): Ownership Structure of Al Raja Advanced Investment Group Company

#	Shareholder	No. of Shares	Nominal Value SAR	Ownership (%)
1	Salman Mohammedhassan Abdullah Al-Jishi	120,000	1,200,000	60%
2	Raja Abdullah Muslim Al-Harz	40,000	400,000	20%
3	Mohammed Salman Mohammedhassan Al-Jishi	20,000	200,000	10%
4	Nour Salman Mohammedhassan Al-Jishi	10,000	100,000	5%
5	Fatima Salman Mohammedhassan Al-Jishi	10,000	100,000	5%
Total		200,000	2,000,000	100%

Source: Company's Articles of Association

4.2 Orginization Structure of the Company



Source: The Company

4.3 Board Members and Secretary

The Company is managed by a board of directors composed of five (5) members elected by the General Assembly of Shareholders for a period of not more than (3) three years.

The board members were appointed by the Ordinary General Assembly held on 04/12/1442H (corresponding to 14/07/2021G) for three years term. The following tables shows board members and secretary

Table (14): Board Members and Secretary

Name	Position	Membership Status	Independence	Nationality	Age	Number of Shares		Ownership Percentage ⁽¹⁾		Membership Date ⁽²⁾
						Before the Offering	After the Offering	Before the Offering	After the Offering	
Abdulwahab Mohammed Saad Al-Ajrourh	Chairman	Non-executive	Independent	Saudi	55	-	-	-	-	14/07/2021G
Nathir Mohammed Hasan Abdullah Al-Jishi	Vice Chairman and CEO	Executive	Non-independent	Saudi	57	1,750,000	1,400,000	25%	20%	14/07/2021G
Nayef Mohammed Hasan Abdullah Al-Jishi	Board Member	Executive	Non-independent	Saudi	39	2,625,000	2,100,000	37,5%	30%	14/07/2021G
Ahmed Saud Abdulaziz Shahini	Board Member	Non-executive	Independent	Saudi	38	-	-	-	-	14/07/2021G
Ali Ahmed Abdullah Al-Helili	Board Member	Non-executive	Independent	Saudi	69	-	-	-	-	14/07/2021G
Heba Mohammed Hussein Almudhawwi	Secretary	-	-	Saudi	37	-	-	-	-	06/10/2021G

(1) The ownership percentage mentioned in the table are approximate.

(2) The dates mentioned in this table are the dates of appointment in the current Positions mentioned in the same table. The biographies of board members show the starting date of their appointment in the Company, either in the board or in any other Position prior to these posits (for more information, please refer to **"Biographies of Board Members and Secretary"** in this prospectus).

The following is a summary of the responsibilities of the Board Chairman, other board members and Secretary:

4.3.1 Chairman Responsibilities

- Ensuring that the board has the required support and is provided with all the necessary, clear, correct, and non-misleading information in a timely manner to help the board making its decisions effectively and properly.
- Ensuring that the board discusses key and important issues without delay and making the appropriate decisions related to such issues in a timely manner.
- Representing the Company before third parties as stipulated in the Companies Law and its executive regulations as well as the Company articles of association.
- Enabling and encouraging board members to assume their duties effectively and participate fully in the board work and activities and ensuring that the board works as a team to achieve the best interests of the Company.
- Ensuring the presence of channels for actual communication with shareholders and submitting their opinions to the board and discussing the same with them.
- Encouraging the constructive relationships and active participation of the board, executive management and executive, non-executive and independent members and creating a culture that encourages constructive criticism.

- Preparing the board meetings agenda at the beginning of the year. The agenda shall include the work and topics that will be discussed during this year (depending on his ability to anticipate and read the future in relations to these topics), taking into consideration any issue raised by a board member or the auditor and consulting with board members and the Chief Executive Officer upon preparing the board agenda.
- Calling for the board meetings, chairing such meetings or authorizing a board member to assume such responsibilities.
- Chairing the ordinary or extraordinary general assembly meetings of the Company's shareholders or delegating such authorities to a board member.
- Approving board decisions and its outcomes or delegating these authorities to another party.
- Holding regular meetings with the non-executive board members without the attendance of any executive in the Company.
- Notifying the ordinary general assembly upon convening, of the work and contracts in which a board member has a direct or indirect interest. Such notification shall include the information provided by the member to the board in accordance with paragraph (14) of article (30) of the Corporate Governance Regulations issued by the Capital Market Authority and shall be attached with a special report from the Company external auditor.
- Verifying that all relevant state laws and regulations are complied with, and that the work is implemented in accordance with the Company articles of association and other agreements in order to ensure that the board meetings and decisions are correct and effective.
- Balancing between encouraging discussions, asking questions in the meetings, and pushing towards reaching important and sound decisions within a reasonable and relatively short period of time.
- Supervising the formation of all board committees.
- Working continuously on developing the board, enhancing members' skills, raise the level of their awareness and knowledge, and raise their spirit of participation, team spirit and teamwork.
- Providing shareholders with the Company financial statements, the board report, and the auditor's report, unless they are published in a daily newspaper distributed in the location where the Company head office is located. The chairman must also send a copy of these documents to the Ministry of Commerce and the Capital Market Authority at least fifteen days prior to the General Assembly meeting date.
- The Deputy Chairman shall assume the duties of the Chairman in his absence, save as the duties the Chairman keeps to himself.

4.3.2 Responsibilities of Board Members

- Each member shall adhere to the principles of honesty, integrity, loyalty, care, and concern for the interests of the Company and shareholders and give such interests preference over his personal interest.
- Submitting proposals to develop the Company strategy.
- Monitoring the performance of executive management and the extent of achieving the Company objectives and purposes.
- Reviewing the Company performance reports.
- Verifying the soundness and integrity of the Company financial statements and information.
- Verifying that the Company financial control and risk management systems are strong.
- Determining the appropriate levels of the remunerations of executive management members.
- Expressing opinion on the appointment and removal of members of the executive management.
- Participating in the development of the succession plan and replacement in the Company executive functions.
- Complying in full with the provisions of the Companies Law, the Financial Market Law, their executive regulations, the relevant regulations, and the articles of association upon assuming the functions of membership in the board and refraining from conducting or participating in any work that constitutes a mismanagement of the Company affairs.
- Attending the board and general assembly meetings and to be absent only for a legitimate excuse notified to the chairman in advance or for emergency reasons.
- Allocating sufficient time to his responsibilities, preparing for the meetings of the board and its committees, and participating effectively in such meetings, including asking relevant questions and holding discussions with the Company senior executives.

- Reviewing and understanding in a well manner the board meetings minutes and deliberations, requesting clarification of any unclear point in such minutes and studying and analyzing the information related to the topics under consideration by the board prior to expressing opinion thereon.
- Enabling other board members to express their opinions freely and urging the board to deliberate the topics and explore the opinions of specialist members of the Company's executive management and others if necessary.
- Fully and immediately notifying the board of any direct or indirect interest he has in the business and contracts made in favor of the Company. The notification shall include the nature and limits of that interest, the names of any concerned persons, and the expected direct or indirect financial or non-financial benefit. The member shall not participate in voting on any decision issued in that regard, in accordance with the provisions of the Companies Law, the Financial Market Law and their implementing regulations.
- Fully and immediately notifying the board fully of his direct or indirect participation in any business that would compete directly or indirectly with the Company in any of its activity branches, in accordance with the provisions of the Companies Law, the Financial Market Law and their implementing regulations.
- The member shall not divulge or disclose any secrets that he may become aware of due to his membership in the board to any shareholder of the Company or to a third party unless such divulgence or disclosure has been made during the General Assembly meetings. The member shall ensure that the Company policies are not availed for his personal interest. He shall also disclose any activity that conflicts with the interests of the Company.
- Working based on full information and in good faith and exert the necessary care and attention for the benefit of the Company and all shareholders.
- Realizing his duties, roles and responsibilities arising from board membership.
- Developing his knowledge in the Company's activities and business and in the relevant financial, commercial, and industrial fields.
- Ending his board membership if he is unable to satisfy his duties in the board in full.
- Expressing independent opinion on strategic issues, Company policies and performance, and appointment of executive management members.
- Ensuring that the interests of the Company and its shareholders are taken into account in the event of any conflict of interest.
- Overseeing the development of the Company's governance rules and monitoring its application by the executive management.
- Ensuring attending all meetings in which important and critical decisions that affect the Company position are made.
- Communicating and participating effectively in the board meetings discussions and deliberations and shall have the will and desire to work in a team and group spirit when making decisions.
- Acknowledging that agreement may be important to reach consensus on a particular issue or decision.
- Understanding and realizing the legislations, topics and issues that affect the work and responsibilities of the board.
- Understanding and realizing that the power and authority are assigned to the board as a whole and are not assigned for individual members.
- Preparing to accept and implement any assignment requested by the board and committing to deliver work conducted by him on time.
- Participating actively in discussing the topics submitted to the board, and in decision-making as well as verifying that the Company policies have been clearly developed and defined and that the board is working towards implementing them.
- Verifying that the Company adheres to its articles of association, government applicable laws and regulations and working on enhancing and supporting the Company's image.
- Board members should be fully aware of developments in the Company business and the market and in relation to the laws and legislations in order to identify the obstacles that may hinder the Company from achieving its objectives.
- Maintaining the confidentiality of the information and ensuring that the Company policy is not availed for the member own benefit and disclosing any activity that conflicts with the Company interests.
- Reviewing, understanding, and applying the Company mission and objectives and shall be familiar with the Company programs and its executive plans.

4.3.3 Secretary Responsibilities

- Attending board meetings and writing its deliberations.
- Documenting boards meetings.
- Keeping the reports submitted to the board and the reports prepared by the board.
- Providing board members with the board agenda, worksheets, documents, and information related to the board and any additional documents or information requested by any board member in relation to the topics on the meeting schedule.
- Ensuring that the members are complying with the procedures approved by the board.
- Informing board members of the dates of the board meetings.
- Ensuring that members have fully and swiftly obtained a copy of the board meetings minutes and the information and documents that are related to the Company.
- Coordinating between members.
- Organizing the register of disclosures of members and executive management in accordance with article (92) of the Corporate Governance Regulations.
- Providing assistance and advice to members.
- Maintaining the confidentiality of information, all board and shareholders assemblies' documents as well as other related documents.

The summary of the biographies of board members and the secretary is as follows:

Table (15): Biography of Abdulwahab Mohammed Saad Alajroush

Abdulwahab Mohammed Saad Alajroush	
Nationality	Saudi
Age	55 years old
Position	Chairman
Qualifications	<ul style="list-style-type: none"> • Bachelor of Accounting, King Saud University, Riyadh, Kingdom of Saudi Arabia, 1990G.
Experiences	<ul style="list-style-type: none"> • Executive Partner, Irsaa Al-Jazira Business Solutions from 2016G to 2020G. • Assistant General Manager, Samba Financial Group from 1990G to 2016G. • Assistant Auditor, Ernst & Young from 1989G to 1990G.
Current Positions	<ul style="list-style-type: none"> • Board Chairman, Naba Alsaha Medical Services Company since July 14, 2021G until the date of this prospectus

Table (16): Biography of Nathir Mohammedhassan Abdullah Al-Jishi

Nathir Mohammedhassan Abdullah Al-Jishi	
Nationality	Saudi
Age	57 years old
Position	Vice Chairman and CEO
Qualifications	<ul style="list-style-type: none"> • Bachelor of Administrative Sciences, University of Sonoma, California, United States of America, 1989G. • Diploma of Administrative Services from Samba Bank, Riyadh, Kingdom of Saudi Arabia, 1994G.
Experiences	<ul style="list-style-type: none"> • General Manager, Al-Amal Clinic, Al-Qatif from 1998G to 2008G. • Manager in Bank AlJazira, Banking and Investment Services Group from 1997G to 1998G. • General Manager, of Al-Amal Clinic, Al-Qatif from 1996G to 1997G. • Branch Manager, Samba Bank from 1991G to 1996G. • Auditor, Arab Bank from 1989G to 1991G.
Current Positions	<ul style="list-style-type: none"> • Vice Chairman, Naba Alsaha Medical Services Company since July 2021G until the date of this prospectus • CEO of Naba Alsaha since 2019G until the date of this prospectus. • Executive General Manager, AlZahra General Hospital since 2008G until the date of this prospectus.

Table (17): Biography of Nayef Mohammedhassan Abdullah Al-Jishi

Nayef Mohammedhassan Abdullah Al-Jishi	
Nationality	Saudi
Age	39 years old
Position	Board member
Qualifications	<ul style="list-style-type: none"> Bachelor of Business Administration, King Fahad University of Petroleum and Minerals - Dhahran, Kingdom of Saudi Arabia, 2006G. Master in Corporate brand management, Brunel University, London, United Kingdom, 2016G.
Experiences	<ul style="list-style-type: none"> Business Development Manager, Nextcare Insurance Claims, from 2017G to 2020G. Partner and Administrative Advisor, Alfa International Administrative Consulting Company from 2009G to 2017G. Partner and Financial and Administrative Manager, Alfa International Contracting Company from 2009G to 2011G. Relationships Manager - Corporate Division, Samba Financial Group from 2006G to 2010G.
Current Positions	<ul style="list-style-type: none"> Business Development Manager, Naba Alsaha Medical Services Company since 2020G until the date of this prospectus. Member of the Finance Committee of the Chamber of Commerce in the Eastern Province, since 2018G until the date of this prospectus. Member of Alpha Saudi Equity Fund Board since 2018G until the date of this prospectus.

