

## Shares Registration Document of Twareat Medical Care Company

Twareat Medical Care Company is a Saudi joint stock company under Ministerial Resolution No. (992) dated 11/10/1443H (corresponding to 12/05/2022G) and Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G)

The indicative price for trading the Company's shares in the Parallel Market «Nomu» is (12) twelve Saudi Riyals

Twareat Medical Care Company (hereinafter referred to as the «Company» or the «Issuer») is a Saudi closed joint stock company under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G). Twareat Medical Care Center (the previous name of the Company) was established as a branch of a sole proprietorship wholly owned by the Substantial Shareholder and current Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan with a capital of (10,000) ten thousand Saudi riyals, under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G). On 05/06/1439H (corresponding to 21/02/2018G), the legal status of the Twareat Medical Center was converted into a limited liability company bearing the same registration number, and the name was changed to Twareat Medical Care Company («the Company» and/or the «Issuer»), and the capital was determined to be (7,000) seventy-seven thousand Saudi riyals divided into (7,700) seven thousand seven hundred equal cash shares, at (10) ten Saudi riyals per share. The net assets of the establishment's branch were evaluated at (50,000) fifty thousand Saudi riyals, which is (10,000) ten thousand Saudi riyals as paid-up capital in addition to (40,000) forty thousand Saudi riyals as retained earnings. An amount of (27,000) twenty-seven thousand Saudi riyals was also injected in cash by all partners upon conversion to a limited liability company. The Company's ownership structure was amended when the legal status was converted from a sole proprietorship to a limited liability company, by Shareholder Tariq Mohammed Al-Hamdan relinquishing to each of Khaled Ahmed Al-Haddad (25) twenty-five shares representing 0.32% of the Company's total shares, Amer Mohammed Al-Amer (350) three hundred and fifty shares representing 4.55% of the Company's total shares, and Hani Mohammed Al-Hashemi (250) two hundred and fifty shares representing 3.25% of the Company's total shares. Accordingly, shareholder Tariq Mohammed Al-Hamdan owned (7,075) seven thousand and seventy-five shares representing 91.88% of the Company's total shares. On 14/06/1440H (corresponding to 19/02/2019G), the Company's partners, decided to increase the Company's capital to (5,277,000) five million, two hundred and seventy-seven thousand Saudi riyals, divided into (5,277) five thousand, two hundred and seventy-seven shares of equal value, where the value of the share was modified from (10) ten Saudi riyals to (1,000) one thousand Saudi riyals per share, and the capital was increased from the partners' current account by an amount of (5,088,678) Saudi riyals and the retained earnings account by an amount of (111,322) Saudi riyals. On 20/06/1440H (corresponding to 25/02/2019G), the partners wished to amend the Articles of Association, whereby Mr. Tariq Mohammed Sulaiman Al-Hamdan waived part of his shares in the Company, i.e. (3,530) three thousand five hundred and thirty shares, with a total value of (3,530,000) three million five hundred and thirty thousand Saudi riyals, to Dar Noor Contracting Company, a single-person company, with its rights and obligations. These shares were waived without compensation. He also waived (1,319) one thousand three hundred and nineteen shares, with a total value of (1,319,000) one million three hundred and nineteen thousand Saudi riyals, to Al-Ahsa Development Company, with its rights and obligations, in exchange for cash compensation. On 04/04/1441H (corresponding to 01/12/2019G), the Articles of Association was amended to modify the Company's objectives and the fiscal year clause. On 21/12/1441H (corresponding to 11/08/2020G), the Articles of Association was amended to modify the Company's purposes. On 18/10/1442H (corresponding to 30/05/2021G), the Articles of Association was amended due to the change of the partner's name from Al-Ahsa Development Company to Ayan Investment Company. On 27/02/1443H (corresponding to 04/10/2021G), the partners wished to increase the capital from (5,277,000) five million, two hundred and seventy-seven thousand Saudi riyals to (8,999,000) eight million, nine hundred and ninety-nine thousand Saudi riyals by capitalizing an amount of (3,722,000) three million, seven hundred and twenty-two thousand Saudi riyals from the retained earnings account, and the value of the share was adjusted from (1,000) one thousand Saudi riyals to (10) ten Saudi riyals, and the number of shares from (5,277) five thousand, two hundred and seventy-seven shares to (899,900) eight hundred and ninety-nine thousand, nine hundred shares. On 29/06/1443H (corresponding to 01/02/2022G), some partners decided to waive part of their shares in the Company in favor of new partners, bringing the total number of partners in the Company to (71) seventy-one partners. The Company was also converted into a closed joint-stock company, as the aforementioned changes were recorded and the Company was converted into a closed joint-stock company pursuant to Ministerial Resolution No. (992) dated 11/10/1443H (corresponding to 12/05/2022G) under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G), whose Articles of Association is documented at the Notary Public in Al-Khobar under Deed No. (39857764), dated 05/06/1439H (corresponding to 21/02/2018G). The Company's capital after the conversion amounted to (8,999,000) eight million nine hundred and ninety-nine thousand Saudi riyals divided into (899,900) eight hundred and ninety-nine thousand nine hundred ordinary shares fully paid at a nominal value of (10) ten Saudi riyals per share. On 09/01/1444H (corresponding to 07/08/2022G), the shareholder Firas Abdulrahman Al-Zoghaibi (a shareholder from among the public) partially exited by relinquishing (26,254) of his shares in favor of the Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Al-Hamdan, in exchange for cash compensation, and the Company's ownership structure was amended, and this was documented in the shareholders' register. On 23/01/1444H (corresponding to 21/08/2022G), the Extraordinary General Assembly approved increasing the Company's capital from (8,999,000) eight million nine hundred and ninety-nine thousand Saudi riyals to (20,000,000) twenty million Saudi riyals divided into (2,000,000) two million ordinary shares at a nominal value of (10) ten Saudi riyals per share by capitalizing an amount of (11,001,000) eleven million and one thousand Saudi riyals from the retained earnings account, based on the recommendation of the Board of Directors dated 22/10/1443H (corresponding to 23/05/2022G). On 23/07/1444H (corresponding to 14/02/2023G), Khaled Mohammed Al Mulla, Ibrahim Abdulrahman Al Majed, Hani Mohammed Al Hashemi, Suhair Mohammed Al Ghamdi, Abdul Mohsen Abdulaziz Al Rajhi, Khaldia Ali Al Awaji, Talal Ali Al Awaji, Ali Abdulaziz Al Rajhi, Omar Abdulaziz Al Rajhi and Firas Abdulahman Al Zghaibi (shareholders under the public) wished to transfer part of their shares in exchange for cash in favor of each of the Substantial Shareholder and Chairman of the Board of Directors Tariq Mohammed Al Hamdan, Abdullah Mohammed Al Majed and Abdulaziz Mohammed Al Issa, and the ownership structure of the Company was amended and this was documented in the shareholders' register. On 16/08/1444H (corresponding to 08/03/2023), the Substantial Shareholder and Chairman of the Board of Directors Tariq Mohammed Al Hamdan wished to waive part of his shares, without compensation, in favor of Bait Lulwa Company Limited (a one-person company wholly owned by the Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Al-Hamdan), and the ownership structure of the Company was amended and this was documented in the shareholders' register. On 24/10/1444H (corresponding

to 14/05/2023), the Extraordinary General Assembly approved the Board of Directors' proposal to increase the Company's capital from (20,000,000) twenty million Saudi riyals to (40,000,000) forty million Saudi riyals divided into (4,000,000) four million fully paid shares by transferring the balance from the retained earnings account. On 03/12/1444H (corresponding to 21/06/2023G), the Extraordinary General Assembly approved the Board of Directors' proposal to amend the nominal value of each share to (1) one Saudi riyal, all of them are ordinary shares of one class. On 03/03/1445H (corresponding to 18/09/2023G), the Company conducted a private offering of (2,980,600) two million nine hundred and eighty thousand six hundred shares, representing (7.45%) of the Company's shares, and 55 new shareholders entered the private offering process, and this was recorded in the shareholders' register (please refer to Section No. (3-2) «Company Incorporation and the Most Important Developments in the Capital Structure» of this Document).

The current capital of the Company is (40,000,000) forty million Saudi riyals, divided into (40,000,000) forty million fully paid ordinary shares with a nominal value of (1) one Saudi riyal per share.

All of the Company's shares are ordinary shares of one class, and the share does not give its holder any preferential rights. Every shareholder («Shareholder»), regardless of the number of shares he owns, has the right to attend and vote at the meetings of the General Assembly of Shareholders («General Assembly»). Each shareholder also has the right to appoint another person other than the members of the Company's board of directors or the Company's employees to act on their behalf to attend and vote in the General Assembly meetings. The shares subject to direct listing are entitled to their share of any dividends announced by the Company as of the date of this Registration Document and for any subsequent financial year. (Please refer to Section No. (5) «Dividends Policy» of this Document).

As of the date of this Document, the Substantial Shareholders of the Company who own (5%) or more of its capital are: Tariq Mohammed Al-Hamdan (29.18%), Ayan Investment Company (a sole proprietorship company) with a shareholding of (25.00%), Bait Lulwa Company with a shareholding of (11.53%), Abdullah Mohammed Al-Hamdan (6.49%), Al-Othman Holding Company, a closed joint stock company, also owns (5.25%) indirectly as a result of its ownership of (20.98%) in the Substantial Shareholder Ayan Investment Company (a sole proprietorship company). For more details on the Substantial Shareholders (please refer to Section No. (4-1) «The Company's Ownership Structure» of this Document). These Substantial Shareholders are prohibited from disposing of their shares for a period of twelve (12) months from the date of commencement of trading of the Company's shares in the Parallel Market («Lock-up Period»), and they may dispose of their shares after the end of this period without the need to obtain prior approval from the Capital Market Authority («the Authority»).

Trading in shares subject to direct listing in the Parallel Market is limited to current shareholders (with the exception of Substantial Shareholders in the Company who own (5%) or more of its capital and who are mentioned above and who are subject to the Lock-up Period), in addition to the categories of qualified investors, which include:

- 1- Financial market institutions acting on their own account
- 2- Clients of a financial market institution licensed to conduct management business, provided that the financial market institution has been appointed on conditions that enable it to take decisions regarding accepting participation in the Offering and investing in the Parallel Market on behalf of the client without the need to obtain prior consent from him.
- 3- The Government of the Kingdom, or any governmental agency, or any international body recognized by the Authority, or the Exchange, and any other capital market recognized by the Authority, or the Depository Center.
- 4- Companies owned by the Government, directly or through a portfolio managed by a capital market institution licensed to engage in management business.
- 5- Companies and funds established in the GCC states.
- 6- Investment funds.
- 7- Any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center.
- 8- Natural persons who may open an investment account in the Kingdom and an account with the Depository Center, and each fulfill any of the following criteria: (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. (e) He holds a professional certificate specialized in the field of securities business approved by an internationally recognized body.
- 9- Any other persons designated by the Authority.

The Company's shares have not previously been listed on any stock market, whether inside or outside the Kingdom of Saudi Arabia, before their direct listing in the Parallel Market. The Company has filed an application to register the shares subject to this Document to the Saudi Capital Market Authority («the Authority») and to list them in the Saudi Stock Exchange («Saudi Tadawul»). All required documents have been submitted to the relevant authorities and all requirements have been completed. The requirements were met, and all approvals related to the process of registration and direct listing of the Company's shares in the Parallel Market have been fulfilled, including the Authority's approval of this Registration Document.

Investing in the shares subject to the Registration and Direct Listing in the Parallel Market involves risks and uncertainties. Therefore, the «Important Notice» and «Risk Factors» sections of this Registration Document must be carefully studied by potential investors before making a decision to invest in the Company's shares after completing their Registration and Direct Listing in the Parallel Market.

Financial Advisor

الدخيل  
Aldukheil

«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 in this document, 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 document.»



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## Important Notice

This Document provides complete detailed information about Twareat Medical Care Company and the shares subject to direct listing. Potential Qualified Investors who wish to invest in the shares subject to direct listing after completion of registration of the Company's shares and the start of their trading in the Parallel Market will be treated on the basis that the investment decision is based on the information contained in this Document, a copy of which can be obtained from the Company's website ([www.twareat.com](http://www.twareat.com)), Aldukheil Financial Group ([www.aldukheil.com.sa](http://www.aldukheil.com.sa)), the Capital Market Authority ([www.cma.org.sa](http://www.cma.org.sa)), or the Saudi Stock Exchange (Saudi Tadawul) ([www.saudiexchange.sa](http://www.saudiexchange.sa)). An announcement will also be made by the Financial Advisor «**Aldukheil Financial Group Company**» on the Saudi Tadawul Stock Exchange website «**Saudi Tadawul**» about publishing the Registration Document and making it available to qualified investors within the specified period in accordance with the Rules on the Offer Securities and Continuing Obligations (within a period of not less than (14) days before direct listing) and any other developments.

This Registration Document 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 of Saudi Arabia. The Directors whose names appear on page (D) collectively and individually accept full responsibility for the accuracy of the information contained in this Registration Document, and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, that there are no other facts in the Registration Document that the omission of which would make any statement contained therein misleading. The Authority and Saudi Stock Exchange Company «**Saudi Tadawul**» assume no responsibility for the contents of this Document, nor do they give any assurances regarding the accuracy or completeness of this Document, and expressly disclaim any responsibility whatsoever for any loss arising from or incurred in reliance on any part of this Document. Those wishing to invest based on this Document must verify the accuracy of the information relating to the shares subject to direct listing in the Parallel Market. If the contents of this Document cannot be understood, a licensed financial advisor must be consulted.

The Company has appointed Aldukheil Financial Group as a financial advisor («**Financial Advisor**») regarding registering the Company's shares and listing them directly on the Parallel Market «**Nomu**».