Table (18): Biography of Ahmed Saud Abdulaziz Shahini

Ahmed Saud Abdulaziz Shahini	
Nationality	Saudi
Age	38 years old
Position	Member
Qualifications	<ul style="list-style-type: none"> Bachelor of Marketing, King Fahad University of Petroleum and Minerals, Dhahran, Kingdom of Saudi Arabia, 2006G. Master of Business Administration, Institute of Management Development (IMD), Switzerland, 2017G.
Experiences	<ul style="list-style-type: none"> General Manager, Shahini Distribution Company from 2016G to 2018G. Business Development Manager, Shahini Distribution Company from 2011G to 2016G. Sales Manager, Shahini Distribution Company from 2009G to 2011G. Branch Manager, Shahini Distribution Company from 2007G to 2009G. Supply Chain Coordinator, Procter, and Gamble Corporation from 2006G to 2007G. Member of the Saudi Boxing Federation Board from 2017G to 2021G.
Current Positions	<ul style="list-style-type: none"> Member of Al-Khair Inorganic Chemical Industries since 2021G until the date of this prospectus. Member of Shahini Holding Group Board since 2020G until the date of this prospectus Member of Bloomio since 2018G until the date of this prospectus.

Table (19): Biography of Ali bin Ahmed bin Abdullah Al-Helili

Ali Ahmed Abdullah Al-Helili	
Nationality	Saudi
Age	69 years old
Position	Member
Qualifications	<ul style="list-style-type: none"> Bachelor of Accounting, King Saud University, Riyadh, Kingdom of Saudi Arabia, 1980G.
Experiences	<ul style="list-style-type: none"> Head of Risk Management Group, Arab Bank from 2006G to 2018G. Board Member and Chairman of the Audit Committee, the Saudi Credit Information Company (Sima) from 2014G to 2017G. Head of Credit Risk Management, Arab Bank from 2002G to 2006G. Senior Executive - Internal Audit, SABB from 1998G to 2002G. Senior Manager of Corporate Banking Services in the Eastern Province, SABB from 1991G to 1998G. Head of Corporate Banking in the Eastern Region, SABB from 1989G to 1991G. Held different management positions in the main branches and regional office of SABB, including Branch Manager, Deputy Head of Credit, Import and Export Manager, Deputy Head (Operations) and Marketing Manager from 1983G to 1989G. Lecturer of Accounting, King Saud University from 1980G to 1981G.

Heba Mohammed Hussein Almudhawwi	
Nationality	Saudi
Age	37 years old
Position	Board Secretary
Qualifications	<ul style="list-style-type: none"> Bachelor of Physics, Dammam University, Dammam, Kingdom of Saudi Arabia, 2011G. Professional Diploma in Hospitals Management, King Abdulaziz University, Kingdom of Saudi Arabia, 2020G.
Experiences	<ul style="list-style-type: none"> Executive Secretary, AlZahra General Hospital since 2011G until the date of this prospectus.

4.4 Board Committees

4.4.1 Audit Committee

The Audit Committee was formed in accordance with article (54) of the Corporate Governance Regulations issued by the Capital Market Authority. Its functions and responsibilities are summarized as follows:

- Reviewing the Company financial statements and making recommendation to the board thereon.
- Studying the unusual issues stated in the financial statements and making recommendations thereon if necessary.
- Looking into any issues raised by the Company Finance Manager or the person assuming his duties, the Company Compliance Officer, or the external auditor (auditor).
- Studying the Company financial and accounting policies, expressing opinion, and making recommendations thereon to the board.
- Studying and reviewing the internal and financial control systems, ensuring their effectiveness through the periodic reports of the Internal Audit Department or other parties on the adequacy and effectiveness of internal and financial control systems and following up on the implementation of recommendations and corrective actions of the remarks stated therein.
- Supervising and monitoring the work of the Internal Audit Department and verifying its effectiveness in performing its functions and responsibilities.
- Studying the annual internal audit plan with the Internal Audit Department and approving it.
- Studying and reviewing the periodic Internal Audit Department reports and following up the implementation of corrective actions of the remarks stated therein.
- Making recommendations to the board on the appointment or dismissal of the of the Internal Audit Manager and evaluating his performance annually.
- Making recommendations to the board on the appointment and dismissal of the auditor.
- Vverifying the independence of the auditor and the effectiveness of his work in the light of the governing rules and criteria.
- Reviewing the auditor plan and work and verifying its compliance with the criteria governing its work.
- Answering the auditor inquiries and providing the necessary support to enable it to perform its duties.
- Studying the auditor reports and remarks on the financial statements and following up the actions taken in that regard.
- Studying the supervisory authorities reports on the Company compliance with laws and instructions and ensuring that the Company takes the required actions in that regard.
- Ensuring that the Company complies with the relevant laws, regulations, policies, and instructions.
- Reviewing the contracts and transactions proposed to be conducted by the Company with the related parties and expressing opinion to the board in that regard.
- Making recommendations to the board in relation to the measures that should be taken on the issues that it considers necessary to act upon by the board.

- Developing a mechanism that allows employees of the Company to confidentially provide their remarks on any infringement of the Company internal regulations, including the laws related to the preparation of financial or other reports. Such mechanism shall ensure that the rights of the employee submitting the remarks are not violated. The committee shall verify the application of this mechanism by conducting an independent investigation that is commensurate with the volume of the error or violation and shall adopt appropriate follow-up procedures.
- Assuming any other functions assigned to the committee by the board, taking into consideration that the committee may not assume any function in the Company, that contradicts with its independence.
- Periodically reviewing the Audit Committee Regulations (yearly) and submitting the proposed amendments on the regulations to the board to recommend adopting them by the assembly.

The following table shows the members of the Audit Committee:

Table (20): Audit Committee members

Name	Capacity
Ali Ahmed Abdullah Al-Helili	Chairman
Majed Adnan Mohammed Al-Awami	Member
Mohammed Iqbal Ali Al-Qedaihi	Member

Source: Company

The biographies of the members of the Audit Committee are as follows:

4.4.1.1 Biography of Ali Ahmed Abdullah Al-Helili

The biography of Ali Ahmed Abdullah Al-Helili is stated in the biographies of the Company board members, please refer to page number (51).

Majed Adnan Mohammed Al-Awami	
Nationality	Saudi
Age	36 years old
Position	Audit Committee member
Qualifications	<ul style="list-style-type: none"> • Bachelor of Finance and Accounting, Virginia Commonwealth University, USA, 2010G.
Experiences	<ul style="list-style-type: none"> • Internal Audit Manager, AlZahra General Hospital from 2019G to 2021G. • External Auditor Supervisor, Deloitte Company from 2011G to 2019G.
Current Positions	<ul style="list-style-type: none"> • Majed specializes in global financial reports and control, SABIC since 2021G until the date of this prospectus.

Mohammed Iqbal Ali Al -Qedaihi	
Nationality	Saudi
Age	65 years old
Position	Audit Committee member
Qualifications	<ul style="list-style-type: none"> • Master of Financial Management, University of London, Britain, 1999G. • Bachelor of Management - King Fahad University of Petroleum and Minerals - Dhahran, Kingdom of Saudi Arabia, 1981G.
Experiences	<ul style="list-style-type: none"> • Owner and Manager of Al-Hayat Financial Advisory Office since 1442H until the date of this prospectus.

4.5 Executive Management

Name	Position	Nationality	Age	Date of Appointment	Ownership in the Company before the offering		Ownership in the Company after the offering	
					Number of Shares	Percentage ⁽¹⁾	Number of Shares	Percentage ⁽¹⁾
Nathir Mohammedhassan Abdullah Al-Jishi	CEO	Saudi	57	30/04/2019G	1,750,000	25%	1,400,000	20%
	Executive General Manager of AlZahra General Hospital			16/07/2008G				
Nayef Mohammedhassan Abdullah Al-Jishi	Business Development Manager	Saudi	39	01/09/2020G	2,625,000	37,5%	2,100,000	30%
Ahmed Hussain Ali Abu Hlaigh	Audit Manager	Saudi	34	04/07/2021G	-	-	-	-
Hassan Absher Habibollah Eid	Manager of Financial Affairs	Sudanese	65	15/07/2020G	-	-	-	-
Rahma Hussain Mohammed Mohaimeed	Human Resources Manager (Acting)	Saudi	28	14/12/2020G	-	-	-	-
Talal Abdullah Al-Qaisoom	Manager of Legal Affairs	Saudi	40	01/11/2018G	-	-	-	-

Source: Company

(1) The above-mentioned percentages are approximate.

The summary of the biographies of executive management members is as follows:

4.5.1.1 Biography of Nathir Mohammedhassan Abdullah Al-Jishi

The biography of Nathir Mohammedhassan Abdullah Al-Jishi is stated in the biographies of the Company board members. Please refer to page no. (50).

4.5.1.2 Biography of Nayef Mohammedhassan Abdullah Al-Jishi

The biography of Nayef Mohammedhassan Abdullah Al-Jishi is stated in the biographies of the Company board members. Please refer to page no. (51).

Ahmed Hussain Ali Abu Hlaigh	
Nationality	Saudi
Age	34 years old
Position	Internal Audit Manager
Qualifications	<ul style="list-style-type: none"> Bachelor of Accounting, University of Southern Texas, USA, 2014G.
Experiences	<ul style="list-style-type: none"> Senior Auditor, PricewaterhouseCoopers from 2018G to 2020G. Senior Auditor, Dr. Mohammed Al-Omari & Partners Company from 2017G to 2018G. Auditor, Deloitte Tosh Tohmatsu, 2015G to 2017G.

Table (21): Biography of Hassan Absher Habibullah Eid

Hassan Absher Habibullah Eid	
Nationality	Sudanese
Age	65 years old
Position	Manager of Finance
Qualifications	<ul style="list-style-type: none"> Bachelor of Accounting - Cairo University, Khartoum, Republic of Sudan, 1977G. Master of Certified Accountant, University of Illinois, Urbana Champaign, USA, 1995G.
Experiences	<ul style="list-style-type: none"> Manager of Finance, Alsaha Medical Services Company, from 2016G to 2020G. Manager of Finance, Al-Bassam Petroleum Equipment Company from 2013G to 2016G. Manager of Finance, Arab Open University, university studies field from 2011G to 2013G. Manager of Finance, Othman Plastic Industries Company, from 2003G to 2011G. Manager of Finance, Othman Agricultural Production and Manufacturing Company operating in the production and manufacture of dairy products from 2000G to 2003G. Manager of Finance, Hawa Electrical Products Company, from 1983G to 2000G.

Table (22): Biography of Talal Abdullah Ali Al-Qaisoom

Talal Abdullah Ali Al-Qaisoom	
Nationality	Saudi
Age	40 years
Position	Legal Affairs Manager
Qualifications	<ul style="list-style-type: none"> Bachelor of Health Services and Hospital Administration, King Abdulaziz University, Jeddah, Kingdom of Saudi Arabia, 2003G.
Experiences	<ul style="list-style-type: none"> Human Resources Specialist, Al-Manaa Hospital Group from 2003G to 2005G. Personnel Affairs Manager, Nayef Al-Muwaishir Establishment for Trade, Contracting and Transportation from 2006G to 2012G. Human Resources Affairs Manager, AlZahra General Hospital from 2012G to 2018G.

Table (23): Biography of Rahma bint Hussain Mohammed Mohaimeed

Rahma Hussein Mohamed Mohaimeed	
Nationality	Saudi
Age	28 years old
Position	Acting Manager of Human Resources.
Qualifications	<ul style="list-style-type: none"> Bachelor of Business Administration - Jubail University College, Jubail, Kingdom of Saudi Arabia, 2015G.
Experiences	<ul style="list-style-type: none"> Acting Manager of Human Resources, AlZahra General Hospital since 2020G until the date of this prospectus. Employee of the Human Resources Department, AlZahra General Hospital from 2015G to 2020G.

5. Dividends Distribution Policy

Under Article 110 of the Companies Law, every shareholder shall have all rights related to shares, which include in particular the right to obtain a share of the profits to be distributed. The Company's Board of Directors shall recommend the distribution of any profits to the General Assembly of Shareholders, after taking into account when issuing this recommendation various factors prevailing at the time, including the Company's profits, its financial condition, the restrictions to which the dividend distribution process is subject to under financing and debt agreements, and the results of the Company's activities, the Company's current and future cash needs, expansion plans and the Company's investment requirements..

The Company does not provide any guarantees that it will distribute dividends for any year, nor does it guarantee the value of those dividends that can be distributed in any specific year. The profit distribution process is subject to certain restrictions in accordance with the Company's Articles of Association. Article (45) of the Company's Articles of Association stipulates that net annual profits shall be distributed after deducting all other expenses and costs as follows:

- a- Ten percent (10%) of the net profits shall be set aside to form a statutory reserve, and the Ordinary General Assembly may discontinue this deduction when the said reserve reaches (30%) thirty percent of The Company's capital.
- b- The Ordinary General Assembly may, based on a proposal by the Board of Directors, set aside a maximum of 5% of the net profits to form a consensual reserve.
- c- The Ordinary General Assembly may decide to form other reserves, to the extent that achieves the interest of the Company or ensures the distribution of fixed profits to the shareholders to the extent possible. The aforementioned assembly may also deduct sums from the net profits for the establishment of social institutions for the Company's employees or to assist the existing such institutions.
- d- From the remainder (10%) of the net profit shall then distributed to the shareholders.

The Company may, based on the proposal of the Board of Directors and the approval of the Ordinary General Assembly, distribute interim profits (semiannual or quarterly), and the Ordinary General Assembly may authorize the Board of Directors to distribute interim profits (semiannual or quarterly), provided that this distribution shall be from the distributable real profits.

The table below shows the dividends distribution during the years 2020G and 2021G:

Table (24): Dividends Distributions During the years 2020 amd 2021G

Description	2020G	2021 G
Net profit for the year	26,652,886	25,827,253
Total retained earnings	111,840	21,256,368
Dividends announced during the year ⁽¹⁾	-	2,100,000
Dividends paid during the year ⁽²⁾	1,750,000	-
Ratio of declared dividends to net income	-	8,13%

Source: Audited financial statements for the fiscal year ending on December 31, 2021.

(1) The Company's Board of Directors issued a decision on 30/12/2021G approving the distribution of dividends amounting to (2,100,000) two million and one hundred thousand Saudi riyals for the financial year ending on December 31, 2021.

(2) On 31/03/2020G, the Company distributed profits of (SAR 500,000) five hundred thousand Saudi riyals, which are due dividends for the year 2018G, in accordance with the approval of the Company's Ordinary General Assembly held on 26/12/2019G, and on 29/11/2020G, profits were distributed amounting to (1,250,000) one million two hundred and fifty thousand Saudi riyals for the fiscal year ending on December 31, 2019, according to the approval of the Company's Ordinary General Assembly held on 22/11/2020, from the balance of retained earnings.

6. Use of the Offering Proceeds

The total Offering Proceeds are expected to amount 79,800,000 Seventy-nine million eight hundred thousand Saudi Riyals, of which approximately (SAR 4,500,000) four million and Five Hundred Thousands Saudi Riyals will be paid as Offering expenses, which include the fees of the Financial Advisor and Lead Manager, as well as the expenses of opening an Escrow Account and other Offering expenses and costs.

The net Offering Proceeds, estimated at about 75,300,000 Seventy-five million three hundred thousand Saudi Riyals, will be distributed to the Selling Shareholders, each according to his ownership percentage in the Company's capital. The Company will not receive any amount of the net Offering Proceeds.

7. Offering Expenses

The Selling Shareholders will bear all costs related to the Offering estimated at about (SAR 4,500,000) four million and five hundred thousand Saudi Riyals where it will be deducted fully from the total Offering Proceeds amounting to (SAR 79,800,000) Seventy-nine million eight hundred thousand Saudi riyals. The Offering Expenses include the fees of the Financial Advisor and Lead Manager, as well as the expenses relating to opening an Escrow Account, marketing and printing, and other Offering expenses. The Company will not bear any of the expenses related to the Offering as they all will be deducted from the total Offering Proceeds.

8. Directors Declarations

The members of the Company's Board of Directors declare that:

- 1- There was no interruption in the Issuer's business that could affect or have had a noticeable impact on its financial condition during the past (12) months.
- 2- No commissions, discounts, brokerage fees or any non-cash compensation were granted by the Issuer during the year immediately preceding the date of the application for registration and offering of shares in connection with the issuance or offering of any shares.
- 3- There was no major negative change in the financial and commercial position of the Issuer during the year immediately preceding the date of submitting the registration application and offering the shares.
- 4- Other than what is stated in Section (4.3) of this Prospectus, neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the Issuer.
- 5- The Company is not subject to any lawsuits or legal procedures other than what is stated in Clause No. (2.1.14) **(Risks Related to Lawsuits and Fines)** of Subsection No. (2.1) **(Risks Related to the Company's Activity and Operations)** of Section No. (2) Risk Factors.
- 6- None of the Directors is involved in business that competes with the Company.
- 7- There are no other facts that could affect the application for registration of securities that were not included in this Prospectus.
- 8- The Company has obtained all the basic licenses and approvals required to conduct its business.
- 9- The Company has obtained all necessary approvals to list its shares in the Parallel Market.
- 10- Except for what is mentioned in Section No. (2) **"Risk Factors"** of this Prospectus, the members of the Board of Directors are not aware of any other fundamental risks that may affect the decision of prospective investors to invest in the Company's shares.
- 11- Members of the Board of Directors are not subject to any lawsuits or legal procedures that may materially affect the Company's business or its financial position.
- 12- There is no authority that gives a member of the Board of Directors or the CEO the right to vote on remunerations granted to them.
- 13- There is no authority that permits members of the Board of Directors or senior executives the right to borrow from the Issuer.
- 14- None of the members of the Company's Board of Directors or its executive management or the Board Secretary has never been declared bankrupt, and they have never been subject to any bankruptcy procedures until the date of this Prospectus.

9. Information relating to the Shares and Offering Terms and Conditions

9.1 Filing an Application with CMA to Register the Shares in the Parallel Market

The Company Filed an application to the Capital Market Authority to register and offer shares in the Parallel Market in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority. This Prospectus has been approved and all supporting documents requested by the Authority have been submitted, and all necessary official approvals have been obtained for the process of offering shares in the Parallel Market. The Company also submitted a request to list its shares in the Parallel Market to the Saudi Stock Exchange Company "Tadawul", and the application for listing was approved by Tadawul.

All Qualified Investors willing to participate in this offering must read the terms and conditions of the offering carefully before submitting the subscription application. The submission of the subscription application to the receiving entity is a declaration of acceptance and approval of the mentioned offering terms and conditions.

9.2 The Subscription

(1,400,000) one million four hundred thousand ordinary shares at a nominal value of ten (10) Saudi riyals per share, representing 20.0% of the Company's capital, will be offered for subscription in the Parallel Market at a price (57) Fifty seven Saudi riyal per share, with a total value of (SAR 79,800,000) Seventy-nine million eight hundred thousand Saudi riyals. The Offering is limited to the following categories of Qualified Investors:

- 1- Capital Market Institutions acting for their own account.
- 2- Clients of a Capital Market Institution authorised by the Authority to conduct managing activities provided that this Capital Market Institution has been appointed as an investment manager on terms which enable it to make decisions concerning the acceptance of an offer and investment in the Parallel Market on the client's behalf without obtaining prior approval from the client.
- 3- The Government of the Kingdom, any government body, any supranational authority recognised by the Authority or the Exchange, and any other stock exchange recognised by the Authority or the Depository Center.
- 4- Government-owned companies either directly or through a portfolio managed by a Capital Market Institution authorised to carry out managing activities.
- 5- Companies and funds established in a member state of the Cooperation Council for the Arab States of the Gulf.
- 6- Investment Funds.
- 7- Non-resident foreigners permitted to invest in the Parallel Market and who meet the requirements stipulated in the Guidance Note for the investment of Non-Resident Foreigners in the Parallel Market.
- 8- Qualified foreign financial institutions.
- 9- Any other legal persons allowed to open an investment account in the Kingdom and an account at the Depository Center
- 10- Natural persons allowed to open an investment account in the Kingdom and an account at the Depository Center, and fulfill any of the following criteria:
 - a- has conducted transactions in security markets of not less than 40 million Saudi riyals in total, and not less than ten transactions in each quarter during the last twelve months.
 - b- his net assets is not less than 5 million Saudi Riyals.
 - c- works or has worked for at least three year in the financial sector.
 - d- holds the General Securities Qualification Certificate which is recognised by the Authority.
 - e- holds professional certificate that is related to securities business and accredited by an internationally recognized entity.
- 11- Any other persons prescribed by the Authority.

9.3 How to Apply for Subscription to Shares

Qualified Investors must submit the subscription application through the electronic channels of the receiving entities “**Derayah Financial Company**” and “**Al Rajhi Bank**” during the offering period. The subscriber must approve all the conditions and provisions and complete all relevant sections of the subscription application. The Company shall maintain the right to reject any subscription application in full or in part in the event any of the subscription terms and conditions have not been fulfilled or the required instructions have not been followed. The subscription application form may not be amended or withdrawn after submission as once it has been submitted represents a legally binding agreement between the Company and the subscriber.

Selling shareholders before the Offering own 100.0% of the Company's capital, and they will own 80% of the Company's capital after the Offering. Investors can obtain an electronic copy of this Prospectus on the websites of the Financial Advisor or the Lead Manager or through contact information clarified below:

Financial Advisor	Lead Manager
Aldukheil Financial Group Riyadh, Wazarat District P.O. Box 2462 Riyadh 11451 Kingdom of Saudi Arabia Tel: + 966 (11) 4309800 Fax: + 966 (11) 4787795 Website: www.aldukheil.com.sa E-mail: info@aldukheil.com.sa	Derayah Financial Company Olaya Main Street, Riyadh P.O. Box 286546 Riyadh 11323 Kingdom Saudi Arabia Tel: +966 11 2998000 Fax: +966 11 2998071 Website: www.derayah.com E-mail: support@derayah.com

9.4 Offering Period and Conditions

Subscription for the Qualified Investors is (5) five days, beginning from Monday 10/01/1444H (corresponding to 08/08/2022G) until Sunday 16/01/1444H (corresponding to 14/08/2022G).

9.5 Notice of Allocation and Refund

The Lead Manager will open a escrow account called “**the Initial Public Offering of Naba Alsaha in the parallel market**”. The full value of the shares subscribed to will be deducted from the subscriber's account with the receiving entity and the money will be transferred directly to the escrow account of the offering process.

Each Subscriber shall acknowledge that he has received and read this Prospectus, and accordingly declares his desire to subscribe to the offered shares as indicated in the Subscription Application. The offer shares will be allocated as proposed by the Financial Advisor in consultation with the issuer and the final allocation of the offer shares will be announced on Wednesday, 19/01/1444H (corresponding to 17/08/2022G). The surplus amounts will be refunded on Thursday, 20/01/1444H (corresponding to 18/08/2022G), and no commissions or deductions will be made by the Lead Manager, Receiving Entities or the Company.

The subscribers will be notified of the final number of shares allotted to each of them and the surplus amounts that will be refunded to them, if any. For more information, subscribers should contact the Financial Advisor or the Lead Manager.

9.6 Miscellaneous Terms

- 1- The Subscription Application and all related terms, conditions and covenants are binding and for the benefit of the subscription parties, their successors, assigns, will executors, estate managers and heirs. The Subscription Application or any rights, interests or obligations arising therefrom may not be assigned or delegated by the parties to the subscription without the prior written consent of the other party.
- 2- These instructions and clauses and any receipt of Subscription Application forms or contracts resulting therefrom shall be subject to the Kingdom's laws and shall be interpreted and implemented in accordance with them.
- 3- This Prospectus will be published in Arabic after approval by the Capital Market Authority.