The information contained in this Document as at the date hereof is subject to change. In particular, the actual financial condition 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 Issuer has no control (Please refer to Section (2)«**Risk Factors**» of this Document). Neither the delivery of this Document nor any oral, written or printed interaction in relation to the Company's 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 Document is not to be regarded as a recommendation on the part of the Company, its directors, or any of its advisors to participate in the investment in the shares subject to direct listing. The information provided in this Document is of general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs for investors who may wish to invest in the Shares to be directly listed. Prior to making an investment decision, each recipient of this Document is responsible for obtaining independent professional advice from a financial advisor who is licensed by CMA in relation to the Shares subject to direct listing and for considering the appropriateness of this investment and information herein, with regard to individual objectives, positions and financial needs of those investors.

The Company and the Financial Advisor ask the recipient of this Document to review all the regulatory and statutory restrictions related to buying or selling the shares subject to registration and listing and to observe compliance with them.



## Financial Information

The Company's audited financial statements for the fiscal year ending 31/12/2023G (which include comparative figures for the fiscal year ending 31/12/2022G), the reissued audited financial statements for the period ending 30/06/2024G (which include comparative figures for the fiscal period ending 30/06/2023G), and the accompanying notes included in this Document, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the Kingdom of Saudi Arabia and other standards and issues approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The financial statements for the fiscal year ending 31/12/2023G and the fiscal period ending 30/06/2024G have been audited by PKF Al Bassam Certified Public Accountants and Auditors. The Company issues its financial statements in Saudi Riyals.

## Forecasts and Forward-Looking Statements

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

Certain statements in this Document 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. (Please refer to Section (2) «**Risk Factors**» of this Document). 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 Document.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary Registration Document to the CMA if, at any time after the publication of this Registration Document and before completion of the Registration, the Company becomes aware that: (1) There has been a significant change in any material information contained in this Registration Document; (2) The occurrence of additional significant matters which would have been required to be included in this Registration Document. Except in the two circumstances mentioned above, the Company does not intend to update or otherwise revise any statements in this Registration Document, whether as a result of new information, future events or otherwise relating to the Company.

As a result of the foregoing and other risks, assumptions and uncertainties, expectations of future events and conditions set out in this Document may not occur as expected by the Company or may not occur at all. Accordingly, potential qualified investors should examine all future statements in the light of these interpretations and not rely primarily on these forward-looking statements.



## Corporate Directory

### Board of Directors

Name	Position	Capacity	Nationality	Age	Number of Shares	Direct Ownership (%)	Indirect Ownership (%)	Year of Appointment
Tariq Mohammed Sulaiman Al-Hamdan*	Chairman	Non-executive	Saudi	47	11,670,380	29.18%	11.53%	2022G
Saleh Mohammed Saleh Al-Melhem	Deputy Chairman	Non-executive	Saudi	41	-	-	-	2023G
Amer Mohammed Amer Al-Amer	Managing Director & CEO	Executive	Saudi	41	1,558,440	3.90%	-	2022G
Abdullah Mohammed Sulaiman Al-Hamdan	Member	Non-executive	Saudi	42	2,597,400	6.49%	-	2022G
Ahmed Abdullah Abdulaziz Al-Khayal	Member	Independent	Saudi	34	-	-	-	2022G
Khaled Mohammed Sulaiman Al-Hamdan	Member	Executive	Saudi	34	1,558,440	3.90%	-	2022G
Ahmed Ibrahim Ali Al-Fawzan	Member	Independent	Saudi	42	-	-	-	2023G
Raed Mohammed Abdullatif Al-Naeem	Member	Non-executive	Saudi	47	-	-	-	2022G
Mohammed Ahmed Rumaizan Al-Rumaizan	Member	Independent	Saudi	38	20,000	0.05%	-	2024G
<b>Secretary of the Board</b>								
Fahd Abdul Rahman Ahmed Sulaiman	Secretary of the Board	N/A	Saudi	34	-	-	-	2023G

Source: Twareat Medical Care Company

\*The Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan, owns 11.5334% of the Company's capital indirectly through his full ownership of Bait Lulwa Company.

- The current number of members of the Company's Board of Directors is (9) members. The first members of the Board of Directors, numbering (8) eight members, were appointed based on the decision of the Transformational Assembly dated 10/10/1443H (corresponding to 11/05/2022G) for a period of (5) five years. The term of membership of the Board of Directors was later amended to become (3) three years from the date of appointment of the Board, after updating the Company's Articles of Association approved by the Ministry of Commerce on 03/12/1444H (corresponding to 21/06/2023G), in order to align with the provisions of the Companies Law issued by Royal Decree (M/132) dated 01/12/1443H (corresponding to

30/06/2022G). On 03/12/1444H (corresponding to 21/06/2023G), the Extraordinary General Assembly approved the election of Ahmed Al-Fawzan and Saleh Al-Melhem as Board members due to the withdrawal of the previous members Hani Al-Hashemi and Khaled Balhaddad. On 22/11/1445H (corresponding to 30/05/2024G), the Board of Directors of the Company decided to appoint Saleh Mohammed Al-Melhem as Deputy Chairman of the Board. On 03/12/1445H (corresponding to 09/06/2024G), the Extraordinary General Assembly decided to add member Mohammed Ahmed Al-Rumaizan as an additional independent member to the Board, bringing the number of Board members to (9) nine members.

- Fahd Abdul Rahman Ahmed Sulaiman was appointed as Secretary of the Board of Directors based on the Board of Directors' decision dated 06/01/1445H (corresponding to 24/07/2023G). He is responsible for recording the minutes of the Board of Directors' meetings, documenting and preserving the decisions issued from these meetings, in addition to exercising other powers assigned to him by the Board of Directors.
- The factors of independence for the members of the Board of Directors have been determined based on the Corporate Governance Regulations issued by the Capital Market Authority, and they are:
  - 1- To own 5% or more of the Company's shares or shares of another company in its group or to be a relative to the owner of this percentage.
  - 2- To be a relative to any member of the Board of Directors of the Company or another company in its group.
  - 3- To be a relative to any of the senior executives in the Company or another company in its group.
  - 4- To be a member of the board of directors of another company in the group of the company nominated for membership of its board of directors.
  - 5- To work or have worked as an employee during the past two years for the Company or any party transacting with it or another company in its group, such as auditors and major suppliers, or to be the owner of controlling shares in any of those parties during the past two years.
  - 6- To have a direct or indirect interest in the business and contracts concluded on behalf of the Company.
  - 7- To receive financial amounts from the Company in addition to the remuneration for membership of the Board of Directors or any of the committees exceeding (200,000) two hundred thousand Saudi riyals or 50% of the remuneration of the previous year received for membership of the Board of Directors or any of the committees, whichever is less.
  - 8- To participate in a business that competes with the Company, or to trade in one of the branches of activity carried out by the Company.
  - 9- To have spent more than (9) nine consecutive or separate years as a member of the Company's Board of Directors.

## Registered Company's Address

**Twareat Medical Care Company**

Kinan Alshareq, Prince Turki bin Abdulaziz Road,  
Al-Khobar  
P.O. Box 7465, Al-Khobar 34413  
Kingdom of Saudi Arabia  
Tel: +966 13 858 7000  
Fax: +966 13 858 1324  
Website: www.twareat.com  
Email: info@twareat.com



## First Issuer's Representative

**Name: Tariq Mohammed Sulaiman Al-Hamdan**

Position: Chairman of the Board  
Kinan Alshareq, Prince Turki bin Abdulaziz Road,  
Al-Khobar  
P.O. Box 7465, Al-Khobar 34413  
Kingdom of Saudi Arabia  
Tel: +966 13 858 7000 Ext: 101  
Fax: +966 13 858 1324  
Email: thamdan@twareat.com

## Second Issuer's Representative

**Name: Amer Mohammed Amer Al Amer**

Position: Managing Director & CEO  
Kinan Alshareq, Prince Turki bin Abdulaziz Road,  
Al-Khobar  
P.O. Box 7465, Al-Khobar 34413  
Kingdom of Saudi Arabia  
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Email: aalamer@twareat.com

## Stock Exchange

**Saudi Tadawul Group (Saudi Exchange)**

Unit No.: 15, King Fahd Road, Olaya, Riyadh  
P.O. Box 6897, Riyadh 12211 - 3388  
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Fax: +966 11 2189133  
Website: www.saudiexchange.sa  
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## Advisors

### Financial Advisor

#### Aldukheil Financial Group

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الدخيل  
Aldukheil

### Auditor

#### PKF Al Bassam Certified Public Accountants and Auditors

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**Disclaimer:** All of the above advisors and the auditor have given their written consent to the use their names, logos and statements in this Document in the form and context appear herein, and none of them has withdrawn its consent as of the date of this Document.





## Offering Summary

This summary is intended to provide a brief background on the information contained in this Document. Hence, this summary does not contain all the information that may be important to potential investors. Therefore, this summary should be read as an introduction to this Document, and potential investors should read and review this Document in its entirety, and any decision regarding investment in the shares subject to direct listing by potential investors should be based on taking into account all information stated in this Document as a whole, especially the «**Important Notice**» section and Section No. (2) «**Risk Factors**» before making any investment decision in the shares subject to direct listing under in this Document.

### Summary

#### The Company or « the Issuer»

Twareat Medical Care Company (hereinafter referred to as the «**Company**» or the «**Issuer**») is a Saudi closed joint stock company under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G). Twareat Medical Care Center (the previous name of the Company) was established as a branch of a sole proprietorship under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G). On 05/06/1439H (corresponding to 21/02/2018G), the legal status of the Twareat Medical Center was converted into a limited liability company bearing the same registration number, and the name was changed to Twareat Medical Care Company («**the Company**» and/or the «**Issuer**»), and the capital was determined to be (77,000) seventy-seven thousand Saudi riyals divided into (7,700) seven thousand seven hundred equal cash shares, at (10) ten Saudi riyals per share. The net assets of the establishment's branch were evaluated at (50,000) fifty thousand Saudi riyals, which is (10,000) ten thousand Saudi riyals as paid-up capital in addition to (40,000) forty thousand Saudi riyals as retained earnings. On 14/06/1440H (corresponding to 19/02/2019G), the Company's Board of Directors, with the approval of the partners, decided to increase the Company's capital to (5,277,000) five million, two hundred and seventy-seven thousand Saudi riyals, divided into (5,277) five thousand, two hundred and seventy-seven shares of equal value, with a nominal value of (1,000) one thousand Saudi riyals per share. The capital was increased from the partners' current account and the retained earnings account. On 20/06/1440H (corresponding to 25/02/2019G), the partners wished to amend the Articles of Association with regard to the Company's ownership. On 04/04/1441H (corresponding to 01/12/2019G), the Articles of Association was amended to modify the Company's objectives and the fiscal year clause. On 21/12/1441H (corresponding to 11/08/2020G), the Articles of Association was amended to modify the Company's purposes. On 18/10/1442H (corresponding to 30/05/2021G), the Articles of Association was amended due to the change of the partner's name from Al-Ahsa Development Company to Ayan Investment Company. On 27/02/1443H (corresponding to 04/10/2021G), the partners wished to increase the capital from (5,277,000) five million, two hundred and seventy-seven thousand Saudi riyals to (8,999,000) eight million, nine hundred and ninety-nine thousand Saudi riyals by capitalizing an amount of (3,722,000) three million, seven hundred and twenty-two thousand Saudi riyals from the retained earnings account, and the value of the share was adjusted from (1,000) one thousand Saudi riyals to (10) ten Saudi riyals, and the number of shares from (5,277) five thousand, two hundred and seventy-seven shares to (899,900) eight hundred and ninety-nine thousand, nine hundred shares. On 29/06/1443H (corresponding to 01/02/2022G), some partners decided to waive part of their shares in the Company in favor of new partners, bringing the total number of partners in the Company to (71) seventy-one partners. The Company was also converted into a closed joint-stock company, as the aforementioned changes were recorded and the Company was converted into a closed joint-stock company pursuant to Ministerial Resolution No. (992) dated 11/10/1443H (corresponding to 12/05/2022G) under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G), whose Articles of Association is documented at the Notary Public in Al-Khobar under Deed No. (39857764), dated 05/06/1439H (corresponding to 21/02/2018G). The Company's capital after the conversion amounted to (8,999,000) eight million



## Summary

### The Company or « the Issuer»

nine hundred and ninety-nine thousand Saudi riyals divided into (899,900) eight hundred and ninety-nine thousand nine hundred ordinary shares fully paid at a nominal value of (10) ten Saudi riyals per share. On 09/01/1444H (corresponding to 07/08/2022G), some of the Company's shareholders wished to waive part of their shares and amend the Company's ownership structure, and this was documented in the shareholders' register. On 23/01/1444H (corresponding to 21/08/2022G), the Extraordinary General Assembly approved increasing the Company's capital from (8,999,000) eight million nine hundred and ninety-nine thousand Saudi riyals to (20,000,000) twenty million Saudi riyals divided into (2,000,000) two million ordinary shares at a nominal value of (10) ten Saudi riyals per share by capitalizing an amount of (11,001,000) eleven million and one thousand Saudi riyals from the retained earnings account, based on the recommendation of the Board of Directors dated 22/10/1443H (corresponding to 23/05/2022G). On 23/07/1444H (corresponding to 14/02/2023G), some of the Company's shareholders wished to waive part of their shares and amend the ownership structure of the Company, and this was documented in the shareholders' register. On 16/08/1444H (corresponding to 08/03/2023), some shareholders of the Company wished to waive part of their shares and enter a new shareholder and amend the ownership structure of the Company, and this was documented in the shareholders' register. On 24/10/1444H (corresponding to 14/05/2023), the Extraordinary General Assembly approved the Board of Directors' proposal to increase the Company's capital from (20,000,000) twenty million Saudi riyals to (40,000,000) forty million Saudi riyals divided into (4,000,000) four million fully paid shares by transferring the balance from the retained earnings account. On 03/12/1444H (corresponding to 21/06/2023), the Extraordinary General Assembly approved the Board of Directors' proposal to amend the nominal value of each share to (1) one Saudi riyal, all of them are ordinary shares of one class. On 03/03/1445H (corresponding to 18/09/2023G), the Company conducted a private offering of (2,980,600) two million nine hundred and eighty thousand six hundred shares, representing (7.45%) of the Company's shares, and 55 new shareholders entered the private offering process, and this was recorded in the shareholders' register

### Summary of the Company Activities

Twareat Medical Care Company provides medical care services in remote and industrial areas in the Kingdom of Saudi Arabia. The Company also owns Twareat Medical Center in Jubail City, through which it provides internal medicine clinics, pediatric clinics, obstetrics and gynecology clinics, ENT clinics, general medicine clinics and Twareat clinics. The Center also provides radiology and medical examination services. The Company's activity according to its Commercial Registration is represented in general construction of residential buildings, renovations of residential and non-residential buildings, wholesale of medical devices, equipment and supplies, warehouses of medical devices and products, medical operation of hospitals, general medical complexes, medical clinics, medical operation of medical complexes and one-day surgery centers, ambulance services centers, medical laboratories, home medical services centers, mobile medical clinics, remote care and telemedicine centers, medical operation of medical laboratories and radiology centers and support medical services. The Company's activities according to its articles of association are as follows:

1. Construction: Construction of buildings.
2. Wholesale and retail trade and repair of motor vehicles and motorcycles: Sale of pharmaceutical and medical products, cosmetics and toiletries in specialized stores.
3. Transport and storage: Storage.
4. Human health and social work activities: Hospitals, medical and dental clinics. Other human health services.

The Company does not carry out its activities except after obtaining the regulatory licenses required by the prevailing regulations in force in the Kingdom of Saudi Arabia. The Company has obtained all the required regulatory licenses, and those licenses are still valid as at the date of this Document (Please refer to Section (3-13) «**Company Licenses and Permits**» of this Document).



## Summary

**Substantial Shareholders, number of their shares, and their ownership percentages before listing**

There are (4) four Substantial Shareholders in the Company who own (5%) or more of its capital before listing, and all of them will be subject to a lock-up period of (12) twelve months after listing. The following table shows the number of their shares and their direct and indirect ownership percentages before and after listing:

	Substantial Shareholders	Number of Shares	Direct ownership Percentage	Indirect Ownership Percentage
1	Tariq Mohammed Sulaiman Al-Hamdan*	11,670,380	29.18%	11.53%
2	Ayan Investment Company	10,000,000	25.00%	-
3	Bait Lulwa Company	4,613,360	11.53%	-
4	Abdullah Mohammed Sulaiman Al-Hamdan	2,597,400	6.49%	-
5	Al Othman Holding Company, a closed joint stock company**	-	-	5.25%
	<b>Total</b>	<b>28,881,140</b>	<b>72.20%</b>	<b>16.78%</b>

\* The Substantial Shareholder and Chairman of the Board of Directors Tariq Mohammed Sulaiman Al-Hamdan owns 11.5334% of the Company's capital indirectly through his full ownership of the Substantial Shareholder, Bait Lulwa Company.

\*\* Al-Othman Holding Company, a closed joint stock company, owns 5.25% of the Company's capital indirectly through its ownership of 20.98% of the shares of the Substantial Shareholder, Ayan Investment Company, which owns 25.00% of the capital of Twareat Medical Care Company.

**Substantial Shareholders to whom the financial market institution designated under the Listing Rules may sell their shares at its discretion, the number of their shares, and their percentage of ownership before listing and after implementing the plan to meet the liquidity requirements submitted to the Exchange in accordance with the Listing Rules**

There is no licensed financial market institution designated to sell any of the shares of Substantial Shareholders in the Company, given the fact that the Company is meeting the liquidity requirements contained in Article (41) forty-one of the Listing Rules, as the number of shareholders in the Company who meet the definition of the public is (118) One hundred and eighteen shareholders collectively owning (19.90%) of the company's capital as of the date of this Registration Document.

The Company has met all the additional criteria that the Issuer must meet to ensure that there is sufficient liquidity for the shares subject to the direct listing request in the Parallel Market in accordance with Paragraph (c) of Article (43) forty-three of the Listing Rules published on the Exchange's website.

**Issuer's capital**

(40,000,000) Forty million Saudi Riyals, paid in full.

**Total number the Issuer's shares**

(40,000,000) Forty million ordinary shares, paid in full.

**Nominal value of the share**

(1) One Saudi Riyal.



Summary	
<b>Indicative share price upon listing</b>	(12) Twelve Saudi riyals per Share.
<b>Entitlement to dividends</b>	The Offer Shares will be entitled to receive dividends declared by The Company for the period following the date of this Registration Document and for subsequent fiscal years. (Please refer to Section (5) « <b>Dividend Policy</b> »).
<b>Voting rights</b>	All the Company's shares are ordinary shares of one class, and no share gives its holder preferential rights. Each share gives its holder the right to one vote, and every shareholder in the Company has the right to attend and vote at the General Assembly of Shareholders (whether ordinary or extraordinary). He may delegate another person, other than a member of the Board of Directors or employees of the Company, to attend the General Assembly on his behalf.
<b>Restrictions relating to the Shares</b>	The Existing Substantial Shareholders who own 5% or more of the Company's shares (whose names are mentioned on page (I)), may not dispose of any Shares during a period of Twelve (12) months from the date on which trading of the Company's Shares commences on the Parallel Market (« <b>Lock-up Period</b> »). The Securities Depository Center lifts the restrictions on these shares directly after the end of the Lock-up period, without the need to obtain prior approval from the Capital Market Authority.
<b>Company's previously issued shares</b>	Prior to direct listing of the Company's shares in the Parallel Market, the Company's shares have never been listed on any Exchange, whether inside or outside the Kingdom of Saudi Arabia. The Company has filed an application with the Authority to register its shares in the Parallel Market according to the Rules on the Offer of Securities and Continuing Obligations. The Company also applied to the Exchange (Tadawul) for listing in accordance with the Listing Rules. All relevant approvals necessary to complete the listing process have been obtained. All supporting documents requested by the Authority have been completed.
<b>Categories of investors who are entitled to trade the Company's shares after listing</b>	<p>Trading in shares subject to direct listing in the Parallel Market is limited to current shareholders (with the exception of Substantial Shareholders in the Company who own (5%) or more of its capital mentioned on page (I) and to whom the Lock up period applies), in addition to the categories of qualified investors represented by the following:</p> <ol style="list-style-type: none"> <li>1. Financial market institutions acting on their own account.</li> <li>2. Clients of a financial market institution licensed to conduct management business, provided that the financial market institution has been appointed on conditions that enable it to take decisions regarding accepting participation in the Offering and investing in the Parallel Market on behalf of the client without the need to obtain prior consent from him.</li> <li>3. The government of the Kingdom, or any governmental agency, or any international body recognized by the Authority, or the Exchange, and any other capital market recognized by the Authority, or the Depository Center.</li> <li>4. Companies owned by the government, directly or through a portfolio managed by a capital market institution licensed to engage in management business.</li> <li>5. Companies and funds established in the GCC states.</li> <li>6. Investment funds.</li> <li>7. Any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center.</li> </ol>



## Summary

8. Natural persons who may open an investment account in the Kingdom and an account with the Depository Center, and each fulfill any of the following criteria: 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. e) He holds a professional certificate specialized in the field of securities business approved by an internationally recognized body.
9. Any other persons designated by the Authority.

## Summary of Key Information

### Note to Investors

This summary is intended to provide an overview of the information contained in this Document, but it does not include all the information that may be important to qualified investors. Accordingly, this summary is considered a brief presentation of the basic information contained in this Document. Recipients of this Document should read it in full and in particular consider what is stated in the «**Important Notice**» section on page (B) and Section No. (2) «**Risk Factors**» before making any decision to invest in the Company's shares after completion of its registration and direct listing on the Parallel Market. Some of the terms and abbreviated expressions contained in this Document are defined in Section No. (1) «**Terms and Definitions**» of this Document.

### Company Overview

Twareat Medical Care Company (hereinafter referred to as the «**Company**» or the «**Issuer**») is a Saudi closed joint stock company under Commercial Registration No. (2051054263) issued in the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G). The Company's capital is (40,000,000) forty million Saudi Riyals divided into (40,000,000) forty million fully paid ordinary shares at a nominal value of (1) one Saudi Riyal per share, all of which are ordinary shares of the same class. Twareat Medical Care Company provides medical care services in remote and industrial areas in the Kingdom of Saudi Arabia. The Company also owns Twareat Medical Center in Jubail City, through which it provides internal medicine clinics, pediatric clinics, obstetrics and gynecology clinics, ENT clinics, general medicine clinics and Twareat clinics. The Center also provides radiology and medical examination services. The Company's activity according to its Commercial Registration is represented in general construction of residential buildings, renovations of residential and non-residential buildings, wholesale of medical devices, equipment and supplies, warehouses of medical devices and products, medical operation of hospitals, general medical complexes, medical clinics, medical operation of medical complexes and one-day surgery centers, ambulance services centers, medical laboratories, home medical services centers, mobile medical clinics, remote care and telemedicine centers, medical operation of medical laboratories and radiology centers and support medical services. The Company's activities according to its articles of association are as follows:

- 1- Construction: Construction of buildings.
- 2- Wholesale and retail trade and repair of motor vehicles and motorcycles: Sale of pharmaceutical and medical products, cosmetics and toiletries in specialized stores.
- 3- Transport and storage: Storage.
- 4- Human health and social work activities: Hospitals, medical and dental clinics. Other human health services.



The Company's headquarters is located in the city of Al-Khobar at the following address:

### **Twareat Medical Care Company**

Kinan Alshareq, Prince Turki bin Abdulaziz Road, Al-Khobar

P.O. Box 7465, Al-Khobar 34413

Kingdom of Saudi Arabia

Tel: +966 13 858 7000

Fax: +966 13 858 1324

Website: [www.twareat.com](http://www.twareat.com)

Email: [info@twareat.com](mailto:info@twareat.com)

### **Company ownership structure before listing**

The following table shows the Company's ownership structure prior to listing:

	Shareholders	No. of Shares	Nominal value of shares (SAR)	Direct ownership Percentage	Indirect Ownership Percentage
1	Tariq Mohammed Sulaiman Al-Hamdan*	11,670,380	11,670,380	29.18%	11.53%
2	Ayan Investment Company	10,000,000	10,000,000	25.00%	-
3	Bait Lulwa Company	4,613,360	4,613,360	11.53%	-
4	Abdullah Mohammed Sulaiman Al-Hamdan	2,597,400	2,597,400	6.49%	-
5	Khaled Mohammed Sulaiman Al-Hamdan	1,558,440	1,558,440	3.90%	-
6	Amer Mohammed Amer Al-Amer	1,558,440	1,558,440	3.90%	-
7	Mohammed Ahmed Rumaizan Al-Rumaizan	20,000	20,000	0.05%	-
8	Hisham Abdulaziz Mohammed Al-Mutlaq	20,000	20,000	0.05%	-
9	Basma Ayed Mohammed Al-Tamimi	40	40	0.0001%	-
	Public (118 Shareholders)	7,961,940	7,961,940	19.90%	-
<b>Total</b>		<b>40,000,000</b>	<b>40,000,000</b>	<b>100.00%</b>	<b>-</b>

Source: Twareat Medical Care Company

\* The Substantial Shareholder and Chairman of the Board of Directors Tariq Mohammed Sulaiman Al-Hamdan owns 11.5334% of the Company's capital indirectly through his full ownership of the Substantial Shareholder, Bait Lulwa Company.



## Substantial Shareholders who Own Directly 5% or more of the Company Shares

The Company has four Substantial Shareholders who own 5% or more of the Company's shares as of the date of this Document. The following table shows the number of shares and their ownership percentages before and after listing:

Substantial Shareholders	No. of Shares	Nominal Value of Shares (SAR)	Direct Ownership Percentage	Indirect Ownership Percentage
1 Tariq Mohammed Sulaiman Al-Hamdan*	11,670,380	11,670,380	29.18%	11.53%
2 Ayan Investment Company	10,000,000	10,000,000	25.00%	-
3 Bait Lulwa Company	4,613,360	4,613,360	11.53%	-
4 Abdullah Mohammed Sulaiman Al-Hamdan	2,597,400	2,597,400	6.49%	-
<b>Total</b>	<b>28,881,140</b>	<b>28,881,140</b>	<b>72.20%</b>	<b>-</b>

Source: Twareat Medical Care Company

\* The Substantial Shareholder and Chairman of the Board of Directors Tariq Mohammed Sulaiman Al-Hamdan owns 11.5334% of the Company's capital indirectly through his full ownership of the Substantial Shareholder, Bait Lulwa Company.

## Company Main Activities

Twareat Medical Care Company provides medical care services in remote and industrial areas in the Kingdom of Saudi Arabia. The company also owns Twareat Medical Center in Jubail City, through which it provides internal medicine clinics, pediatric clinics, obstetrics and gynecology clinics, ENT clinics, general medicine clinics and Twareat clinics. The center also provides radiology and medical examination services. The Company's activity according to its Commercial Registration is represented in general construction of residential buildings, renovations of residential and non-residential buildings, wholesale of medical devices, equipment and supplies, warehouses of medical devices and products, medical operation of hospitals, general medical complexes, medical clinics, medical operation of medical complexes and one-day surgery centers, ambulance services centers, medical laboratories, home medical services centers, mobile medical clinics, remote care and telemedicine centers, medical operation of medical laboratories and radiology centers and support medical services. The Company's activities according to its articles of association are as follows:

- 1- Construction: Construction of buildings.
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- 3- Transport and storage: Storage.
- 4- Human health and social work activities: Hospitals, medical and dental clinics. Other human health services.