9.7 Times and Circumstances where Offering may be Suspended

9.7.1 Suspension of Trading or Cancellation of Listing

- a- CMA may suspend trading in listed securities or cancel the listing at any time as it deems fit, in any of the following circumstances:
 - 1- CMA considers it necessary for the protection of investors or maintenance of an orderly market.
 - 2- The Issuer fails, in a manner which CMA considers material, to comply with the Capital Market Law, its Implementing Regulations or the Listing Rules.
 - 3- The Issuer fails to pay on time any fees due to CMA or the Exchange or any fines due to CMA.
 - 4- If it considers that the Issuer or its business, the level of its operations or its assets are no longer suitable for the continued listing of its securities on the Exchange.
 - 5- When a reverse takeover announcement does not contain sufficient information about the proposed transaction. If the Issuer announces sufficient information regarding the target and CMA is satisfied, following the Issuer's announcement, that there will be sufficient information available for the public about the proposed transaction of the reverse takeover, CMA may decide not to suspend trading at this stage.
 - 6- When the information of the suggested deal of reverse takeover are disclosed, and the issuer cannot evaluate his financial position accurately, and cannot inform the market accordingly.
 - 7- If the liquidity requirements specified in Paragraph (B) of Article 41 of the Listing Rules have not been met, after the period specified in Sub-Paragraph (1) of Paragraph (D) of Article 43 of the Listing Rules has not been met.
 - 8- When an application for financial restructuring of the Issuer in case of its accumulated losses reaching 50% or more of its capital is registered with a court under the Bankruptcy Law.
 - 9- When the request for liquidation procedure or the administrative liquidation of the issuer is registered with the court under the Bankruptcy Law.
 - 10- Upon issuance of a final judgment closing the financial restructuring and initiating the liquidation procedure or the administrative liquidation procedure of the Issuer in the court under the Bankruptcy Law.
 - 11- Upon issuance of a final judgment initiating the liquidation procedure or the administrative liquidation procedure of the issuer in the court under the Bankruptcy Law.
- b- Lifting of trading suspension under paragraph (A) above is subject to the following:
 - 1- The issuer adequately addressing the conditions that led to the suspension and the lack of a need to continue the suspension for the protection of investors.
 - 2- That lifting the suspension is unlikely to affect the normal activity of the Exchange
 - 3- The issuer complies with any other conditions that the CMA may require.
 - 4- Upon issuance of a final judgment initiating financial restructuring for the issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, in the event that the suspension is made in accordance with paragraph (A) (13) of Article 36 of the listing Rules.
 - 5- Upon issuance of a final judgment rejecting the commencement of liquidation procedure or administrative liquidation of the issuer under the Bankruptcy Law, unless the issuer was suspended from its activities by the relevant competent authority, in the event that the suspension is made in accordance with paragraph (A) (13) of Article 36 of the listing Rules.
- c- The Exchange shall suspend the trading of securities of the Issuer in any of the following cases:
 - 1- When the issuer does not comply with the deadlines for disclosure of its periodic financial information within the periods specified in accordance with applicable implementing regulations.
 - 2- When the external auditor's report on the financial statements of the issuer contains an adverse opinion or an abstention from expressing opinion.
 - 3- If the liquidity requirements in parts two and eight of the Listing Rules are not satisfied after elapse of the time limit set forth by the Exchange for the issuer to rectify its conditions unless CMA agrees otherwise.
 - 4- Upon a resolution entered into force by issuer's Extraordinary General Assembly to reduce its capital for the two trading days following the issuance of such a resolution.

- d- The Exchange removes the suspension referred to in subparagraphs 1, 2 and 3 of paragraph (C) above, after one trading session has passed after the cause of suspension ceases to exist. In case that the issuer's shares are available for trading outside the platform, the Exchange removes the suspension within a period of not more than five trading sessions after the cause of suspension ceases to exist.
- e- The Exchange may at any time propose to CMA to suspend the trading of any listed security or cancel its listing where, in its opinion, it is likely that any of the above circumstances of paragraph (a) above are to occur.
- f- The issuer whose securities are subject to a trading suspension must continue to comply with the Capital Market Law, its Implementing Regulations and the Listing Rules.
- g- If listing suspension continues for six (6) months with no appropriate procedure taken by the issuer to correct such a suspension, CMA may cancel the listing of issuer.
- h- Upon the issuer's completion of a reverse takeover, the issuer's shares are de-listed. If the issuer wishes to relist its shares, it shall submit a new application for registration and admission to listing in accordance with the requirements stipulated in the Rules on the Offer of Securities and Continuing Obligations.
- i- These clauses shall not prejudice the suspension of trading and cancellation of listing resulting from the losses of the issuer pursuant to the relevant implementing regulations of the Exchange Rules.

9.7.2 Voluntary Cancellation or Suspension of Listing

- a- An issuer whose securities have been listed on the Exchange may not cancel the listing without a prior approval from the Authority. To obtain the Authority's approval, the issuer must submit a cancellation request to the Authority with simultaneous notification to the Exchange, and the application must include the following information:
 - 1- Specific reasons for the request for cancellation.
 - 2- Copy of the disclosure described in paragraph (D) below.
 - 3- Copy of the relevant documentation and a copy of all related communication to shareholders if the cancellation is to take place as a result of a takeover or other corporate action by the issuer.
 - 4- Names and contact information of the Financial Advisor and Legal Advisor appointed according to the Rules on the Offer of Securities and Continuing Obligations.
- b- CMA may, at its discretion, approve or reject the cancellation request.
- c- The issuer must obtain the consent of the Extraordinary General Assembly on the cancellation of the listing after obtaining CMA's approval.
- d- Where cancellation is made at the issuer's request, it must disclose this to the public as soon as possible. The disclosure must include the reason for the cancellation, the nature of the event resulting in the cancellation, and the extent to which it affects the issuer's activities.

9.7.3 Temporary Suspension

- a- An issuer may request from the Exchange a temporary trading suspension of its securities upon the occurrence of an event that occurs during trading hours which requires immediate disclosure under the CML, its Implementing Regulations or the Listing Rules, where the issuer cannot maintain the confidentiality of this information until the end of the trading period. The Exchange suspends trading of the securities of that issuer immediately upon receiving such request.
- b- When trading is temporarily suspended at the issuer's request, the issuer must disclose to the public as soon as possible the reason for the suspension, its anticipated period and the nature of the event that caused it, and the extent to which it affects the issuer's activities.
- c- CMA may impose a temporary trading suspension without a request from the issuer where CMA becomes aware of information or circumstances affecting the issuer's activities which CMA considers would be likely to interrupt the operation of the Exchange or the protection of investors. If its securities are subject to temporary trading suspension, the issuer must continue to comply with Capital Market law, its Implementing Regulations and Listing Rules.
- d- The Exchange may propose to CMA to exercise its powers in accordance with paragraph (C) above, if it becomes aware of information or circumstances affecting the issuer's activities which would be likely to interrupt the operation of the Exchange or the protection of investors.
- e- A temporary trading suspension will be lifted following the elapse of the period referred to in the disclosure specified in paragraph (B) above in this Section, unless CMA or the Exchange decided otherwise.

9.7.4 Re-Registering and Admission of Listing of Previously evocated Securities

If the Issuer wishes to re-register its shares after their cancellation, the Issuer is required to submit a new application in accordance with the procedures set out in the Rules on the Offer of Securities and Continuing Obligations.

9.8 Resolutions and Approvals under which the Shares will be Offered

The decisions and approvals under which the shares will be offered are as follows:

1- The Company's Board of Directors' resolution to offer shares for subscription in the Parallel Market

The Company's Board of Directors, in its meeting held on 29/02/1443H (corresponding to 06/10/2021G), recommended to offer and list the Company's Shares in the Parallel Market.

2- Approval of the Company's Shareholders Ordinary General Assembly to offer shares for subscription in the Parallel Market

The Ordinary General Assembly of the Company's shareholders held on 17/04/1443H (corresponding to 22/11/2021G), approved the Offering of the Company's Shares in the Parallel Market.

3- Approval of the Capital Market Authority

The Authority's approval was obtained to offer the Company's Shares in the Parallel Market on the date of its announcement on its official website on 16/11/1443H (corresponding to 15/06/2022G).

4- Approval of the Saudi Tadawul Group on the listing of Shares in the Parallel Market

An approval was obtained from the Saudi Tadawul Group for the listing on 22/05/1443H (corresponding to 26/11/2021G).

9.9 Arrangements in place to prevent disposal of certain shares

The Substantial Shareholders mentioned on page (xiv) of this Prospectus are prohibited from disposing of their shares for a period of twelve (12) months from the date of trading the Company's shares in the parallel market. Other than what was stated in this Prospectus, there are no other existing arrangements that prevent disposal of certain shares.

10. Covenants relating to the Subscription

10.1 Subscribers Declarations

By submitting the Subscription Application Form, the Subscriber:

- Agrees to subscribe to the number of shares mentioned in the Subscription Application he/she submitted.
- Acknowledges that he has read this Prospectus and all its contents, studied it carefully and understood its content.
- Accepts the By-Laws of the Company and the Offering terms and conditions mentioned in the Prospectus and the Subscription Application Form and subscribe to the shares accordingly.
- Accepts the number of the Offer Shares allocated to him/her (within the maximum amount he/she subscribed to) in accordance with the Subscription Application, and he also accepts all the subscription terms and instructions contained in the Subscription Application and in this Prospectus.
- Warrants not to cancel or amend the Subscription Application Form after submission to the Lead Manager.

10.2 Share Register and Dealing Arrangements

Tadawul maintains a register of shareholders containing their names, nationalities, residence addresses, occupations, shares they own, and the amounts paid from these shares.

10.3 Saudi Stock Exchange (Tadawul)

Tadawul system was established in 2001G as an alternative system for the electronic securities information system. The electronic stock trading started in the Kingdom in 1990G. The trading process is carried out through an integrated electronic system from the execution of the transaction to the settlement. Trading is conducted on each business day at one go from 10 a.m. until 3:00 p.m., during which orders are executed. Beyond such times, orders are permitted to be inserted, amended, and cancelled from 9:30 a.m. until 10 a.m. Such times is changed during the month of Ramadan, and the new times are announced through Tadawul.

The transactions are executed through automatic order matching, and orders are received and prioritized according to the price. In general, market orders are executed first, which are the orders that have the best prices, followed by fixed-price orders, and in the event that several orders are entered at the same price, they are executed according to the entry time.

Tadawul system distributes a comprehensive range of information through different channels, most notably the Tadawul website on the Internet, which provides up-to-date market information for major information providers such as Reuters. Transactions are automatically settled within two business days (T + 2).

The Issuer must disclose all decisions, material and important information to investors through Tadawul, which is responsible for monitoring the market in order to ensure fair trading and efficient market operations.

10.4 Trading of Shares on the Parallel Market

An application has been submitted to CMA to register and list the Company's Shares on the Parallel Market and a request has been submitted to the Saudi Tadawul Company for their listing on the Parallel Market.

It is expected to start trading of the Company's shares after the final allocation of such shares and fulfilling all relevant statutory procedures. Tadawul will announce the trading date of the shares in due course. The dates and times mentioned in this Prospectus are considered tentative dates mentioned for guidance only, and they can be changed or extended with the approval of the Capital Market Authority.

Trading in the Offered Shares can only be made after approving the allocation of the shares in the shareholders' accounts in Saudi Tadawul, registering the Company in the official list, and listing its shares in Saudi Tadawul. Trading in shares is strictly prohibited before the official trading. The investors who deal in such prohibited trading activities shall be held responsible for them, and the Company will not bear any legal responsibility in such a case.

Trading in shares listed in the Parallel Market is restricted to Qualified Investors (for more information, refer to Section (1) "Terms and Definitions" of this Prospectus).

11. Procedures for Incomplete Offering

If the Offering is not completed on the date specified for the end of the Offering process indicated in this Prospectus (please refer to the **“Important Dates and Offering Procedures”** section on page (xi) of this Prospectus), the Financial Advisor shall notify the Authority in writing within (10) ten days from the end of the Offering Period, that the Offering has not been completed. Then, the Financial Advisor shall notify the subscribers, and in coordination with the receiving bank of the Offering Proceeds, the amounts collected from the subscribers (if any) shall be returned without deducting any commissions or fees.

The Company confirms its commitment to any decisions, instructions, or procedures issued by the Capital Market Authority in the event that the Offering is not completed.

12. Documents Available for Inspection

The following documents will be available for inspection through a virtual data room. The Financial Advisor “Aldukheil Financial Group” will send the electronic link of the virtual room to the Qualified Investors upon request via Email “info@aldukheil.com.sa”, during working days from Sunday 25/12/1443H (corresponding to 24/07/2022G) to Sunday 16/01/1444H (corresponding to 14/08/2022G) from 09:00 a.m. until 04:00 p.m. within a period of no less than (14) days before the Offering:

- 1- The Company's main Commercial Registration.
- 2- The Company's Bylaws.
- 3- The Company's Articles of Association.
- 4- Copy of the announcement of the Capital Market Authority's approval of the application for registration and offering of shares in the Parallel Market.
- 5- Copy of the approval of the Saudi Tadawul Group “**Tadawul**” to list the Company's shares in the Parallel Market.
- 6- The audited financial statements of the Company for the financial year ending on 31/12/2021G.
- 7- Financial Assessment Report prepared by the Financial Advisor.
- 8- Consent Letters from:
 - Financial Advisor to The Company “ **Aldukheil Financial Group**” to include their name, logo and statement in this Prospectus.
 - Lead Manager “**Derayah Financial Company**” to include their name and logo in this Prospectus.
 - The Company's Auditor for the year 2021G “**United Accountants Company for Professional Consulting**” to include their name and logo and publish their audit report of the Company's audited financial statements for the fiscal year ending on December 31, 2021G.

13. Auditor's Report

13.1 The Audited financial statements for the fiscal year ending on 31/12/2021G.

**NABA AL SAHA MEDICAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

NABA AL SAHA MEDICAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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Allied Accountants Professional Services

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المحاسبون المتحدون للاستشارات المهنية

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Naba Al Saha Medical Service Company
(A Saudi Closed Joint Company)
Khobar, Kingdom of Saudi Arabia

Opinion:

We have audited the financial statements of Naba Al Saha Medical Services Company ("the Company"), which comprise the statement of financial position as of December 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), that are endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization of Chartered and Professional Accountants ("SOCPA").