The Company does not carry out its activities except after obtaining the regulatory licenses required by the prevailing regulations in force in the Kingdom of Saudi Arabia. The Company has obtained all the required regulatory licenses, and those licenses are still valid as at the date of this Document. (Please refer to Section (3-13) «**Company Licenses and Permits**» of this Document).



## Company Vision

Excel in providing high quality healthcare solutions in line with the latest technologies and international standards.

## Company's Mission

Striving to attract qualified and specialized medical competencies that contribute to providing professional healthcare services to meet the needs and expectations of its clients and enhance their satisfaction.

## Company's Strategy

The company seeks to be the leading provider of healthcare services in residential and industrial areas, whether within cities and governorates or in remote areas in the Kingdom of Saudi Arabia. Its strategy revolves around the following:

- **Management of remote area clinics:** Direct medical care services are provided in remote areas by covering the medical needs of companies, as medical facilities are operated and managed at the work sites of organizations and companies. Through this unit, Twareat provides the following services:
  - Assessing the need for medical services at work sites
  - Providing specialized medical staff including doctors, nurses, paramedics, ambulance drivers, and others necessary to operate the site
  - Providing medical equipment necessary to operate the clinic based on the special needs of remote sites
  - Providing medical supplies and medicines
  - Providing specialized medical ambulance in remote areas
  - Visits for quality enhancement and continuous service evaluation
  - Visits to enhance the training level of the staff
  - Reviewing applicable medical orders and legislation
  - Providing special services
- **Management of industrial area clinics:** Occupational medicine services are provided in addition to medical care in factories, where clinics are operated and therapeutic and preventive services are provided inside the factory, where Twareat services provide comprehensive healthcare to industrial companies on a permanent level through sustainable clinics inside these companies such as SABIC, Marafiq, SASREF and other industrial companies, assess potential risks, whether medical, technical or otherwise, and provide solutions and recommendations to all relevant departments within the company in order to provide a healthy and safe work environment for workers. The services include:
  - Assessing the need for medical services at work sites
  - Providing specialized medical staff including doctors, nurses, paramedics, ambulance drivers, and others necessary to operate the site
  - Providing the necessary medical equipment to operate the clinic based on the specific needs of the sites
  - Providing medical supplies and medicines
  - Performing annual examinations and pre-employment examinations
  - Studying and evaluating work hazards and developing plans to avoid them and reduce their complications
  - Routine visits to assess quality and readiness
  - First aid, medical transportation, and disaster response services





- **Management of medical operations:** Medical operation services are provided to medical centers and partial support to hospitals by providing distinguished health cadres, including:
  - Providing doctors and nurses
  - Providing consultants in emergency, pediatrics, internal medicine, family and community departments
  - Full operation of medical centers within residential complexes
- **Management of medical centers:** Twareat Medical Center is located in the city of Jubail in the Kingdom of Saudi Arabia and is considered one of the modern centers in the region, as the Center is equipped with the latest medical devices and technologies to provide treatment solutions and professional prevention. Twareat Medical Center services consist of the following:
  - Emergency medical care service
  - Laboratory testing service
  - Radiology service
  - Home care service
  - Medical transportation service
  - Pediatrics service
  - ENT service
  - Occupational medicine service

## Company's Strengths and competitive advantages

Following are the Company's most important strengths and competitive advantages:

- Long managerial, technical and financial experience of the Senior Management in the Company's field of work, including managing medical and health projects in oil and gas sector.
- Providing the highest quality standards when providing medical care services.
- Comprehensiveness and diversity of medical care services provided by the Company, as it provides its services through a medical center that contains many different specialties, as well as providing its services in industrial areas and remote areas.
- A wide, diverse and solid customer base at the level of remote and industrial clinics, which includes a group of industrial companies such as Saudi Aramco, SABIC, BAE Systems and the Royal Commission for Al-Ula Governorate.
- The Company trains its medical staff intensively starting from their appointment and continues to do so periodically to ensure their readiness and efficiency.
- The Company provides its services around the clock, including rapid response service when needed.
- The volume of contracts for clinic projects in remote and industrial areas, which amounted to (139,864,000) Saudi riyals, distributed over more than (100) clinics.



## Summary of Financial Information

The summary of the financial statements below should be read in conjunction with the Company's audited financial statements for the fiscal year ending 31/12/2023G (which include comparative figures for the fiscal year ending 31/12/2022G) and the accompanying notes, and the reissued reviewed financial statements for the period ending 30/06/2024G (which include comparative figures for the period ending 30/06/2023G) and the accompanying notes:

Statement of Income (SAR)	Fiscal year ending 31/12/2022G (Audited and amended)	Fiscal year ending 31/12/2023G (Audited)	Financial period ending on 30/06/2023G (Reviewed)	Financial period ending on 30/06/2024G (Reviewed)
Revenues	149,506,202	154,723,503	71,701,580	92,229,755*
Cost of revenue**	(89,817,895)	(105,598,863)	(48,126,846)	(57,027,187)
<b>Total Profit</b>	<b>59,688,307</b>	<b>49,124,460</b>	<b>23,574,734</b>	<b>35,202,568</b>
General and administrative expenses	(32,765,543)	(35,030,772)	(16,958,291)	(19,323,858)
<b>Operating profit</b>	<b>26,922,764</b>	<b>14,093,868</b>	<b>6,616,443</b>	<b>15,878,710</b>
Profit for the year before zakat and income tax	26,955,960	15,515,044	7,188,763	16,554,824
<b>Profit year</b>	<b>25,433,050</b>	<b>14,167,447***</b>	<b>6,528,613</b>	<b>16,127,381</b>

Source: Audited financial statements for the fiscal year ending 31/12/2023G and re-issued reviewed financial statements for the period ending 30/06/2024G.

\* Revenues increased by 29.78% during the period ending 30/06/2024G compared to the period ending 30/06/2023G, mainly due to the increase in revenues from the management of remote areas clinics, which amounted to (57,902,357) Saudi riyals as of 30/06/2024G, compared to (44,615,228) Saudi riyals in the comparative period. In addition, Twareat Medical Center in Jubail City was operated in the last quarter of 2023G, and thus its revenues as of 30/06/2024G amounted to (3,589,840) Saudi riyals, while the revenues generated during the comparative period were (42,159) Saudi Riyals.

\*\*The cost of revenue item includes a CEO commission calculated based on the Company's net profits in return for his management of the Company as CEO and the responsibilities he entails regarding operational contracts and working to increase the customer base and thus increase revenues, in addition to pricing potential contracts and tenders and negotiating with customers, which represent a major part of his job duties (please refer to Section (2-1-50) «Risks Related to CEO Commission»).

\*\*\*The reason for the decrease in net profit in 2023G is mainly due to employee-related costs as a result of the increase in the number of employees coinciding with the start of operation of Twareat Medical Center in Jubail, in addition to the increase in the cost of consumable materials due to the increase in quantities coinciding with the start of new projects.

Statement Financial Position (SAR)	As of 31/12/2022G (Audited and amended)	As of 31/12/2023G (Audited)	As of 31/12/2024G (Audited)
Total Current Assets	59,285,604	61,399,418	80,062,188
Total Non-Current Assets	17,180,809	25,143,291*	25,014,491
<b>Total Assets</b>	<b>76,466,413</b>	<b>86,542,709</b>	<b>105,076,679</b>
Total Current Liabilities	21,376,203	24,035,336	32,504,415
Total Non-Current Liabilities	7,827,992	11,048,724**	11,877,190
<b>Total Liabilities</b>	<b>29,204,195</b>	<b>35,084,060</b>	<b>44,381,605</b>
<b>Total Equity</b>	<b>47,262,218</b>	<b>51,458,649</b>	<b>60,695,074</b>
<b>Total Equity and Liabilities</b>	<b>76,466,413</b>	<b>86,542,709</b>	<b>105,076,679</b>

Source: Audited financial statements for the fiscal year ending 31/12/2023G and re-issued reviewed financial statements for the period ending 30/06/2024G.



\*The increase in non-current assets in 2023G is due to the additions to property and equipment (including vehicles, furniture, office equipment, medical equipment and improvements to leased assets), which were mainly represented by additions and improvements to the Jubail Twareat Medical Center and the Company's main building.

\*\*The increase in total non-current liabilities in 2023G is due to the increase in the balance of non-current lease liabilities due to signing the lease contract for the Company's administrative building and the registration of the non-current portion of the contract, in addition to the increase in employee benefit liabilities due to the increase in the number of employees with the increase in the number of years of service for former employees.

Statement of Cash Flows (SAR)	Fiscal year ending 31/12/2022G (Audited and amended)	Fiscal year ending 31/12/2023G (Audited)	Financial period ending on 30/06/2023G (Reviewed)	Financial period ending on 30/06/2024G (Reviewed)
<b>Net cash (used in) available from operating activities</b>	<b>31,053,979</b>	<b>9,117,804*</b>	<b>(4,735,007)</b>	<b>3,006,321**</b>
Net cash used in investing activities	(12,572,225)	(7,947,968)	(3,330,643)	(1,722,509)
Net cash generated from financing activities	(6,630,100)	(11,930,060)	(2,414,486)	(867,904)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>13,060,854</b>	<b>2,300,630</b>	<b>2,580,718</b>	<b>2,716,538</b>

Source: Audited financial statements for the fiscal year ending 31/12/2023G and re-issued reviewed financial statements for the period ending 30/06/2024.

\*The decrease in net cash available from operating activities is due to a decrease in net profit before Zakat in 2023G compared to net profit before Zakat in 2022G by SAR 11.4 million, a decrease in the provision for credit losses recorded for 2023G, which amounted to SAR 2.5 million in 2023G compared to a provision of SAR 6.1 million in 2022G, in addition to an increase in the change in the balance of accounts receivable in 2023G by SAR 14.4 million compared to a change in accounts receivable by SAR 2.7 million in 2022G.

\*\*The increase in net cash available from operating activities in the six-month period of 2024G compared to the six-month period of 2023G is due to an increase in net profit before tax by SAR 9.4 million compared to 2022G.

Key Performance Indicators	Fiscal year ending 31/12/2022G (Audited)	Fiscal year ending 31/12/2023G (Audited)	Financial period ending on 30/06/2023G (Reviewed)	Financial period ending on 30/06/2024G (Reviewed)
Revenue growth rate	N/A	3.49%	N/A	28.63%
Cost of Revenue Growth Rate	N/A	17.57%	N/A	18.49%
Cost of Revenue as a percentage of revenue	(60.08%)	(68.25%)	(67.12%)	(61.83%)
General and administrative expenses as a percentage of revenue	(21.92%)	(22.64%)	(23.65%)	(20.95%)
Gross profit margin	39.92%	31.75%	33%	38%
Operating profit margin	15.33%	9.11%	9.23%	17.22%
Net profit margin	17.01%	9.16%	9.11%	17.49%
Year/period profit growth rate	N/A	(44.30%)	N/A	147%

Key Performance Indicators	Fiscal year ending 31/12/2022G (Audited)	Fiscal year ending 31/12/2023G (Audited)	Financial period ending on 30/06/2023G (Reviewed)	Financial period ending on 30/06/2024G (Reviewed)
Revenue to total assets ratio	195.52%	178.78%	N/A	87.77%
Total liabilities to total equity ratio	61.79%	68.18%	N/A	73.12%
Total liabilities to total assets ratio	38.19%	40.54%	N/A	42.24%
Total assets to total equity ratio	161.79%	168.18%	N/A	173.12%
Current ratio (times)	2.77	2.55	N/A	2.46
Return on assets ratio	33.23%	16.37%	N/A	15.35%
Return on equity ratio	53.81%	27.53%	N/A	56.57%

Source: Audited financial statements for the fiscal year ending 31/12/2023G and re-issued reviewed financial statements for the period ending 30/06/2024G.

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TMC HEALTH  
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# Terms and Definitions

# 01





# 1- Terms and Definitions

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

Table No. 1: Terms and Definitions

Terms	Definitions
<b>The Company or the Issuer</b>	Twareat Medical Care Company, a closed joint stock company.
<b>Senior Management, Management or Executive Management</b>	The Management of Twareat Medical Care Company.
<b>Board or Board of Directors</b>	The Company's Board of Directors whose names appear on page (D) of this Document.
<b>Bylaws or Articles of Association</b>	Bylaws of The Company.
<b>Ministry of Commerce</b>	Ministry of Commerce in the Kingdom of Saudi Arabia.
<b>Share Registration</b>	File an Application with the Authority to register the Company's shares for the purpose of direct listing in the Parallel Market.
<b>Direct Listing</b>	Direct listing of the Company's shares in the list of companies listed in the Parallel Market and approval of their trading.
<b>Indicative share price upon listing</b>	(12) Twelve Saudi riyals per share.
<b>Shares of existing shareholders before listing</b>	100% of the Company's total capital shares, which amount to (40,000,000) forty million ordinary shares.
<b>Share</b>	An ordinary share with a nominal value of (1) Saudi Riyal from the shares of the Company.
<b>Nominal Value</b>	The nominal value of the Company's share, which is (SAR 1) one Saudi riyal per share.
<b>Voting Rights</b>	Voting rights in the Company's general assemblies. The Company has only one class of shares, which is ordinary shares. No shareholder has preferential voting rights. Each share gives its holder one vote, and each shareholder, regardless of the number of shares he owns, has the right to attend and vote in the general assembly.
<b>Person</b>	A natural or legal person.
<b>Investor</b>	Every person who invests in the shares subject to direct listing after their listing in the Parallel Market.
<b>Shareholder or Shareholders</b>	Holder of shares or shareholders of the Company at any time.
<b>Current shareholders</b>	The shareholders whose names are shown in Section No. (4-1) « <b>The Company's Ownership Structure</b> » of this Document.
<b>Substantial Shareholders</b>	They are the shareholders who own 5% or more of the Company's Shares, and whose names appear on page (J) of this Document.



Terms	Definitions
<b>Registration Document/the Document</b>	This Registration Document is the document required to register shares with the Authority for the purpose of direct listing in the Parallel Market, in accordance with the Rules on the Offer of Securities and Continuing Obligations.
<b>Parallel Market «Nomu»</b>	The market in which the Company's shares are traded and which has been registered and accepted for listing under the «Rules on the Offer of Securities and Continuing Obligations» and «Listing Rules» in the Kingdom of Saudi Arabia.
<b>Advisor</b>	The Company's advisors whose names appear on page (G).
<b>Financial Advisor</b>	Aldukheil Financial Group Company
<b>Kingdom or Saudi Arabia</b>	Kingdom Saudi Arabia
<b>Government</b>	Government of the Kingdom of Saudi Arabia.
<b>Capital Market Authority or the Authority or CMA</b>	The Capital Market Authority of the Kingdom of Saudi Arabia.
<b>Saudi Tadawul Company, Stock Exchange, the Exchange, or the Market</b>	The Saudi Stock Exchange in the Kingdom of Saudi Arabia (Saudi Tadawul Company).
<b>Tadawul</b>	The automated system for trading shares in the Saudi Stock Exchange.
<b>SOCPA</b>	Saudi Organization for Chartered and Professional Accountants
<b>Zakat, Tax and Customs Authority</b>	Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia is one of the government agencies that are organizationally linked to the Minister of Finance, and it is the agency entrusted with the work of Zakat and Tax collection.
<b>Ministry of Health</b>	Ministry of Health in the Kingdom of Saudi Arabia is the ministry that oversees healthcare and health policy in the Kingdom.
<b>General Authority for Food and Drug Administration</b>	The General Authority for Food and Drug Administration was established pursuant to Cabinet Resolution No. (1) dated 07/01/1424H (corresponding to 10/03/2003G) as an independent body with a legal entity and directly linked to the Prime Minister, and entrusted with all procedural, executive and supervisory tasks carried out by the existing authorities. Currently, to ensure the safety of food and medicine for humans and animals, and the safety of biological and chemical preparations, as well as electronic products that affect human health.
<b>Ministry of Human Resources and Social Development</b>	Ministry of Human Resources and Social Development in the Kingdom of Saudi Arabia.
<b>Ministry of Municipal and Rural Affairs and Housing</b>	Ministry of Municipal and Rural Affairs and Housing in the Kingdom of Saudi Arabia.
<b>Civil Defense</b>	General Directorate of Civil Defense in the Kingdom of Saudi Arabia.
<b>Fiscal year/fiscal years</b>	It is the period of time for presenting the results of the entity's activity and whose beginning and end are specified in the Bylaws or Articles of Association of the concerned company. Noting that the Company's financial year ends on December 31 of each Gregorian year.



Terms	Definitions
<b>Financial Statements</b>	The Company's audited financial statements for the financial year ending on 31/12/2023G and the Company's reviewed financial statements for the financial period ending on 30/06/2024G, which were prepared in accordance with the International Financial Reporting Accounting Standards (IFRS) approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
<b>Listing</b>	Listing the Company's shares in the list of companies listed on the Parallel Market in accordance with the listing rules and approving the trading of its shares.
<b>Qualified Investor or Qualified Investors</b>	<p>Following are the categories of Qualified Investors:</p> <ol style="list-style-type: none"> <li>1. Financial market institutions acting on their own account.</li> <li>2. Clients of a financial market institution licensed to conduct management business, provided that the financial market institution has been appointed on conditions that enable it to take decisions regarding accepting participation in the Offering and investing in the Parallel Market on behalf of the client without the need to obtain prior consent from him.</li> <li>3. The government of the Kingdom, or any governmental agency, or any international body recognized by the Authority, or the Exchange, and any other capital market recognized by the Authority, or the Depository Center.</li> <li>4. Companies owned by the government, directly or through a portfolio managed by a capital market institution licensed to engage in management business.</li> <li>5. Companies and funds established in the GCC states.</li> <li>6. Investment funds</li> <li>7. Any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center.</li> <li>8. Natural persons who may open an investment account in the Kingdom and an account with the Depository Center, and each fulfill any of the following criteria: <ul style="list-style-type: none"> <li>(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 Riyals. (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. (e) He holds a professional certificate specialized in the field of securities business approved by an internationally recognized body.</li> </ul> </li> <li>9. Any other persons designated by the Authority.</li> </ol>
<b>Rules on the Offer of Securities and Continuing Obligations</b>	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 09/04/1439H (corresponding to 27/12/2017G), based on the Capital Market Law issued under Royal Decree no. (m/30), dated 02/06/1424H (corresponding to 01/08/2003G), and amended under the Capital Market Authority Board resolution no. (3-114-2024), dated 04/04/1446H (corresponding to 07/10/2024G) and its amendments.





Terms	Definitions
<b>Listing Rules</b>	Listing Rules promulgated by a decision of the Board of the Capital Market Authority and approved by the resolution of the Board of the Capital Market Authority No. (3-123-2017), dated 09/04/1439H (corresponding to 27/12/2017G), and amended by the decision of the Board of the Capital Market Authority No. (1-104-2019) dated 01/02/1441H (corresponding to 30/09/2019G), and amended by the Authority's Board Resolution No. (1-22-2021) dated 12/07/1442H (corresponding to 24/02/2021G), and amended by its Resolution No. (1-19-2022) dated 12/07/1443H (corresponding to 13/02/2022G), and amended by its Resolution No. (1-52-2022) dated 12/09/1443H (corresponding to 13/04/2022G), and amended by its Resolution No. (3-96-2022) dated 10/02/1444H (corresponding to 06/09/2022G), and amended by its Resolution No. (1-108-2022) dated 23/03/1444H (corresponding to 19/10/2022G) and amended by its Resolution No. (4-114-2024) dated 04/04/1446H (corresponding to 07/10/2024G) and its amendments.
<b>Companies Law</b>	Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G), and any amendments thereto.
<b>Corporate Governance Regulations</b>	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) and amended by the Capital Market Authority resolution of No. (8-5-2023), dated 25/06/1444H (corresponding to 18/01/2023G), based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) and its amendments.
<b>Nitaqat / Saudization Program</b>	Labor regulations in the Kingdom of Saudi Arabia require companies operating in the Kingdom to employ a certain percentage of Saudis. The Saudization program (Nitaqat) was approved pursuant to Ministry of Labor Resolution No. (4040), dated 12/10/1422H (corresponding to 10/09/2011G) based on Cabinet Resolution No. (50) dated 12/05/1415H (corresponding to 27/10/1994G) in implementation of Ministerial Resolution No. (182495) dated 15/11/1442H (corresponding to 25/06/2021G). The Nitaqat program has been modified to the « <b>Nitaqat Developer</b> » program to provide incentives to organizations to employ Saudi citizens. This program evaluates the performance of any organizations based on specific Nitaqat levels: Platinum, Green, and Red.
<b>International Financial Reporting Standards (IFRS)</b>	International Financial Reporting Standards and their interpretations issued by the Board of International Accounting Standards
<b>Lock-up Period</b>	The Lock-up period imposed on the Substantial Shareholders whose names are listed on page (j) of this Document, during which they are prohibited from disposing of their shares for a period of (12) twelve months from the starting date of trading in the Company's shares in the Parallel Market, and they may dispose of their shares after the end of this period without obtaining prior approval from the Authority.



Terms	Definitions
<b>Value Added Tax (VAT)</b>	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 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 2020G, 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 healthcare 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. Organizations recover the value added tax they paid to their suppliers.
<b>Saudization or Nationalization</b>	Labor regulations in the Kingdom of Saudi Arabia that require companies operating in the Kingdom to employ a certain percentage of Saudis.
<b>Working Day</b>	Any business day except Friday and Saturday, any day that is an official holiday in the Kingdom of Saudi Arabia, and any day on which banking institutions close their doors from business in the Kingdom in accordance with the applicable regulations and other government procedures.
<b>Labor Law</b>	The Saudi Labor Law promulgated by Royal Decree No. M/51, dated 23/08/1426H (corresponding to 27/09/2005G) and its amendments.
<b>H</b>	Hijri calendar.
<b>G</b>	Gregorian calendar.
<b>General Assembly</b>	General Assembly of the Company's shareholders.
<b>Ordinary General Assembly</b>	Ordinary general assembly of the Company's shareholders.
<b>The Extraordinary General Assembly</b>	Extraordinary General Assembly of the Company's shareholders.
<b>Transformational General Assembly</b>	The Transformational General Assembly of the Company's shareholders.
<b>Public</b>	In the Rules on the Offer of Securities and Continuing Obligations, it means persons other than the following: <ol style="list-style-type: none"> <li>1. Affiliates of the Issuer;</li> <li>2. Substantial Shareholders of the Issuer;</li> <li>3. Directors and Senior Executives of the Issuer;</li> <li>4. Directors and senior executives of the Issuer's affiliates;</li> <li>5. Directors and senior executives of the Issuer's Substantial Shareholders;</li> <li>6. Any relatives of the persons referred to in (1, 2, 3, 4, or 5) above;</li> <li>7. Any company controlled by any person referred to in (1, 2, 3, 4, 5, or 6) above; and</li> <li>8. Persons acting in concert, with a collective shareholding of five percent or more of the class of shares to be listed.</li> </ol>



Terms	Definitions
<b>Related Parties</b>	<p>They are:</p> <ol style="list-style-type: none"> <li>1. Affiliates of The Company.</li> <li>2. Substantial Shareholders of The Company.</li> <li>3. Directors and senior executives of The Company.</li> <li>4. Directors and senior executives of the affiliates of The Company.</li> <li>5. Directors and senior executives of Substantial Shareholders of The Company.</li> <li>6. Any relatives of the persons in (1, 2, 3, 4, or 5) above.</li> <li>7. Any company controlled by any person in (1, 2, 3, 4, 5, or 6) above.</li> </ol>
<b>Risk factors</b>	It is a group of potential influences that must be known and hedged before making the decision to invest in the shares subject to registration and listing.
<b>SAR or Riyal</b>	Saudi riyal - the currency of Saudi Arabia.
<b>Vision 2030</b>	The national strategic economic program that aims to reduce dependence on the oil and petrochemical industry, diversify the Saudi economy, and develop public services.
<b>Pandemic or Coronavirus (Covid 19)</b>	A viral infectious disease known as Corona Virus and referred to in brief as «Covid19» 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.



TMC HEALTH  
طوارئ الطبية

# Risk Factors 02



## 2- Risk Factors

Investing in shares that will be directly listed on the Parallel Market involves high risks and may only be suitable for investors who are able to evaluate the merits and risks of this investment and bear any loss that may result from it.

Anyone wishing to invest in shares that will be directly listed and will be traded in the Parallel Market must carefully study all the information contained in this Document, including the risk factors described below, before making any decision to invest in the shares subject to direct listing, noting that the risks described below may not include all the risks that the Company may face. It is possible that there are additional factors that are not currently known to the Company, which would affect its operations.

The Company's activity, financial conditions, prospects, results of operations, and cash flows may be negatively and materially affected if any of the risks included in this section, which the Company's management currently believes that they are material, occur or are realized. In addition to any other risks not identified by the Board of Directors, or currently classified as immaterial, but it may actually happen and become material.

In the event of the occurrence or realization of one of the risk factors that the Company's management believes at the present time to be material, or the occurrence of any other risks that the Company's management has not been able to identify, or considered them to be immaterial, this may lead to a decline in the Company's share price in the market and weaken its ability to distribute profits to shareholders. The investor may lose all or part of his investment in the Company's shares.

The members of the Company's Board of Directors acknowledge that, to the best of their knowledge and belief, there are no other material risks, as of the date of this Document, other than those mentioned in this section, that could affect investors' decisions to invest in shares that will be listed directly on the Parallel Market. The risks and uncertainties described below are presented in an order that does not reflect their importance. Additional risks and uncertainties, including those not currently known or considered immaterial, may have the impacts described above.

### 2-1 Risks related to the Company's activity and operations

#### 2-1-1 Risks of non-compliance with the companies' law and the Company's articles of association

The Company has never violated the Companies Law, and is committed to the regulatory requirements of the Companies Law. The Company is not in violation of the Companies Law as of the date of this Document. The Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H (corresponding to 30/06/2022G) imposes some regulatory requirements that the Company must comply with, and this requires the Company to take specific and required measures to ensure its compliance with such requirements, which may affect the Company's business and take a long time.

The Companies Law also stipulates the imposition of strict penalties for violating its provisions and mandatory rules. Fines for violating any of its provisions may reach (500,000) five hundred thousand Saudi riyals. Therefore, if the Company is subjected to one of these penalties as a result of its failure to comply with these provisions, or in the event of its failure to comply with the provisions of the Company's Bylaws, this will have a negative and material impact on the Company's business, results of operations, financial performance, profitability, and prospects.