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISA's) that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics, that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter:

The company's financial statements for the year ended December 31, 2020 were audited by another auditor, who expressed an unmodified opinion on his report dated on 23 Sha'aban 1442 H (corresponding to April 6, 2021).

Responsibilities of Management and Those Charged with Governance for the Financial Statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA, and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance; i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.



INDEPENDENT AUDITOR'S REPORT (continued)

To the shareholders of
Naba Al Saha Medical Service Company
(A Saudi Closed Joint Company)

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA's) that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA's) that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Allied Accountants Professional Services Company

Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Kingdom of Saudi Arabia
25 Ramadan 1443 H (Corresponding to April 26, 2022)



NABA AL SAHA MEDICAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
(SAUDI RIYAL)

	Notes	December 31, 2021	December 31, 2020 (Note 26)	January 1, 2020 (Note 26)
ASSETS				
Non-current assets				
Property, plant and equipment	5	74,361,875	67,430,622	32,406,337
Intangible assets	6	2,268,566	2,268,566	2,268,566
Right of use assets	7	6,024,487	7,499,871	8,975,255
Total non-current assets		82,654,928	77,199,059	43,650,158
Current assets				
Inventory	8	5,753,762	4,967,796	4,361,054
Trade receivables	9	60,119,914	58,992,503	29,747,331
Prepaid expenses and other current assets	10	2,270,976	2,152,048	1,606,114
Due from related parties	11	347,974	288,244	870,938
Cash and cash equivalents	12	6,994,141	1,785,787	3,996,968
Total current assets		75,486,767	68,186,378	40,582,405
TOTAL ASSETS		158,141,695	145,385,437	84,232,563
EQUITY AND LIABILITIES				
Equity				
Share capital	13	70,000,000	70,000,000	25,000,000
Statutory reserve	14	10,170,413	7,587,688	4,911,575
Remeasurement of employee benefit obligations reserve		1,435,162	698,041	723,511
Retained earnings		21,256,368	111,840	22,885,067
Total equity		102,861,943	78,397,569	53,520,153
LIABILITIES				
Non-current liabilities				
Long term loans	15	26,250,000	35,000,000	2,253,862
Employees' defined benefits obligations	16	6,067,862	5,730,769	4,091,593
Lease liabilities	7	4,804,337	6,293,387	7,729,547
Total non-current liabilities		37,122,199	47,024,156	14,075,002
Current liabilities				
Trade payables		6,733,784	4,312,313	5,339,600
Lease liabilities – Current portion	7	1,489,050	1,436,159	1,385,146
Long term loans– Current portion	15	750,000	5,480,369	3,399,410
Accrued expenses and other current liabilities	17	7,174,312	4,311,444	2,422,709
Due to related parties	11	-	2,589,039	3,102,509
Zakat provision	18	2,010,407	1,834,388	988,034
Total current liabilities		18,157,553	19,963,712	16,637,408
Total liabilities		55,279,752	66,987,868	30,712,410
TOTAL EQUITY AND LIABILITIES		158,141,695	145,385,437	84,232,563

The accompanying notes form an integral part of these financial statements

NABA AL SAHA MEDICAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021
(SAUDI RIYAL)

	Notes	December 31, 2021	December 31, 2020 (Note 26)
Revenues	19	117,681,668	115,682,904
Cost of revenues	20	(70,898,315)	(69,751,318)
Gross profit		46,783,353	45,931,586
General and administrative expenses	21	(19,811,377)	(18,283,717)
Operating profit		26,971,976	27,647,869
Finance cost	22	(366,338)	(381,953)
Other revenues		922,748	1,069,798
Profit before zakat		27,528,386	28,335,714
Zakat	18	(1,701,133)	(1,682,828)
Profit for the year		25,827,253	26,652,886
Other comprehensive income:			
<i>Items will not be reclassified to profit or loss:</i>			
Actuarial remeasurement of employees' defined benefits obligations	16	737,121	(25,470)
Total other comprehensive income (other comprehensive loss) for the year		737,121	(25,470)
Total comprehensive income for the year		26,564,374	26,627,416
Basic and diluted EPS from profit for the year	24	3,69	3,81

The accompanying notes form an integral part of these financial statements

NABA AL SAHA MEDICAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(SAUDI RIYAL)

	Notes	Share capital	Statutory reserve	Remeasurement of employee benefit obligations reserve	Retained earnings	Total
Balance as of January 1, 2020		25,000,000	4,911,575	723,511	23,042,514	53,677,600
Prior years adjustments	26	-	-	-	(157,447)	(157,447)
Balance as of January 1, 2020 (Restated)		25,000,000	4,911,575	723,511	22,885,067	53,520,153
Profit for the year		-	-	-	26,652,886	26,652,886
Other comprehensive losses for the year		-	-	(25,470)	-	(25,470)
Total comprehensive income for the year		-	-	(25,470)	26,652,886	26,627,416
Increase in share capital		45,000,000	-	-	(45,000,000)	-
Transfer to statutory reserve		-	2,676,113	-	(2,676,113)	-
Dividends distributed	23	-	-	-	(1,750,000)	(1,750,000)
Balance as of December 31, 2020 (Restated)		70,000,000	7,587,688	698,041	111,840	78,397,569
Profit for the year		-	-	-	25,827,253	25,827,253
Other comprehensive income for the year		-	-	737,121	-	737,121
Total comprehensive income for the year		-	-	737,121	25,827,253	26,564,374
Dividends distributed	23	-	-	-	(2,100,000)	(2,100,000)
Transfer to statutory reserve		-	2,582,725	-	(2,582,725)	-
Balance as of December 31, 2021		70,000,000	10,170,413	1,435,162	21,256,368	102,861,943

The accompanying notes form an integral part of these financial statements

NABA AL SAHA MEDICAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SAUDI RIYAL)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>OPERATING ACTIVITIES:</u>		
Profit before zakat	27,528,386	28,335,714
Adjustments for non-cash items:		
Depreciation	6,122,224	6,090,259
Current service cost for employees' defined benefits obligations	2,630,216	2,229,528
Finance costs	366,338	381,953
Changes in working capital:		
Inventory	(785,966)	(606,742)
Trade receivables	(1,127,411)	(29,245,172)
Prepaid expenses and other current assets	(118,928)	(545,934)
Trade payables	2,421,471	(1,027,287)
Accrued expenses and other current liabilities	(450,596)	1,888,735
Due from/to related party	(2,648,769)	69,224
Cash flows from operating activities	33,936,965	7,570,278
Zakat paid	(1,525,114)	(836,474)
Employees' defined benefits obligation paid	(1,673,459)	(697,882)
Net cash flows from operating activities	30,738,392	6,035,922
<u>INVESTING ACTIVITIES:</u>		
Purchase of property, plant and equipment	(10,364,629)	(39,639,160)
Net cash flows used in investing activities	(10,364,629)	(39,639,160)
<u>FINANCING ACTIVITIES:</u>		
Short term loans	(13,480,369)	34,827,097
Lease liabilities paid	(1,685,040)	(1,685,040)
Dividends distribution paid	-	(1,750,000)
Net cash flows (used in) from financing activities	(15,165,409)	31,392,057
Net change in cash and cash equivalents during the year	5,208,354	(2,211,181)
Cash and cash equivalents at the beginning of the year	1,785,787	3,996,968
Cash and cash equivalents at the end of the year	6,994,141	1,785,787
<u>Non-cash transactions:</u>		
Dividends distribution unpaid	2,100,000	-
Finance cost capitalized on property, plant and equipment	1,213,464	-

The accompanying notes form an integral part of these financial statements

NABA AL SAHA MEDICAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1- INFORMATION OF THE COMPANY

Naba Al Saha Medical Service Company - is A Saudi closed joint stock company ("the Company"), registered under Commercial Registration No. 2051065568 issued in Khobar city on Jamada Al-Awal 6, 1439H (corresponding to January 23, 2018). The company's registered address is in Khobar, Al-Kuzama Avenue, Abdullah Bin Hathlan Street, P.O. 887, Postal Code 31911.

The company's main activity in the medical operation of private and government hospitals, health facilities, and hospital-related activities.

The accompanying financial statements include the results of the business, assets, liabilities and activities of the company and its following subsidiaries activity is as follows:

Serial No.	CR. No.	Branch Address	Issuing Date
1	2053016544	Al Zahra General Hospital – Al Qateef	28/10/1426 H
2	2053017825	Manarat Al Haramain Pharmacy – Al Qateef	09/05/1428 H
3	2053034205	Naba Al Saha for medical services company – Al Qateef	19/05/1438 H

2- BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

2-1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in Kingdom of Saudi Arabia.

2-2 Historical cost basis

These financial statements have been prepared on a historical cost basis except for employee defined benefit plans which are measured at the present value of future obligations using the projected unit credit method. In addition these financial statements are prepared using the accrual basis of accounting.

2-3 Functional and presentation currency

All values are presented in Saudi Riyals, which is the main functional and presentation currency of the company and rounded to the nearest Saudi Riyal.

2-4 Going concern

These financial statements have been prepared on a going concern basis. In assessing the going concern assumption, the management has considered the current and expected operational levels and available facilities to meet the requirements as they fall due.

2-5 Significant Accounting Estimates, Judgements and Assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Uncertain Estimates and judgements

Information about assumptions and estimations that have significant risks that may have a material impact on the amounts included in the company's financial statements:

Uncertain zakat positions

The differences that may arise from the final assessments are accounted for when the company ends its assessments with the Zakat, Tax and Customs Authority.

Impairment of Inventory

The company determines the obsolete inventory provision based on previous experience, current and future condition and forecasts related to its use. The estimation of obsolete inventory provision may change during the period which may be a result of the future assessment use of the inventory.

NABA AL SAHA MEDICAL SERVICES COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

2-BASIS OF PREPARATION FOR FINANCIAL STATEMENTS (continued)

2-5 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (continued)

Impairment of Trade Receivables

The Company uses a matrix to calculate the expected credit loss allowance for trade receivables. Provision ratios are based on days past due for companies of different customer segments with similar loss patterns (by type of customer or coverage by collateral and other forms of credit insurance). The provision matrix is initially based on the company's historical default rates, and the calculation of the provision reflects the weights of probabilities related to the results, the time value of money and reasonable information at the reporting date about past events and future economic conditions. At the date of each financial report, the default rates are updated and changes in future estimates are analyzed. The relationship between historically observed default rates, expected economic conditions and expected credit losses is a substantial estimate. Expected credit losses are sensitive to changes in economic conditions and forecasts. The company's historical credit loss experience and expectations of economic conditions may also not reflect the actual default of future customers.

Rent payment discounting

Lease payments are discounted using the Company's Incremental Borrowing Rate ("IBR"). Management has applied judgment and estimates to determine the incremental borrowing rate at the commencement of the lease.

Impairment of Property, Plant and Equipment

Impairment is indicated when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is its fair value less costs of disposal and value in use, whichever is greater. The fair value less costs of disposal is based on available data from binding sales transactions, which are performed on a similar basis for similar assets or market prices less incremental costs of disposal of the asset. The value in use is calculated based on a discounted cash flow model. The cash flows are based on estimated budgets for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that would enhance the performance of the cash-generating unit under test for impairment. The recoverable amount is more sensitive to the discount rate used in the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Useful Life Property, Plant and Equipment

The company determines the estimated useful lives of real estate, machinery and equipment for the purpose of calculating depreciation after calculating the expected use of the asset or the wear and tear factors from use. Management has not placed any residual value as it considered it immaterial. The administration reviews the useful lives annually.

Long-term assumptions for employee benefit obligation

Defined employee benefit obligations and benefit payments represent obligations to be paid in the future, and require making assumptions about the expected obligations and the fair values of plan assets, if any. Management has to make additional assumptions about variables such as discount rates, salary increase percentage, return on assets, mortality rates, business turnover and future health care costs. The Company's management periodically takes advice from external actuaries on these assumptions. Changes in key assumptions could materially affect the expected bonus obligations and/or periodic employee specific bonus costs incurred.

Revenue from medical services

Revenue from medical services primarily comprises fees charged for inpatient and outpatient hospitals services. Services include charges for accommodation, medical professional services, equipment, radiology and laboratory. These services are sold either separately or bundled together with the sale of pharmaceutical products to a customer.

Under IFRS 15, the Company assessed that there is only one performance obligation in a contract for bundled medical services, because the transferred services are not capable of being distinct, whereas the customer can benefit from services others not.

Under IFRS 15, the Company concluded that revenue from bundled services will be recognized over time, using the input method to measure progress towards complete satisfaction of performance obligations.

Selling Pharmaceutical Products

Revenue is recognized when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs at point of sale, and the risks of obsolescence and loss have been transferred to the customer.