## **2-1-2 Risks of the recent formation of the Board of Directors and committees and failure to apply governance rules**

The Company formed a board of directors and approved its appointment by the Transformational General Assembly held on 29/06/1443H (corresponding to 01/02/2021G). Based on the recommendation of the Board of Directors, an Audit Committee were appointed, and the committees were approved by the Ordinary General Assembly held on 06/01/1445H (corresponding to 24/07/2023G). The members of the Board of Directors and members of the Audit Committee must make extensive efforts to ensure the Company's compliance with the Capital Market Law, its Implementing Regulations, and related disclosure requirements. In the event that the members of the Board of Directors are unable to contribute to the management of the Company in accordance with their tasks and consequences of their membership in the Board of Directors or the Audit Committee, or in the event that they are unable to apply the governance rules necessary for joint-stock companies listed in the Parallel Market, this will expose the Company to the possibility of non-compliance with continuous disclosure requirements after listing on the one hand, and operational, administrative and financial risks on the other hand. This will have a negative and material impact on the Company's future business, financial conditions and operational results.

## **2-1-3 Risks associated with lack of experience in managing listed companies**

Other than the CFO, the majority of senior management personnel do not have experience in managing public joint stock companies and how to comply with the rules and regulations of joint stock companies listed on the Saudi Stock Exchange, such as compliance with continuous disclosure requirements and preparing various reports as required by these rules and regulations. Accordingly, the Company's senior management must make additional efforts to ensure its compliance with the rules and regulations imposed on listed companies. In the event that the Company does not comply with these rules, it will be subject to regulatory penalties and fines, which in turn will have a material adverse impact on its business, prospects and financial condition.

## **2-1-4 Risks related to non-compliance with the Capital Market Law and its implementing regulations**

After being listed on the Parallel Market, the Company will be subject to the Capital Market Law and the rules, regulations and circulars issued by the Capital Market Authority. In the event that the Company is unable to adhere to any of such regulations and Laws, it will be subject to financial fines and penalties such as temporary suspension of stock trading or cancellation of the listing of shares. This will have a negative and material impact on the Company's business, results of operations, financial performance, profitability, and prospects.

## **2-1-5 Risks of non-compliance with the terms and covenants of existing credit facilities**

The balance of existing long-term loans, both current and non-current, amounts to (4,068,356) four million, sixty-eight thousand, three hundred and fifty-six Saudi riyals as of 31/12/2023G, represented by the long-term loan obtained by the Company from the Ministry of Finance during 2022G in the amount of (6,080,652) six million, eighty thousand, six hundred and fifty-two Saudi riyals, to acquire a plot of land and a building in Jubail City to build a medical center. This loan is repaid in equal annual installments of (304,000) three hundred and four thousand Saudi riyals, starting from July 28, 2022G until 24/01/2039G. The signed contract does not include any material provisions, other than the commitment to obtain the written approval of the Ministry of Finance for future expansion works (if any) before carrying them out, and not to dispose of or the transfer of ownership or leasing the Center to others, as this would result in the Ministry of Finance demanding that the Company pay all loan installments.

The balance of existing short-term loans amounts to (3,021,612) three million and twenty-one thousand six hundred and twelve Saudi riyals as of 30/06/2024G, compared to (876,000) eight hundred and seventy-six thousand Saudi riyals as of 31/12/2023, represented by deferred sale facilities obtained on October 16, 2023G from Al Rajhi Bank, which will be repaid after three months, with the possibility of recycling the loan to purchase some ambulances that help improve operational activities and thus increase revenues. The total limit of these facilities amounts to (12,000,000) twelve million Saudi riyals. The Company paid the full amount on January 16, 2024G, then recycled it (rolled over) on the same date in the amount of (766,500) seven hundred and sixty-six thousand and five hundred Saudi riyals, and it was paid in full on April 16, 2024G, then recycled again on the same date in the amount of (657,000) six hundred and fifty-seven thousand Saudi riyals, and it was paid in full on July 16, 2024G, then recycled again on the same date in the amount of (547,500) five hundred and forty-seven thousand and five hundred Saudi riyals to be paid after three months.

It is worth noting that the Company obtained deferred sale facilities on January 23, 2024G in the amount of (1,872,000) one million, eight hundred and seventy-two thousand Saudi riyals from Al Rajhi Bank, to be repaid after three months, with the possibility of recycling the facility amount to purchase ambulances to improve operational activities and thus increase revenues. The Company paid the full amount on April 25, 2024G, then recycled it on the same date in the amount of (1,638,000) one million, six hundred and thirty-eight thousand Saudi riyals, and it was paid in full on July 25, 2024G, then recycled again on the same date in the amount of (1,404,000) one million, four hundred and four thousand Saudi riyals to be paid after three months, in addition to obtaining deferred sale facilities in the amount of (727,260) seven hundred and twenty-seven thousand, two hundred and sixty Saudi riyals to prepare and purchase the necessary equipment for a mobile clinic to serve some remote areas. Accordingly, the total amount used from the facilities until 30/06/2024G is (3,475,260) three million, four hundred and seventy-five thousand, two hundred and sixty Saudi riyals, of which (453,648) four hundred and fifty-three thousand, six hundred and forty-eight Saudi riyals were paid, and an outstanding balance of (3,021,612) three million, twenty-one thousand, six hundred and twelve Saudi riyals was paid, and all amounts were paid by the Company and the agreement ended on September 4, 2024G.

The Company renewed the credit facilities agreement with Al Rajhi Bank on October 7, 2024G and ends on August 31, 2025G with a total credit limit of (53,000,000) fifty-three million Saudi riyals and with terms and guarantees agreed upon by both parties, the most important of which are as follows:

- 1- The bank has the priority right to provide insurance products to the customer.
- 2- A guarantee of fine, performance and commitment from the Chairman of the Board of Directors, Tariq Al-Hamdan, and the Managing Director and CEO, Amer Al-Amer. These personal guarantees will be cancelled immediately after the Company is listed on the Parallel Market «Nomu» based on the agreement with Al Rajhi Bank.
- 3- The Company's commitment and pledge to waive and endorse the waiver of government and semi-government contract revenues with a coverage rate of 150% of the total facilities.
- 4- The Company's commitment and pledge that the trading rate will not be less than 1 time throughout the financing period.
- 5- The Company's commitment and pledge that the debt service rate will not be less than 1.75 times during the financing period.
- 6- Review the waiver endorsement every 6 months and the coverage rate will be 150%. In the event of a decrease in the coverage rate, the bank will be provided with an alternative payment source.
- 7- Payment will be made through quarterly instalments or deducting 15% of each payment certificated from the assigning party in the broker's account.



In the event that the Company is unable to comply with the obligations of the above loan and facility agreements, including the obligation to repay on due dates, the Company will be subject to penalties, including the possibility of the lender canceling or terminating the loans and requiring the Company to repay the entire debt immediately, which may negatively affect the Company's cash flows and financial performance.

It is worth noting that the Company has obtained a letter of no objection from Al Rajhi Bank regarding the Company's transformation into a public joint stock company by listing its shares in the Parallel Market. Otherwise, the Company confirms that it does not have any credit facilities or other loans until the date of publication of this Document.

### **2-1-6 Risks of guarantees provided by the Company to Al Rajhi Bank**

The Company has obtained a bank facilities agreement for a total amount of (53,000,000) fifty-three million Saudi Riyals with Al Rajhi Bank on October 7, 2024G, and has pledged to waive revenues from government and semi-government contracts at a coverage rate of 150% of the total facilities. Based on this pledge, Al Rajhi Bank has the right to withhold revenues from government and semi-government contracts for the Company to cover 150% of any installment amounts that the Company fails to pay. The waiver approval is reviewed every 6 months and the coverage rate is 150%. In the event that the coverage rate decreases, the Bank is provided with an alternative payment source. If the Company is unable to meet its obligations to Al Rajhi Bank on their due dates, it may be exposed to financial default, which will negatively affect the Company's business, financial performance and prospects.

### **2-1-7 Risks of management decisions**

The Company's business results depend mainly on the ability of its management to make correct and appropriate decisions regarding its business and activities in a timely manner. If the Company's management makes wrong decisions regarding its business in general, such as employing unqualified personnel, developing ineffective business plans, developing inappropriate operational policies, etc., this will negatively reflect on the Company's performance, results of operations, and financial condition.

### **2-1-8 Risks related to employee errors or misconduct**

The Company may face risks arising of misconduct or errors from employees such as fraud, intentional errors, embezzlement, fraud, theft, and forgery, in addition to misuse of its property and acting on its behalf without obtaining the required administrative authorizations. These actions may result in consequences and responsibilities for the Company, or regulatory penalties, or financial liability, which will negatively and fundamentally affect the Company's reputation, financial condition, results of operations, and prospects.

### **2-1-9 Liquidity Risk**

The Company faces liquidity risk when it is unable to provide the necessary funds to meet its financial obligations arising from operating activities on time. The Company's financial obligations consist of loans, accounts payable and accrued expenses. Any emergency or sudden events may occur that require immediate liquidity or require the sale of financial assets quickly enough and at their fair value to cover the required liquidity.

The Company's trading ratio reached 2.46 times as of 30/06/2024G, compared to a trading ratio of 2.55 times as of 31/12/2023G (2.77 times as of 31/12/2022G). These ratios indicate that the Company enjoys good liquidity ratios and is able to cover its short-term obligations due to its current assets covering its short-term obligations. However, if the Company is unable to meet its current or future obligations on their due dates, especially short-term ones, it may be exposed to financial distress, which will negatively affect the Company's business, financial performance and prospects.





## 2-1-10 Credit-related risks

Credit risks are risks that arise when one party is unable to fulfill a certain financial obligation to the other party. The Company may face credit risks in several temporary or permanent situations, including, for example, the presence of unpaid customer debt balances, or the failure of other debtor parties to fulfill their obligations towards the Company, or others. The Company applies some measures to reduce credit risk, as it continuously monitors the exposure to credit risks related to customers and sets aside a provision for expected credit losses based on the customer's condition and previous payment history. In addition, existing customer receivables are monitored on a regular basis. The following table shows details of the Company's trade receivables balances:

**Trade No. 2: Trade Receivables Balance Details**

	Balances in Saudi Riyals		
	2022G	2023G	30/06/2024G
Trade receivables*	36,460,380	56,607,187	53,807,039
<b>Deducted from it:</b>			
Provision for expected credit losses	(9,852,088)	(12,312,363)	(12,536,596)
Unbilled revenues	5,730,998	-	18,442,034
<b>Total trade receivables</b>	<b>32,339,290</b>	<b>44,294,824</b>	<b>59,712,477</b>
Percentage from total revenues	21.63%	28.63%	64.74%
Percentage from current assets	54.55%	72.14%	74.58%

Source: Twareat Medical Care Company

\* Trade receivables from government and semi-government entities accounted for 34.21%, 28.55% and 23.94% of total receivables for the years 2022, 2023 and the period ending June 30, 2024G, respectively..

The increase in accounts receivable in 2023G and the first half of 2024G compared to 2022G is due to the Company's expansion in new projects of clinics in remote areas, as new clients were contracted in the NEOM region in addition to the increase in sales from other clients.

The following table shows the aging and details of trade receivables:

**Table No. 3: Trade receivables aging details:**

Trade Receivables Aging Table	Balances (SAR'000)		
	As of 31/12/2022G	As of 31/12/2023G	As of 30/06/2024G (Audited)
Current	12,772,334	16,281,117	21,064,689
Due from 31 to 180 days	10,936,864	25,648,618	18,705,077
Due from 181 to 365 days	5,850,924	4,001,876	4,202,692
More than 366 days	6,900,258	10,675,576	9,834,581
Unbilled revenue	5,730,998	-	18,442,034**
Expected credit loss allowance	(9,852,088)	(12,312,363)*	(12,536,596)



Trade Receivables Aging Table	Balances (SAR'000)		
	As of 31/12/2022G	As of 31/12/2023G	As of 30/06/2024G (Audited)
<b>Total</b>	<b>32,339,290</b>	<b>44,294,824</b>	<b>59,712,477</b>
Percentage from total revenue	21.63%	28.63%	64.74%
Percentage from current assets	54.55%	72.14%	74.58%

Source: Twareat Medical Care Company

\* An expense of SAR 2,460,275 was recorded as an expected credit loss provision in 2023G, in addition to an additional provision of SAR 224,233 in the six-month period ending 30/06/2024G, due to the existence of some outstanding balances from some customers, which were recorded as an expected credit loss provision in the mentioned periods. It is worth noting that the Company has established a credit and collection department to follow up on old collections and develop clear policies and procedures to reduce credit risks.

\*\*Revenues from services provided in the six-month period ending 30/06/2024G were recognized until invoices were received as accrued revenues amounting to SAR 18,244,034, and these accrued revenues were actually invoiced in full after the end of the first six-month period of 2024G.

If the debtors fail to pay the Company's dues on time or fail to pay in part or in full, this will have a material and negative impact on the Company's results of operations, Financial condition and cash flows.

## 2-1-11 Risks related to the Company's accounts payable

The Company's accounts payable consist of trade payables in addition to accrued expenses and other current liabilities (consisting of value added tax, accrued expenses and advance payments from customers), and they were as follows:

As of 31/12/2022G, the Company's total trade payables balance amounted to (10,150,197) ten million one hundred and fifty thousand one hundred and ninety-seven Saudi riyals, representing 34.76% of total liabilities. The balance of accrued expenses and other credit balances amounted to (5,926,082) five million nine hundred and twenty-six thousand and eighty-two Saudi riyals, representing 20.29% of total liabilities.

On 31/12/2023, the total balance of the Company's trade payables amounted to (13,163,022) thirteen million, one hundred and sixty-three thousand and twenty-two Saudi riyals, representing 37.52% of total liabilities. The balance of accrued expenses and other credit balances amounted to (7,889,289) seven million, eight hundred and eighty-nine thousand, two hundred and eighty-nine Saudi riyals, representing 22.49% of total liabilities. On 30/06/2024G, the total balance of the Company's trade payables amounted to (13,429,443) thirteen million, four hundred and twenty-nine thousand, four hundred and forty-three Saudi riyals, representing 30.26% of total liabilities. The balance of accrued expenses and other credit balances reached (13,759,879) thirteen million, seven hundred and fifty-nine thousand, eight hundred and seventy-nine Saudi riyals, representing 31.00% of total liabilities. The reason for the increase in the balance of trade payables, the balance of accrued expenses and other credit balances in the first half of 2024G is due to the increase in demand from suppliers, in line with the increase in the Company's business volume during the period.

The increase in accounts payable in 2023G compared to 2022G is due to negotiations between the Company and suppliers, which led to obtaining better credit payment terms to provide greater liquidity for the Company.

If the Company is unable to pay the full value of its trade payables within the specified time period, it will be difficult for it to continue to obtain credit purchase agreements on appropriate terms in the future, and this will negatively affect its reputation and the desire of creditors to continue dealing with the Company, which will negatively affect its operations and financial performance.



## 2-1-12 Risks related to contingent liabilities

Although the Company does not expect any potential financial obligations in the coming period, the emergence of any potential obligations on the Company and their realization in the future, such as obligations and costs related to Zakat, taxes, lawsuits, and other obligations or costs related to the Company's activity, will negatively affect the Company's financial condition, financial position, results of operations, and prospects.

## 2-1-13 Risks related to transactions with related parties

The total value of transactions with related parties amounted to (4,969,022) Saudi riyals as of December 31, 2022G, and (6,659,877) Saudi riyals as of December 31, 2023G, and (3,587,257) Saudi riyals as of June 30, 2024G. The transactions with the Company's related parties included some transactions with shareholders, members of the Board of Directors and senior management, which mainly consisted of a lease contract with Kinan Alsharq Works Real Estate Development Company (linked to Board Member Saleh Al-Melham) and expenses paid by the Company, remuneration and salaries.

The total transactions due from related parties amounted to (27,677) Saudi riyals as of December 31, 2022G, while there were no amounts due as of December 31, 2023G. The transactions amounted to (111,153) Saudi riyals as of June 30, 2024G, all of which are expenses paid by the Company to the related party. These transactions constituted (0.05%) of the total value of current assets for the year 2022G and (0.14%) of current assets as of the first half of 2024G. The total transactions due to related parties amounted to (4,941,345) Saudi riyals as of December 31, 2022G, and (6,659,877) Saudi riyals as of December 31, 2023G, and (3,476,104) Saudi riyals as of June 30, 2024, which are rent payments, bonuses and benefits for senior management employees. Rental payments accounted for (3.10%) and (1.15%) of the total current liabilities for the years 2023G and the first half of 2024G. While remuneration and benefits constituted to (15.08%), (16.89%) and (16.06%) of the total general and administrative expenses for the years 2022G, 2023G and the first half of 2024G.

It is worth noting that on 03/12/1445H (corresponding to 09/06/2024G), the approval of the General Assembly was obtained for the business and contracts concluded between the Company and Kinan Alsharq Works Real Estate Development Company, in which the member of the Board of Directors, Saleh Al-Melham, has an interest, which is a lease contract for a period of (5) five years starting from 01/01/2023G until 31/12/2027G, on the prevailing commercial terms and without any preferential benefits. The transactions with related parties related to the expenses paid by the Company and rental payments and the balances resulting from them as of June 30, 2024G were also approved in the Ordinary General Assembly held on 06/11/2024G. As for the transaction that took place during the year 2022G in the amount of (27,677) Saudi riyals, the approval has been obtained by the General Assembly for it in the General Assembly held on 18/12/2024G.

In general, if the Company's General Assembly does not approve the transactions with related parties, the Company will be exposed to violations of the mandatory provisions and rules of the Companies Law, which may result in fines and penalties of up to (500,000) Saudi riyals, and these penalties are doubled in the event of repeated violations within three years from the date of issuance of the decision to violate, which will have a negative and material impact on the Company's business, financial condition, results of operations and profitability.

## 2-1-14 Risks related to Saudization requirements

Compliance with Saudization requirements is a regulatory requirement that requires all organizations (companies and institutions) to employ Saudis and maintain a certain percentage of Saudi employees out of their total number of employees. As of 30/07/2024G, the Company was classified as a medium-sized entity, with a total number of (595) employees, including (154) Saudis and (441) non-Saudis. Accordingly, its Saudization rate reached 33% according to the Saudization



certificate issued by Qiwa platform of the Ministry of Human Resources and Social Development. Therefore, it falls under the «**Medium Green**» band (Please refer to Section No. (3-19) «**Employees and Saudization**» of this Document). If the Company is unable to maintain the required Saudization rate, or if the Ministry of Human Resources and Social Development decides in the future to impose stricter Saudization policies that are difficult for the Company to adhere to, this may lead to the imposition of penalties on the Company, such as suspending work visa applications and transferring sponsorship for non-Saudi workers, which will have a negative impact on the Company's business, results of operations, and prospects.

### **2-1-15 Risks related to the occurrence of natural disasters**

The Company does not have insurance coverage for natural disaster risk. Since the Company may be exposed to any natural disasters such as floods, fires, earthquakes and other natural events that cause significant damage to the Company's facilities, this may result in high and huge costs for the Company, which will significantly affect the Company's ability to perform and carry out its activity, and thus will negatively affect its operations. Moreover, the occurrence of any of these natural disasters will have a negative and material impact on the Company's financial performance, financial condition and prospects.

### **2-1-16 Risks related to operation and unexpected business interruption**

The Company relies on the effectiveness of its operational business to continue its operations, and in the event of any interruption or cessation of these operations for any reason, such as: the issuance or mandatory application of new regulatory requirements, any failure of computer equipment, or other matters that may lead to the interruption of these operations, this will have a material negative impact on the Company's business, financial condition, and prospects.

### **2-1-17 Risks related to failure to obtain or renew the necessary licenses, permits and certificates**

The Company is subject to many laws and regulations that require it to obtain a number of licenses, permits and approvals necessary from the competent regulatory authorities in the Kingdom to practice its activity. The Company currently operates under a number of licenses, certificates and permits related to its activities, including, but not limited to, licenses from the Ministry of Municipal and Rural Affairs, licenses from the Ministry of Health, trademark registration certificate, Chamber of Commerce membership certificate, municipal licenses, civil defense permits, Saudization, Zakat and social insurance certificates, and others. Although the Company has not received any violations for not obtaining a specific permit or license in the past, the Company remains subject to this matter in the future. The licenses and permits under which the Company operates must remain in effect on an ongoing basis through the Company's commitment to the related regulations and laws, especially since some of these licenses are renewed on a monthly basis. As of the date of this Document, the Company has obtained all the necessary licenses, permits and certificates except for the accreditation certificate issued by the Saudi Central Board for Accreditation of Healthcare Institutions. Work is currently underway to renew three licenses from the Civil Defense (for more details, please refer to Section No. (2-1-37) «**Risks Related to Failure to Renew or Obtain Key Medical Accreditation Certificates**» and Section (3-13) «**Government Licenses and Permits**»). If the Company fails to do so, it may not be able to renew existing licenses and permits or obtain new licenses and permits that it may need for other purposes such as expansion, which will lead to the cessation or disruption of the Company's business, and thus this will have a negative and material impact on the Company's results of business, financial Condition and prospects.



## 2-1-18 Risks related to potential legal Zakat dues and additional claims

The Company has submitted its full Zakat returns to the Zakat, Tax and Customs Authority since its establishment until the fiscal year ending on 31/12/2023G. It obtained a Zakat certificate valid until 02/11/1446H (corresponding to 30/04/2025G). The Company obtained a Zakat assessment for the fiscal year ending on 31/12/2021G, which resulted in Zakat differences amounting to (27,298) twenty-seven thousand two hundred and ninety-eight Saudi riyals, and the Company has already paid these differences. In general, the Company cannot predict whether the Zakat, Tax and Customs Authority will accept its Zakat and tax estimates for each future fiscal year, and the Company may be subject to material Zakat differences that exceed the value of what the Company pays, in addition to late payment penalties, which will have a negative impact on the Company's business results, financial performance and prospects. In addition, the Value Added Tax returns have been examined by the Zakat, Tax and Customs Authority. It is worth noting that if the Zakat, Tax and Customs Authority imposes any Zakat differences or if the aforementioned tax differences are realized on the Company for the years prior to this Document, these differences and late payment penalties (if any) will be paid by the Selling Shareholders.

## 2-1-19 Risks related to the Company's inability to employ a qualified workforce

The Company's success depends on its ability to attract and retain a workforce with sufficient skills and experience to meet the needs of its customers. However, such workforce may not be available in sufficient numbers, or may be available, but under employment terms that are not suitable for the Company. This need for expertise may also change for reasons related to business needs or in response to changes in the technical field. Therefore, the Company may not be able to provide a workforce with the required specifications or may not be able to provide it in a timely manner. If the Company is unable to attract and retain a qualified workforce or if it loses its ability to bring in non-Saudi workers, this will have a negative and material impact on the Company's business, results of operations and prospects.

## 2-1-20 Risks related to the concentration of the Company's revenues by the business sector

The Company generates its revenues mainly from contracts with entities operating in the Kingdom, most of which are companies operating in the oil, gas and petrochemical sector, to which the Company provides medical services within the project sites in which they operate around the Kingdom, including onshore and offshore oil and gas refineries and platforms, pipeline stations, industrial and construction sites (Please refer to Section No. (3-10-1) «**Company's Revenues**» of this Document).

The Company's revenues from the Remote Areas Unit amounted to (42,482,688) Saudi riyals during the six-month period ending on June 30, 2024G, representing (49.31%) of the Company's total revenues. The revenues of the Industrial Services Unit amounted to (21,218,627) Saudi riyals, representing (23.01%) of the total revenues for the period ending on June 30, 2024G. Accordingly, the total revenues of the remote areas and industrial services units amounted to (72.32%) of the Company's total revenues during the period ending on June 30, 2024G.

The Company's revenues from the Remote Areas Unit achieved (86,858,597) Saudi riyals during the fiscal year ending 31/12/2023G, representing (56.14%) of the Company's total revenues. Revenues from Industrial Services Unit also achieved (39,971,969) Saudi riyals, representing (25.83%) of the total revenues for the year 2023G. Therefore, the total revenues of the remote areas and industrial services units amounted to (81.97%) of the Company's total revenues during the year 2023G.

The Company's revenues from the Remote Areas Unit hit (75,104,966) Saudi riyals during the fiscal year ending on 31/12/2022G, representing (50.24%) of the Company's total revenues. Revenues from Industrial Services Unit also



achieved (47,588,014) Saudi riyals, representing (31.83%) of the total revenues for the year 2022G. Accordingly, the total revenues of the remote areas and industrial services units amounted to (82.07%) of the Company's total revenues during the year 2022G.

Therefore, if the demand for the remote and industrial areas services provided by the Company decreases, or if the Company is unable to comply with or continue to provide those contractual services for any reason, such as the issuance of new regulatory requirements, for example, this will have a material adverse effect on the Company's performance and the results of its operational and financial operations.

### **2-1-21 Risks related to the concentration of revenues by geographical areas**

The Company's sales are mainly based on its operations with its customers in the Eastern Region, where the Eastern Region's revenues represented 69.02% of total revenues as of June 30, 2024G (82.73% as of June 30, 2023G) and 82.82% as of December 31, 2023G (83.06% as of December 31, 2022G). The Company is working to diversify its sources of income in terms of geographical regions, as its operations in the Central and Western regions expanded during the first half of 2024G compared to previous periods (please refer to the Section (3-10-1) «**Company's Revenues**» in this Document). However, if the Company's revenues from the Eastern Region stop or decrease, this will have a negative and material impact on the Company's business, results of operations and financial performance, including its prospects.

### **2-1-22 Risks related to the concentration of the Company's customers**

The Company's sales are highly dependent on a number of key customers, with the top five customers accounting for 70.46% of total sales as of June 30, 2024G (79.57% as of June 30, 2023G) and 80.09% as of December 31, 2023G (84.30% as of December 31, 2022G). (please refer to the Section (3-10-1) «**Company's Revenues**» in this Document). Accordingly, if the relationship with one or more of these key customers ceases or declines, and the Company is unable to replace them with new customers, this will have a material adverse effect on the Company's business, results of operations and financial performance, including its prospects.

### **2-1-23 Risks of relying on key employees and executive management**

In its pursuit of implementing its strategy and daily operations, the Company relies on the efforts and supervision of a number of its key employees, who represent an important element for the success of the Company's business. Therefore, the Company's inability to retain them or attract equally qualified individuals will have a material negative impact on the Company's business, results of operations and financial condition.

### **2-1-24 Risks of relying on non-Saudi employees**

The Company relies heavily on non-Saudi employees in its operations, as their number in the Company was (441) employees as of 30/07/2024G, constituting (74.12%) of the total number of employees in the Company, which is (595) employees. If the Company is unable to maintain qualified non-Saudi cadres or find alternatives to them with the same required skills and experiences, this will negatively affect the Company's business results, financial condition and operational results.

In 2016G, the Government approved a number of decisions aimed at implementing comprehensive reforms to the labor market in the Kingdom of Saudi Arabia, including approval of imposing additional fees for each non-Saudi employee working for a Saudi entity as of 01/01/2018G, in addition to increasing residency fees for family members of non-Saudi employees as of 01/07/2017G. Accordingly, these decisions will lead to an increase in Government fees that the Company will pay for its non-Saudi employees in general, on the one hand, and to facing difficulty in retaining qualified non-Saudi employees, on the other hand, which may negatively affect the company's performance and profitability.