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(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

2-BASIS OF PREPARATION FOR FINANCIAL STATEMENTS (continued)

2-5 Significant Accounting Estimates, Judgements and Assumptions (continued)

Selling Pharmaceutical Products (continued)

In these contracts, the Company is primarily responsible for fulfilling the promise to provide the specified pharmaceutical and other products. The Company bears inventory risk before the pharmaceutical and other products have been transferred to the customer. In addition, the Company has discretionary authority in establishing the price for the pharmaceutical products. The Company bears credit risk on these transactions as it is obliged to pay the supplier even if the customer defaults on a payment.

3-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies applied by company in preparing these financial statements:

Current / Non-current assets and liabilities Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realized or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the statement of financial position date; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the financial position date.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the financial position date; or
- that there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period of the statement of financial position.

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

Fair Value Measurement

The Company measures financial instruments, such as financial derivatives, at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement (continued)

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

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

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

Foreign currencies – Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date that the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate ruling at the date of the financial statements. All differences arising from settlement or transactions on monetary items are recorded on statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated primarily at the exchange rate ruling at the dates of the transactions. Non-monetary items in a foreign currency that are measured at fair value are translated at the currency rate ruling at the date when their fair value was determined. Gains or losses arising from the translation of non-monetary items measured at fair value are treated in line with the recognition of gains and losses arising from a change in the fair value of that item. (That is, translation differences for items whose fair value gains and losses are recognized in the statement of other comprehensive income is recognized in other comprehensive income, and items whose fair value gains and losses are recognized in profit and losses are recognized in comprehensive income).

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any. Projects under construction and lands not depreciated (if any).

Such cost includes the cost of replacing parts of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Repair and maintenance costs are recognized in statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the property, plant and equipment in years as follows:

Category	Useful life (In Years)
Buildings	20
Medical equipment	5
Electric equipment	5
Furniture and fixtures	7
Fire and safety equipment	10
Elevators	5
Vehicles	4

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in statement of comprehensive income when the asset is derecognized.

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

Projects under construction

Assets that are still in the construction or development stage are capitalized in the projects under construction account. An asset under construction or development is transferred to the appropriate category of property, plant and equipment when the asset is in the location and/or condition necessary to make it capable of operating as intended by management. The cost of a projects under construction item consists of the purchase price, construction/development costs and any costs directly attributable to the construction of the asset or its acquisition by management.

The costs associated with the trial operation of the asset (before it is ready for use) are capitalized net of proceeds from the sale of any production during the trial operation period. Finance costs related to qualifying assets are capitalized as part of the cost of the qualifying assets until the start of commercial production. Projects in progress are measured at cost less any impairment in value recognized. Projects in progress are not depreciated. Depreciation begins when the assets are capable of operating as intended by management after they have been transferred to the appropriate class of assets.

Leases

The determination of whether an agreement constitutes or contains a lease depends on the substance of the agreement at its inception date. The agreement represents or includes a lease if its fulfillment depends on the use of a specific asset or assets, or that the agreement grants the right to use a specific asset or assets even if this right is not expressly stated in the contract.

• **Company as a lessee**

The lease is recognized as a right-of-use asset with its corresponding obligations on the date that the leased asset is ready for use by the Company. Each lease payment is allocated between the obligation and the financing cost.

The finance cost is recognized in the statement of comprehensive income over the lease term. Right-of-use assets are depreciated over the useful life of the asset and the lease term, whichever is shorter, and on a straight-line basis.

Right-of-use assets are initially measured at cost and consist of the following:

- The initial measurement amount of the lease obligation,
- Any lease payments made on or before the lease commencement date minus any lease incentives received,
- Any initial direct costs, and
- Recovery costs, when applicable.

• **Lease liabilities**

On the inception date of the lease, the Company records the Lease liabilities measured at the present value of the lease payments made over the term of the lease. Lease payments include fixed payments (including substantially fixed payments) less any lease incentives receivable and variable rent payments based on an index or rate, and amounts expected to be paid under residual value guarantees.

• **Short-term leases and low-value lease contracts**

Short-term leases are contracts with a lease term of 12 months or less. Low-value assets are items that do not meet the Company's capitalization limits and are not material to the Company's statement of financial position as a whole. Payments for short-term lease contracts and lease contracts with low value assets are recognized on a straight-line basis in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Non- Financial Assets

The Company assesses at the date of preparing the financial statements whether there is an indication that the value of an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount of an asset is the fair value of the asset or cash-generating unit (CGU) less cost to sell or the value in use of the asset, which is higher.

It is specified for a single asset unless the asset generates cash flows that are not significant independent of the flows generated by other assets or companies of assets and the carrying amount of an asset or cash-generating unit exceeds (CGU) its recoverable amount, the value of the asset must be decreased to its recoverable amount. In determining value in use, the future cash flows deducted to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and the risks related to the asset. In determining fair value less costs to sell, new market transactions are considered, when available, or an appropriate valuation model is used. These values are verified by comparing them with the valuation multiples and the prices of the listed shares of the subsidiaries offered for public trading or through any other fair value indicators.

In calculating impairment, the Company relies on detailed budgets and discretionary accounts that are prepared separately for each cash-generating unit (CGU) of the Company to which the individual assets are allocated. These detailed budgets and discretionary accounts usually cover five years. To cover longer periods, a long-term growth rate is calculated and applied to the project's future cash flows after the fifth year.

Impairment losses from continuing operations are recognized in the statement of comprehensive income within the expenses appropriate to the function of the assets that have impaired

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses for non-financial assets, other than goodwill, no longer exist or have decreased. The reversal of the impairment loss is recognized in the statement of comprehensive income.

Financial assets

Initial recognition and measurement

Financial assets are classified on initial recognition as being subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through comprehensive income.

All financial assets are recognized on initial recognition at fair value plus transaction costs, unless the financial assets are recorded at fair value through comprehensive income.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Assets at Amortized Cost

After initial measurement, those financial assets are measured at amortized value using the effective interest rate method and are subject to impairment. Gains or losses are recognized in the statement of comprehensive income when the asset is disposed of, or modifications are made, or impairment on value.

Financial assets at amortized cost in the Company consist of trade receivables.

Derecognition of financial asset

Financial asset is derecognized only when:

- Contractual rights in the cash flows of a financial asset expire; or
- The Company has transferred its rights to receive cash flows from the asset or has committed to pay the cash flows in full without delay to a third party through a "transfer" agreement, and whether (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained a substantially all the risks and rewards of the asset, but it has transferred its right to control it.

If the Company has transferred its rights to receive cash flows from an asset or has entered into a transfer agreement, it assesses to what extent it retains the risks and rewards associated with the asset.

An asset is recognized to the extent that the Company's relationship with it continues if it has neither transferred nor retained all the risks and benefits associated with the asset nor transferred its right to control it.

In that case, the company also recognize the liabilities related to that assets. The transferred asset related liabilities are measured on a basis that reflects the rights and obligations that the Company has recognized.

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Impairment in the value of financial assets

The company recognizes an allowance for expected credit losses for all debt instruments not carried at fair value through the statement of comprehensive income.

The provision for expected credit losses is recognized in two stages. For a credit exposure that has not experienced a significant increase in credit risk since initial recognition, ECLs are recognized for the credit risk arising from a potential default within 12 months (12-month expected credit losses). For a credit exposure that has experienced a significant increase in credit risk since the initial recognition, an allowance for expected credit losses must be recognized over the remaining life of the exposure, regardless of the timing of default (lifetime expected credit losses).

For trade debtors, the company applies a simplified approach to the calculation of expected credit losses. Therefore, the Company has used a provision matrix that is based on its historical experience of credit losses, which has been adjusted for future factors specific to the debtors and the economic environment.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position consist of current accounts at banks and in cash on hand and deposits which have maturity dates less than 3 months, which does not have significant risk in the amount change.

Trade receivables

Trade receivables represent the Company's right to the unconditional consideration amount (ie, the maturity of the consideration depends on the passage of time). See the accounting policy for financial assets.

Transactions with related parties

Transactions with related parties represent transfer of resources, services, or obligations between related parties. Terms and conditions relating to related party transactions are approved by management.

Inventory

The company include within the cost of inventories all purchase costs, shipping costs and other costs incurred in bringing the inventories to their present location and condition. Inventories are measured at cost or net realizable value, whichever is lower. The Company measures inventory using the weighted average method and same method is used for all inventory items with the same nature and use. Provision is formed, when necessary against any obsolete slow-moving inventory, the cost of sold inventory is recognized as expense in the cost of revenue.

Prepaid expenses and other current assets

Prepaid expenses and other current assets are recognized with the amounts paid to the service providers against services that will be received in the future, or amounts paid to external parties and will be refunded in the future.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified on initial recognition, as financial liabilities at fair value through profit or loss, or loans and payables, or as financial derivatives that are used as hedging instruments for covering risks.

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

Subsequent measurement

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Loans and advances

After initial recognition, loans and advances are measured at amortized cost using the effective interest rate method. The gain or loss is recognized in the statement of comprehensive income when the obligations are derecognized, as well as through the process of amortizing the effective interest rate.

Derecognition of financial liabilities

Financial obligations are derecognized when the obligation is paid, canceled or the obligation under the contract expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the financial statements, when the Company has a legally enforceable right to offset the recognized amounts and the Company intends either to settle on net basis, or to realize the assets and to settle the liabilities simultaneously.

Provisions -General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employees' defined benefits obligations

The employees benefit obligations cost were measured using the projected unit credit method. Re-measurement, which consists of actuarial gains and losses, is recognized immediately in the statement of financial position and in retained earnings through other comprehensive income in the period in which it occurs. Remeasurement is not reclassified to the statement of comprehensive income in subsequent periods.

End of service payments are based primarily on employees' final salaries, allowances and cumulative years of service, as described in the Saudi Arabia Labor Law.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities are obligations to pay for goods or services that have been received or provided, whether submitting bills or formally agreed upon with the supplier or not.

Trade payables

These amounts represent liabilities related to goods and services provided to the Company before the end of the financial year that have not been paid, and are considered unsecured. Trade payables are presented as current liabilities unless payment is not due within 12 months after the statement of financial position date, and are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest method.

Loans

Borrowings are initially recognized at fair value (as proceeds received), net of transaction costs incurred, if any. After initial recognition, long-term loans are measured at amortized cost using the effective interest rate. Any difference between the proceeds (net of transaction costs) and the recoverable amount is calculated in profit or loss over the term of the loans using the effective interest method. Loans are removed from the statement of financial position when the obligation specified in the contract has expired, fulfilled or canceled. The difference between the carrying amount of the financial obligation terminated or transferred to another party and the consideration paid, including transferred non-monetary assets or liabilities assumed, is recognized in the statement of comprehensive income as other income or finance costs.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the obligation for at least 12 months after the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Zakat provision

Zakat provision is calculated in accordance with the regulations of the Zakat, tax and customs authority (ZATCA). The zakat provision is recorded at the end of the financial year within the items of statement of comprehensive income, and the differences resulting from the final assessment are recognized within the same item in the year in which the zakat assessment is approved.

Revenue recognition

Primarily, revenue is generated from providing services for the sale of goods and rendering services to clients. The company records its revenues according to the following sequence:

- Determine the contract with the client.
- Determining performance obligations in the contract.
- Determine the contract price.
- Allocating the contract price to the performance obligations.
- Recording revenue when fulfilling performance obligations.

Revenue is recognized when the performance obligations are fulfilled and that is when selling to the customer. Performance obligation is the promise to sell to the customer. Upon fulfillment of performance obligations, revenue is recorded at the fair value of the service provided and excludes from the selling price any amounts collected on behalf of any third parties and any discounts on the price.

If the sales invoice to the customer includes certain different services, the invoice price is distributed proportionally, and the sale revenue is realized upon fulfilling the performance obligations and providing the service to the customer. The company provides its services to clients directly and is not considered an agent for any other parties. The Company generates its revenue from sale of pharmaceuticals and rendering of inpatient and outpatient services over time and at a point in time. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The goods and services are sold both on their own in separately identified contracts with customers and together as a bundled package of goods and/or services.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenues are measured at the transaction price which is the amount of consideration that the Company expects to be entitled to in exchange for the services provided. Revenue primarily comprises fees charged for inpatient and outpatient hospital services. For operating revenues, the revenue is recognized when the treatment is provided, and the invoice is generated (i.e., after satisfaction of performance obligation). Net patient services revenue is recognized at the estimated net realizable amounts from the third -party payers (insurance companies) and others for the services rendered, net of estimated retroactive revenue adjustments (rejection of claims) when the related services are rendered. Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

Some contracts include variable considerations such as claims disallowed (rejection of claims) which is not paid by third-party payor, volume discount and prompt payment discount. Discounts comprise retrospective volume discounts granted to certain insurance companies on attainment of certain levels of business and constitute variable consideration. These are accrued over the course of the arrangement based on estimates of the level of business expected and are adjusted against revenue at the end of the arrangement to reflect actual volumes. The normal business process associated with transactions with insurers includes amount of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Accordingly, the Company expects an amount of consideration that is less than what was originally invoiced. These disallowances constitute a variable consideration and are assessed based on all information (historical, current and forecast) that is reasonably available to the Company and identify a reasonable number of possible consideration amounts. Management estimates variable consideration using the single most likely amount method for prompt payment discount.

Other revenues

Other income is recognized when earned.

NABA AL SAHA MEDICAL SERVICES COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

3-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General and administrative expenses

General and administrative expenses consist of direct and indirect costs not related to cost of revenue. The distribution between general and administrative expenses and the cost of revenue, when necessary, is made on a fixed basis.

General and administrative expenses mainly include salaries, employee related expenses, professional fees, depreciation, travel expenses, utilities, general maintenance, fees, subscriptions, telephone, postage, insurance and others.

Dividends distribution

Dividends distribution are recorded in the financial statements in the period in which they are approved by the partners in the Company.

Subsequent events

financial statements are affected by subsequent events that require an amendment to the financial statements while it is disclosed subsequent events that do not require an amendment of the financial statements.

4- NEW STANDARDS AMENDMENTS TO STANDARDS AND INTERPRETATIONS:

4-1NEW STANDARDS AMENDMENTS TO STANDARDS APPLIED BY THE COMPANY

There are no new standards applicable on The Company. However, the company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

4-1-1 Amendments to IFRS 7 and IFRS 16 interest rate benchmark reform – Phase 2

The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

4-1-2 Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the International Accounting Standards Board ("IASB") published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can select to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

The adoption of above amendments does not have any material impact on the financial statements during the year.

4-2 Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted them in preparing these financial statements.

- Amendments to IAS 1 "Presentation of Financial Statements", on the classification of liabilities
- Amendments to IFRS 3, IAS 16, IAS 37
- Amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction

**NABA AL SAHA MEDICAL SERVICES COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021**

5-PROPERTY, PLANT AND EQUIPMENT

(Saudi Riyal)										
	Land	Buildings	Medical Equipment	Electric Equipment	Furniture and Fixtures	Fire and safety equipment	Elevator	Vehicles	Project under construction	Total
Cost:										
As of 1 January, 2020	4,291,000	37,832,038	30,276,480	9,157,452	3,761,828	3,548,975	1,090,940	2,487,009	-	92,445,722
Additions	37,108,162	-	1,683,337	414,108	255,235	90,318	-	88,000	-	39,639,160
As of 31 December, 2020	41,399,162	37,832,038	31,959,817	9,571,560	4,017,063	3,639,293	1,090,940	2,575,009	-	132,084,882
Additions	3,084,440	-	5,249,473	631,119	421,098	38,339	-	-	2,153,624	11,578,093
As of 31 December, 2021	44,483,602	37,832,038	37,209,290	10,202,679	4,438,161	3,677,632	1,090,940	2,575,009	2,153,624	143,662,975
Accumulated depreciation:										
As of 1 January, 2020	-	20,733,892	21,875,986	8,226,441	3,086,493	2,623,365	1,090,940	2,402,268	-	60,039,385
Charged during the year	-	1,891,601	1,935,520	339,813	186,040	175,009	-	86,892	-	4,614,875
As of 31 December, 2020	-	22,625,493	23,811,506	8,566,254	3,272,533	2,798,374	1,090,940	2,489,160	-	64,654,260
Charged during the year	-	1,891,601	1,928,778	391,932	227,482	177,067	-	29,980	-	4,646,840
As of 31 December, 2021	-	24,517,094	25,740,284	8,958,186	3,500,015	2,975,441	1,090,940	2,519,140	-	69,301,100
Net book value:										
As of 31 December, 2021	44,483,602	13,314,944	11,469,006	1,244,493	938,146	702,191	-	55,869	2,153,624	74,361,875
As of 31 December, 2020	41,399,162	15,206,545	8,148,311	1,005,306	744,530	840,919	-	85,849	-	67,430,622

The land and buildings of the company have been mortgaged against a long-term borrowing obtained from the Ministry of Finance and a local bank (note 15).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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6- INTANGIBLE ASSETS

During 2017, the company acquired 100% of the shares of Manarat Al Haramain Pharmacy (the "Pharmacy"), for a net consideration of 7 million Saudi riyals. Under the Share Sale / Purchase Agreement (the "Agreement"), all parties have agreed to transfer all rights and obligations associated with the former partners to the Company on January 1, 2017, as the date on which effective control of the Company is transferred (the "Acquisition Date"). This acquisition resulted in goodwill amounting to SR 2,268,566, which represents the increase in the consideration paid over the fair value of the net assets acquired at the date of acquisition, amounting to SR 4,731,434.

Goodwill impairment

Management performs a test of goodwill to ensure that there is no impairment in its value at the end of each financial year. The management found through the goodwill test that the book value of the goodwill was less than its recoverable value as at 31 December 2021. The recoverable amount was determined on the basis of the information used in calculating the present value of the expected cash flows for five years based on the estimated budget approved by the shareholders. The management believes that the estimated growth rates do not exceed the long-term average growth rates related to the activities of the pharmacy.

7- RIGHT OF USE ASSETS AND LEASE LIABILITIES

The following are the book value of the right-of-use assets and finance Lease liabilities of the Company and the movements during the year:

RIGHT OF USE ASSETS

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Cost:			
Balance as of beginning of the year	10,450,639	10,450,639	10,450,639
Balance as of end of the year	10,450,639	10,450,639	10,450,639
Accumulated depreciation:			
Balance as at beginning of the year	2,950,768	1,475,384	-
Charged during the year	1,475,384	1,475,384	1,475,384
Balance as of end of the year	4,426,152	2,950,768	1,475,384
Net book value	6,024,487	7,499,871	8,975,255

LEASE LIABILITIES

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Balance as of beginning of the year	7,729,546	9,114,693	10,450,639
Interest cost during the year (Note 22)	248,881	299,893	349,094
Paid during the year	(1,685,040)	(1,685,040)	(1,685,040)
Balance as of end of the year	6,293,387	7,729,546	9,114,693
Less: Current portion	1,489,050	1,436,159	1,385,146
Non – current portion	4,804,337	6,293,387	7,729,547

8- INVENTORY

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Medicine	4,253,414	3,114,666	3,108,397
Consumables	1,500,348	1,853,130	1,252,657
	5,753,762	4,967,796	4,361,054

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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9- TRADE RECEIVABLES

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Insurance company	34,630,053	24,391,778	21,277,064
Government and semi-governmental sectors	25,469,139	34,545,505	8,314,819
Other	20,722	55,220	155,448
	60,119,914	58,992,503	29,747,331

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Not due	22,666,864	11,197,480	8,821,261
From 1-90 days	20,628,977	16,699,775	15,356,652
From 91-180 days	16,582,297	12,907,098	3,564,673
More than 180 days	241,776	18,188,150	2,004,745
	60,119,914	58,992,503	29,747,331

10-PREPAID EXPENSES AND OTHER CURRENT ASSETS

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Advances to suppliers	1,317,002	1,604,105	219,581
Prepaid expenses	618,699	362,074	1,093,950
Staff receivables	335,275	90,221	172,657
Others	-	95,648	119,926
	2,270,976	2,152,048	1,606,114

11-RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent the main partners, members of the board of directors and the senior executive management of the company and the companies in which they are major owners. Prices and terms related to these transactions are approved by the company's management. The following is a statement of these related parties:

	Nature of transactions	Type of relationship
Salman bin Mohammad Hassan bin Abdullah Al-Jishi	Financing	Related to the shareholder
Salman bin Mohammed Hassan bin Abdullah Al-Jishi Group	Expenses paid on behalf	Related to the shareholder
Al-Raja Advanced Real Estate Investment Group	Expenses paid on behalf	Related Company to the shareholder
Fafa Packaging Products Factory	Expenses paid on behalf	Related Company to the shareholder
Nayef bin Mohammad Hassan bin Abdullah Al-Jishi	Expenses paid on behalf	Shareholder
Mohammed Hassan bin Abdullah Al-Jishi	Financing	Shareholder
Natheer bin Mohammad Hassan bin Abdullah Al-Jishi	Commission	Shareholder
Al-Raja printing	Expenses paid on behalf	Related Company to the shareholder

The amount of transactions with related parties were as follows:

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Paid Rent	1,685,040	1,685,040	1,685,040
Expenses paid in behalf	3,921,743	4,062,233	5,566,540
Land purchase	-	-	1,000,000
Sells	110,285	18,701	14,180
Commissions	1,162,690	710,815	580,389
Dividends	2,100,000	1,750,000	2,700,000

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11- RELATED PARTIES BALANCES AND TRANSACTIONS (continued)

Due from related parties represent:

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Al-Raja Advanced Real Estate Investment Group	347,974	230,244	131,248
Salman bin Mohammad Hassan bin Abdullah Al-Jishi	-	1,874	540,000
Salman bin Mohammed Hassan bin Abdullah Al-Jishi Group	-	50,766	15,639
Nayef bin Mohammad Hassan bin Abdullah Al-Jishi	-	-	28,332
Fafa Packaging Products Factory	-	5,360	-
Natheer bin Mohammad Hassan bin Abdullah Al-Jishi	-	-	155,719
	<u>347,974</u>	<u>288,244</u>	<u>870,938</u>

Due to related parties represent:

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Mohammed Hassan bin Abdullah Al-Jishi	-	1,125,178	3,007,657
Natheer bin Mohammad Hassan bin Abdullah Al-Jishi	-	1,449,147	-
Al-Raja printing	-	14,714	94,852
	<u>-</u>	<u>2,589,039</u>	<u>3,102,509</u>

Transactions of executive management compensation personnel

Compensation of the company's executive management personnel includes salaries, non-cash benefits and contributions to long-term employment benefits which is as the following:

	(Saudi Riyal)	
	December 31, 2021	December 31, 2020
Payments to Senior Executive Management Staff		
Salaries and benefits of executive BOD members	1,117,500	705,000
Salaries	1,976,000	1,832,000
Other benefit	56,000	37,000
	<u>3,149,500</u>	<u>2,574,000</u>

12- CASH AND CASH EQUIVALENTS

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Cash at bank	6,689,737	1,444,139	3,788,750
Cash on hand	304,404	341,648	208,218
	<u>6,994,141</u>	<u>1,785,787</u>	<u>3,996,968</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

13- SHARE CAPITAL

The Company's total number of shares amounted SR 7,000,000 value of each of SR 10, the following a statement of shares distribution between the partners:

Name of the shareholder	Ownership%	No. of shares	Share Value	Total (Saudi Riyal)
Nayef bin Mohammad Hassan bin Abdullah Al-Jishi	37.5%	2,625,000	10	26,250,000
Natheer bin Mohammad Hassan bin Abdullah Al-Jishi	25%	1,750,000	10	17,500,000
Lesley bint Mohammad Hassan bin Abdullah Al-Jishi	17.5%	1,225,000	10	12,250,000
Al-Raja Advanced Investment Group	15%	1,050,000	10	10,500,000
Mohammed Hassan bin Abdullah Al-Jishi	5%	350,000	10	3,500,000
Total	100%	7,000,000		70,000,000

14- STATUTORY RESERVE

In accordance with regulations for company's requirements, the Company is required to transfer 10% of its net profit each year to establish a statutory reserve until this reserve reaches 30% of its share capital. This reserve is not distributed on the shareholders

15- LOANS

The Company obtained a long-term loan from the Ministry of Finance on 10 Rabi' I 1424H corresponding to March 11, 2003 at amount of SR 26.6 million. The loan was scheduled on Rajab 28, 1433H corresponding to June 17, 2012. The loan is secured against the company's land and buildings (note 5). The annual installment of the loan is SR 2.2 million. During 2021 the loan was fully paid off. Work is under process to finalize the mortgage on the company's land and buildings.

The Company signed a facility agreement at an amount of SR 35 million with a local bank to finance the purchase of land in Riyadh city for the construction of a hospital, SIBOR plus a profit margin. The loan will be repaid in 8 semi-annual installments of equal value starting from January 1, 2022, during the year 2021 the company made early repayment of part of the loan amounting to SR 8 million. In addition, financing costs of SR 1,213 million were capitalized on the projects under progress for the project. This loan is secured by mortgaging lands belonging to the company's shareholders and guarantees from the shareholders. A pledge was also made to mortgage the registered property of Al-Zahraa General Hospital, upon completion and settlement of the loan for the Ministry of Finance.

16- EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

The movement in employees' defined benefits obligations was as follows:

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Balance as of January 1	5,730,769	4,091,593	3,477,509
Current service cost	2,630,216	2,229,528	1,483,718
Interest cost (Note 22)	117,457	82,060	-
Re-measurement of employees' defined benefits obligations	(737,121)	25,470	(114,231)
Paid during the year	(1,673,459)	(697,882)	(755,403)
Balance as of December 31	6,067,862	5,730,769	4,091,593

Main actuarial assumptions used:

	2021	2020
Discount rate	2.5%	2.4%
Expected rate of salary increase	1.5%	2.5%

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

16- EMPLOYEES' DEFINED BENEFITS OBLIGATIONS (continued)

Sensitivity analysis:

Sensitivity analysis has been prepared based on method that infers the impact on the final benefits liabilities of employees in the company as a result of reasonable changes in the key assumptions that occurred at the end of the financial year. Sensitivity analysis is based on a change in significant assumptions while keeping all other assumptions constant. The sensitivity analysis may not be representative of any actual change in the defined benefit obligation because it is not likely to induce changes in assumptions in isolation from one another.

	Rate	(Saudi Riyal)		
		December 31, 2021	December 31, 2020	January 1, 2020
Discount rate				
Increase	+1%	5,722,884	5,163,934	3,845,766
Decrease	-1%	6,454,235	6,384,313	4,368,188
Resignations rate				
Increase	+1%	6,485,308	6,271,192	4,367,926
Decrease	-1%	5,688,815	5,234,464	3,841,436

Risks Associated with Employee Defined Benefit Obligations:

Salary Increase Risks:

The most common type of retirement benefit is the one in which benefits are connected to its final salaries. The risk arises when the actual increases are higher than expected and therefore affect the obligation.

Withdrawal risks:

The actual withdrawal risk that varies with the valuation assumptions could pose a risk to the benefit obligation. The movement in commitment can proceed in both directions.

17- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Accrued Dividends (Note 23)	2,100,000	-	-
Accrued vacation	1,963,026	1,974,569	1,654,291
Value added tax	1,398,335	1,620,785	436,050
Accrued interest cost (Note 15)	1,213,464	-	-
Others	499,487	716,090	332,368
	7,174,312	4,311,444	2,422,709

18- ZAKAT PROVISION

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Balance as at the beginning of the year	1,834,388	988,034	963,502
Charge for the year	1,701,133	1,682,828	848,182
Paid during the year	(1,525,114)	(836,474)	(823,650)
Balance as at the end of the year	2,010,407	1,834,388	988,034

Zakat status:

The Company has filed zakat return to Zakat, Tax and Customs Authority to the year 2020 and obtained the zakat certificate. ZATCA issued assessments from the year 2015 to 2017. With total differences of SR 556,879. The company has submitted an objection to these assessments which is under process.

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19- REVENUES

	(Saudi Riyal)	
	December 31, 2021	December 31, 2020
Revenue per service line		
Providing medical services	105,657,743	96,804,503
Medicine	12,023,925	18,878,401
	<u>117,681,668</u>	<u>115,682,904</u>
Revenue recognition timing		
Medical services over time	105,424,989	94,612,488
Medical services and sales of pharmacy products in a certain period of time	12,256,679	21,070,416
	<u>117,681,668</u>	<u>115,682,904</u>

Revenue primarily includes fees charged for hospital outpatient and inpatient services. Which includes accommodation fees, medical professional services, equipment, radiology, and laboratory. Revenue from services is recognized either separately or combined with pharmacy revenue. According to IFRS 15, the company concluded that revenue from inpatient and long-stay patients are recognized over period of time. While revenue from outpatient clinics and pharmacy, it is recognized at a specific period of time. The company concluded that the performance obligation is satisfied when medical services are provided and the patient receives the treatment.

20- COST OF REVENUES

	(Saudi Riyal)	
	December 31, 2021	December 31, 2020
Salaries, wages and other benefits	41,106,541	32,973,092
Used materials	17,581,529	24,388,480
Depreciation	6,122,224	6,090,259
Government fees	3,002,522	3,132,097
Water and electricity	1,579,530	1,442,368
Insurance	501,614	258,372
Repair and maintenance	122,219	127,735
Rent	-	23,251
Other	882,136	1,315,664
	<u>70,898,315</u>	<u>69,751,318</u>

21- GENERAL AND ADMINISTRATIVE EXPENSES

	(Saudi Riyal)	
	December 31, 2021	December 31, 2020
Salaries, wages and other benefits	13,540,384	13,361,230
Maintenance	1,419,057	1,014,726
Commission	1,252,690	710,815
Government fees	966,287	730,442
Professional Fees	757,756	121,095
Rent	94,105	42,841
Insurance	79,500	248,479
Electricity	62,611	108,744
Stationery	48,666	142,204
Other	1,590,321	1,803,141
	<u>19,811,377</u>	<u>18,283,717</u>

22- FINANCE COST

	(Saudi Riyal)	
	December 31, 2021	December 31, 2020
Finance cost on lease liabilities (Note 7)	248,881	299,893
Finance costs on employees' defined benefits obligations (Note 16)	117,457	82,060
	<u>366,338</u>	<u>381,953</u>

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23- DIVIDENDS DISTRIBUTION

During the year 2021, the Board of Directors decided to distribute dividends amounted SR 2,100,000 (2020: SR 1,750,000).

24- PROFIT PER SHARE – BASIC AND DILUTED

Basic profit per share is calculated by dividing the profit attributable to the shareholders of the company by the weighted average number of ordinary shares issued during the year. Since the company does not have any diluted potential shares, the diluted earnings per share is the same as the basic earnings per share.

	(Saudi Riyal)	
	December 31, 2021	December 31, 2020
Net profit attributable to the shareholders of the company	25,827,253	26,652,886
Weighted average number of shares	7,000,000	7,000,000
Earnings per share - basic and diluted	3,69	3,81

25- COMPARATIVE FIGURES

The comparative figures presented for the year ending on December 31, 2020 and January 1, 2020 have been reclassified to conform to the presentation and classification for the current year, as shown below are the material classifications that occurred:

	(Saudi Riyal)		
	Before reclassification	Reclassification	After reclassification
As of December 31, 2020			
Trade receivables	59,088,151	(95,648)	58,992,503
Prepaid expenses and other current assets	2,344,644	(192,596)	2,152,048
Due from related party	-	288,244	288,244
Trade payables	13,047,184	(8,734,871)	4,312,313
Accrued expenses and other current liabilities	-	4,311,444	4,311,444
Due to related party	-	2,589,039	2,589,039
Zakat provision	-	1,834,388	1,834,388
	(Saudi Riyal)		
	Before reclassification	Reclassification	After reclassification
As of January 1, 2020			
Trade receivables	29,871,254	(123,923)	29,747,331
Prepaid expenses and other current assets	2,014,255	(408,141)	1,606,114
Due from related party	-	870,938	870,938
Inventory	4,352,515	8,539	4,361,054
Trade payables	11,487,430	(6,147,830)	5,339,600
Accrued expenses and other current liabilities	-	2,422,709	2,422,709
Due to related party	-	3,102,509	3,102,509
Zakat provision	-	988,034	988,034

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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26- PRIOR YEARS ADJUSTMENTS

The Company has not accounted for leases in accordance with IFRS 16 "Leases", and as a result, the financial statements for the years ended December 31, 2021 and January 1, 2020 have been restated.

(Saudi Riyal)

	Before Restatement	Restatement	After Restatement
<u>As of December 31, 2020</u>			
Right of use assets	-	10,450,639	10,450,639
Accumulated depreciation right of use	-	(2,950,768)	(2,950,768)
Lease liabilities current portion	-	(1,436,159)	(1,436,159)
Lease liabilities	-	(6,293,387)	(6,293,387)
Retained earning	(377,515)	265,675	(111,840)
Accrued expenses and other current liabilities	(4,275,444)	(36,000)	(4,311,444)
<u>As of January 1, 2020</u>			
Right of use assets	-	10,450,639	10,450,639
Accumulated depreciation right of use	-	(1,475,384)	(1,475,384)
Lease liabilities	-	(7,729,547)	(7,729,547)
Lease liabilities current portion	-	(1,385,146)	(1,385,146)
Retained earnings	(23,042,514)	157,447	(22,885,067)
Accrued expenses and other current liabilities	(2,404,700)	(18,009)	(2,422,709)

27- OPERATIONAL INFORMATION

Operational sector

The company has the medical services and pharmaceutical products sector, where the total assets and liabilities of pharmaceutical products represent less than 10%. Revenue has been disclosed in Note 19.

Geographical sector

The Company operates entirely within the Kingdom of Saudi Arabia.

28- FAIR VALUE

Fair value is the amount that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Within the definition of fair value there is an assumption that the Company will continue to operate as there is no intention or requirement to materially reduce the size of its operations or to conduct a transaction on adverse terms. A financial instrument is considered to be listed in an active market if the listed prices are readily and regularly available from an exchange dealer, industry company broker, pricing services, or regulatory commission, and these prices represent market transactions that have actually occurred and regularly on a commercial basis. When measuring fair value, the Company uses observable market information whenever possible. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Listed prices (unadjusted) in active markets for identical assets and liabilities that can be obtained at the measurement date.

Level 2: Inputs other than listed prices included in Level 1 that are observable for the asset or liability, directly (E.g. prices) or indirectly (derived from prices).

Level 3: Inputs for assets and liabilities that are not based on observable market information (unobservable inputs). All financial assets and liabilities of the Company are not measured at fair value, as they are measured at amortized cost.

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29- FINANCIAL RISK MANAGEMENT

The company is exposed to the following risks as a result of its use of financial instruments:

- Credit risk
- Liquidity risk
- Currency risk
- Commission rate risk

This note shows information about the Company's exposure to each of the above risks, the company's objectives, policies and methods for measuring and managing risks.

CREDIT RISK

Credit risk represents the inability of one party to meet its obligations, which leads to the other party incurring a financial loss. The credit risk to which the Company is exposed on trade receivables and cash at bank.

	(Saudi Riyal)		
	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables	60,119,914	58,992,502	29,747,331
Due from related party	347,974	288,244	870,938
Other current assets	1,652,277	1,789,974	512,164
Cash at bank	6,689,737	1,444,139	3,788,750
	<u>68,809,902</u>	<u>62,514,859</u>	<u>34,919,183</u>

The book value of the financial assets represents the maximum exposure to credit risk. The Company manages credit risk in relation to contract assets and trade receivables by monitoring it in accordance with specific policies and procedures. The company seeks to reduce credit risk with respect to customers by setting credit limits for each customer and monitoring uncollected receivables on an ongoing basis. Cash balances with banks are kept with financial institutions with high credit ratings.

LIQUIDITY RISK

Liquidity risk represents the difficulty that the Company faces in raising funds to meet commitments related to financial instruments. Liquidity risk can result from the inability to sell a financial asset quickly at an amount close to its fair value.

	(Saudi Riyal)			
	Book value	Contracted cash flow	Less than one year	More than year
December 31, 2021				
Lease liabilities	6,293,387	6,293,387	1,489,050	4,804,337
Long term Loans	27,000,000	27,000,000	26,250,000	750,000
	<u>33,293,387</u>	<u>33,293,387</u>	<u>27,739,050</u>	<u>5,554,337</u>

	(Saudi Riyal)			
	Book value	Contracted cash flow	Less than one year	More than year
December 31, 2020				
Lease liabilities	7,729,546	7,729,546	1,436,159	6,293,387
Long term Loans	40,480,369	40,480,369	5,480,369	35,000,000
Due to related party	2,589,039	2,589,039	2,589,039	-
	<u>50,798,954</u>	<u>50,798,954</u>	<u>9,505,567</u>	<u>41,293,387</u>

	(Saudi Riyal)			
	Book value	Contracted cash flow	Less than one year	More than year
January 1, 2020				
Lease liabilities	9,114,693	9,114,693	1,385,146	7,729,547
Long term Loans	5,653,272	5,653,272	2,253,862	3,399,410
Due to related party	3,102,509	3,102,509	3,102,509	-
	<u>17,870,474</u>	<u>17,870,474</u>	<u>6,741,517</u>	<u>11,128,957</u>

Liquidity risk is managed by monitoring on a regular basis and ensuring that sufficient funds, banking and other credit facilities are available to meet the Company's future obligations.

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29- FINANCIAL RISK MANAGEMENT (continued)

CURRENCY RISK

Currency risk represents the risks resulting from the fluctuation of the value of a financial instrument due to changes in foreign exchange rates. Currency risk arises when future trading transactions and the recognized assets and liabilities are in a different currency than the Company's presentation currency. The Company's exposure to foreign currency risk is primarily limited to transactions in US dollars, the Company's management believes that its exposure to currency risks related to US dollar is limited. Fluctuations in exchange rates against other currencies are constantly monitored.

COMMISSION RATE RISK

Commission rate risk represents the risk that the value of financial instruments will fluctuate due to changes in the commission rates prevailing in the market.

The Company is subject to commission rate risk on in-house borrowing.

30- SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the year ended December 31, 2021 that could have a material impact on the financial position of the Company or the results of its operations.

31- APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements approved by the board of directors of the company on 25 Ramadan 1443 H (Corresponding to April 26, 2022).





نباغ الصفاة
NABA ALSAHA