Also, on 18/03/1442H (corresponding to 14/11/2020G), the Ministry of Human Resources and Social Development launched an initiative to improve the contractual relationship for all expatriate workers in private sector entities, which came into effect on 01/08/1442H (corresponding to 14/03/2021G). This initiative allows expatriate workers to transfer to another job upon the end of their employment contract without the need for the employer's approval. Therefore, the Company will face difficulty in maintaining qualified non-Saudi cadres, which may negatively affect its performance, results of operations, and financial condition.

### **2-1-25 Risks related to Government fees applied to non-Saudi employees**

The Kingdom's Government has approved a number of decisions aimed at implementing comprehensive reforms to the labor market in the Kingdom of Saudi Arabia, which included adopting additional fees for each non-Saudi employee working for a Saudi entity as of 01/01/2018G, amounting to (400) four hundred Saudi riyals per month for each non-Saudi employee, which was increased to (600) six hundred Saudi riyals per month for the year 2019G, and then to (800) eight hundred Saudi riyals per month for the year 2020G. Any Government decision to increase these fees or impose additional fees in the future will lead to an increase in Government fees on non-Saudi employees, and an increase in the Company's costs in general, which will negatively affect its business, financial performance, and results of operations.

The total Government fees incurred by the Company on non-Saudi employees amounted to (5,099,424) Saudi riyals for the year 2022G, (6,441,610) Saudi riyals for the year 2023G, and (2,701,949) Saudi riyals for the period ending on June 30, 2023G, compared to (3,864,922) for the period ending on June 30, 2024G.

The Government also approved the fees for issuing and renewing residency permits for dependents and companions of non-Saudi employees (the financial compensation fees for companions), which became effective as of 01/07/2017G, noting that they gradually increased from (100) one hundred Saudi Riyals per month for each dependent in 2017G to reach (400) four hundred Saudi Riyals per month for each dependent in 2020G. Accordingly, the Company may face difficulty in retaining its non-Saudi employees with the increase in residency issuance and renewal fees and their cost of living, which may force the Company to raise the wages of non-Saudi employees to retain them, which will lead to an increase in the Company's costs and negatively affect its business, financial performance and results of operations.

### **2-1-26 Risks of stopping or reducing Government support**

Twareat Medical Care company benefits from the support of the Government of the Kingdom of Saudi Arabia and the Human Resources Development Fund for its Saudi employees. Government support during the year 2023G amounted to (1,892,170) Saudi riyals, and Government support for the period ending on June 30, 2024G amounted to (863,383) Saudi riyals, compared to (752,525) for the period ending on June 30, 2023G. It is not possible to predict the possibility of stopping or decreasing this support or excluding some sectors from it in the coming years. If support is stopped or reduced, this will have a negative and material impact on the Company's business, results of operations and profitability.

### **2-1-27 Risks of unavailability of insurance coverage**

The Company has entered into insurance agreements to cover its business and assets, such as property insurance, employee medical insurance, and motor insurance. However, the Company may not have all important insurance contracts necessary for its business and assets, or it may not have sufficient insurance coverage in all cases.

Therefore, the occurrence of any potential uninsured circumstance resulting from sudden accidents or natural disasters will negatively and materially affect the Company's business, assets, financial condition and future performance.

## 2-1-28 Risks related to protecting trademarks and property rights

The Company obtained a trademark registration certificate for Twareat Medical Care company with the Saudi Authority for Intellectual Property in the Kingdom of Saudi Arabia on 28/07/1444 H (corresponding to 19/02/2023G). Please refer to Section No. (3-16) «**Trademarks and Intellectual Property Rights**», as it relies on the reputation of its brand in its relationship with customers. Any illegal use of the trademark will affect the Company's reputation, and may lead to lawsuits being filed against the Company or claims before the competent courts to protect these rights. If the Company fails to protect its trademark effectively, this will negatively affect the value of that trademark, which will negatively reflect on the Company's business, financial results and performance in the future.

## 2-1-29 Risks related to lawsuits and fines

In the normal course of its business, the Company may be exposed to lawsuits and claims related to its operations, and the Company or its Board of Directors may enter into legal proceedings with many parties, including customers, competitors, or employees. As a result, the Company may be subject to lawsuits and investigations from Government agencies and departments. Naturally, the Company cannot predict the results of such claims if they occur, nor does it guarantee that such claims will not have a material impact on its business, financial condition, and results of operations. The Company also cannot accurately predict the cost of lawsuits or legal proceedings that it may file or that may be filed against it, or the final results of such lawsuits or the judgments issued therein, including compensations and penalties. Accordingly, any negative results of such cases will have a material and negative impact on the Company's business, results of operations, financial condition, and prospects. As of the date of this Document, the Company is not a party to any cases of lawsuits, claims, or arbitration.

## 2-1-30 Risks related to dependence on suppliers

The Company deals with human resources companies to provide employees who provide services to customers or to meet the needs of the Medical Center. The Company also obtains its supplies, equipment and medical devices from local suppliers and customers, all of whom are within the Kingdom of Saudi Arabia. (please refer to Section (3-10-2) «**Major Suppliers**» in this Document). Although the Company adopts a policy of multiple and diverse suppliers to reduce its dependence on a specific source or supplier, this may not be available for products that can be provided by a single supplier or exclusive agent in the Kingdom. In addition, the Company may not be able to continue to rely on the suppliers it deals with, either due to a change in existing relationships with these suppliers or due to an increase in the cost of obtaining products or services, or the supplier's inability to provide the Company with the required quantities of products according to the necessary quality in a timely manner. If any of these cases occur, this may negatively affect the Company's business, financial condition and prospects.

## 2-1-31 Risks related to failure to maintain the confidentiality and integrity of customer and employee data

In the normal course of its business, the Company collects and transmits a significant amount of customer and employee data, including personal, technical, financial, and other data. This data may be sensitive and confidential. It may be unauthorizedly disclosed or sensitive or confidential data may be lost through various means. These include, but are not limited to, system failure, employee negligence, fraud, misappropriation, or unauthorized access to the Company's information systems, whether by its employees or third parties, including cyber-attacks by hackers and intruders, who may develop and spread viruses or other malicious software. The Company's systems may be subject to security breaches, acts of terrorism, cyber sabotage, theft, malicious viruses, data loss and corruption, or other similar events. Because such attacks are increasingly sophisticated and changing in nature, the Company may not be able to anticipate these attacks or take



appropriate preventive measures to address them. Any security breach, cyber sabotage, data theft, or loss or corruption of data could result in a breach of the privacy and security of customer and employee data, which could impact the Company's ability to retain existing customers and attract new customers, as well as liability under the Company's contracts and laws that protect sensitive or personal data and confidential information. Compliance with evolving privacy and security systems, requirements and regulations may result in increased costs due to necessary system changes at that time. This would have a material adverse effect on the Company's business, financial condition and prospects.

### **2-1-32 Risks relating to data protection and Cyber attack**

The Company relies on information technology systems to manage its business operations in its normal operations. Although the Company relies on anti-virus protection systems, the Company's information technology systems may be damaged by viruses, security breaches, cyber-attacks, or may be exposed to loss or corruption of data, or other similar events. Accordingly, if the Company's information systems fail to operate as expected, or if information is lost, or information belonging to the Company or its customers is misused, the Company may experience a disruption in its operations, which will have a material adverse effect on the Company, its Financial condition, or the results of its operations and prospects.

### **2-1-33 Risks of difficulty in recruiting medical personnel**

The Company's medical staff is highly experienced and efficient, in line with the standards required by customers, given its reliance on medical staff to continue its activity and operational processes. If the Company is unable to employ and retain qualified staff to continue its operational processes, this will have a negative and material impact on the Company's business, results of operations and prospects.

### **2-1-34 Risks related to the Coronavirus (Covid-19) pandemic**

The novel coronavirus (COVID-19) outbreak began in December 2019G, and the World Health Organization (WHO) declared the virus a global pandemic in March 2020G. The virus then spread widely and rapidly, affecting more than 194 countries around the world, leaving the world facing an unprecedented health and economic crisis. In the second half of February 2020G, when the virus spread and reached many countries around the world, many countries began imposing public health containment measures to delay its spread and enhance the capacity of the health sector. The development of the situation in this way led to a sudden halt in economic activities and a sharp decline in economic prospects. As a result, the spread of the virus had a significant impact on the global economy and put pressure on individuals, companies and governments. The Government of the Kingdom of Saudi Arabia has imposed health and economic measures to contain the repercussions of the increasing spread of the virus, like many countries in the world and the region. Health measures included imposing a partial or complete curfew in some cities and governorates of the Kingdom, a complete and partial closure of economic and governmental activities, closing shopping centers and retail stores, closing commercial complexes and all activities within them with the exception of food stores and pharmacies, reducing the number of working hours for some sectors or obligating some of them to work remotely and other activities, suspending all domestic flights, buses, taxis and trains, and suspending entry for purposes of Umrah and visiting the Prophet's Mosque from outside the Kingdom, and quarantine, while economic measures included financial support for citizens and those affected by the Corona pandemic, family and sick leave paid by the state, expansion of unemployment compensation, delaying tax payments, and other measures to support companies. On 03/09/1441H (corresponding to 26/04/2020G), a royal decree was issued to return life to normal and partially lift the curfew in all regions of the Kingdom, while ensuring adherence to precautionary measures of physical distancing and determining the number of people present in workplaces and providing services. The health situation was subject to daily monitoring and continuous evaluation by the Ministry of Health by issuing a daily statistical report to follow up on the number of infections, recoveries, and deaths.



During the outbreak of the Corona virus, the Company achieved higher than normal revenues as the Company supplied and sold a range of preventive medical supplies to its customers in the industrial and oil sectors, and it also contributed to developing preventive plans for companies and implementing and supervising isolation centers. In addition, it achieved non-recurring revenues by conducting Corona tests as the Company contributed to operating (10) vaccination centers in the Eastern Region, Riyadh and Yanbu to serve its customers, which contributed to raising the Company's financial return. The total value of these revenues amounted to (8,399,074) Saudi riyals during the year 2020G and (3,802,790) Saudi riyals during the year 2021G. There were no revenues for these services during the year 2022G.

In the event of a resurgence of the Coronavirus, it will be difficult to estimate the potential impact that it may have on the economy, the Company's operations and the areas in which it operates. The Company may also be exposed to the risk of business interruption and reduced access to patients, as there is no guarantee that precautionary measures will succeed in stopping or limiting the spread and outbreak of diseases in the future, including the Coronavirus. Some of these measures are likely to have a negative and material impact on the economy in general and on investor and business confidence to a degree that is difficult to predict, which will have a negative and material impact on the Company's business, results of operations, financial condition and prospects.

### **2-1-35 Risks related to the absence of an internal audit department**

The main tasks of the Internal Audit Department are to develop and implement internal audit programs for operational aspects to determine the efficiency of relevant operations and the suitability of controls for operational procedures and periodic review of this. It also includes ensuring the soundness of the operation of financial and accounting systems and procedures, internal policies and approved plans in the Company and ensuring compliance with them, monitoring the work of other departments in the Company and ensuring compliance with the requirements of continuous disclosure after the Company is listed.

It is worth noting that there is no internal audit department in the Company yet, knowing that the Company contracted with an external auditor to carry out the tasks of the internal audit department on November 7, 2024G, and the Company is committed to establishing the department internally and appointing its manager by no later than the end of the last quarter of the year 2025G, coinciding with the expected date for the completion of the work of the external auditor who was contracted for this task.

Given the absence of an internal audit department in the Company as of the date of this Document, the Company will face difficulty in achieving internal control and preparing the required reports for risk management, or investigating regulatory violations within the Company, which exposes it to various operational, administrative, financial and other regulatory risks, which will have a negative and material impact on the Company's business, financial condition, results of operations and prospects.

### **2-1-36 Risks related to the level of quality of health services**

The Company relies primarily on the quality of the medical services it provides in order to maintain its market position and competitiveness. The quality of health services comprises a set of factors, including: good diagnosis, effective treatment, qualifications and experience of health practitioners, ease of access to them, availability of modern medical and technical devices, machines and equipment, availability of modern infrastructure for the Health Center, in addition to the ability of health practitioners and other employees to communicate with patients effectively, short patient waiting periods, and the provision of health services in accordance with professional regulations 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 material adverse effect on the Company's business, results of operations, financial condition and prospects.

### **2-1-37 Risks related to failure to renew or obtain key medical accreditation certificates**

The Company has submitted an application to register Twareat Medical Care Company with the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI), and this registration application was accepted on 10/01/1446H (corresponding to 16/07/2024G). The Company is currently working to obtain the accreditation certificate issued by the Saudi Central Board for Accreditation of Healthcare Institutions. The Company's inability to renew that certificate and accreditation or maintain it in effect or its inability to meet the conditions for granting it may lead to the suspension, interruption, or cessation of some or all of its operations and its inability to conduct its business, thus negatively and materially affecting the Company's business, financial condition, results of operations, and prospects.

Since obtaining medical accreditation certificates from the Saudi Central Board for Accreditation of Healthcare Institutions has now become mandatory, the Ministry of Health has considered accreditation issued by the Saudi Central Board for Accreditation of Healthcare Institutions a prerequisite for renewing the licenses health entities. If the Company is unable to obtain, maintain or renew these accreditations in the future, this will lead to the Ministry of Health refusing to grant or renew licenses to Twareat Medical Care Company, which will have a negative and material impact on the Company's business, results of operations, financial condition and prospects.

### **2-1-38 Risks related to malfunctions of medical devices and equipment and the need to replace them**

In the provision of its health services, the Company relies on the continuity of the effective and uninterrupted operation of the medical and technical devices and equipment it owns. Any malfunction that may arise in these medical or technical devices and equipment will affect the Company's ability to continue providing its health services to patients during the period of their malfunction. In addition, the Company's change of these medical and technical devices or equipment will negatively affect the Company's ability to provide its health services and consequently will negatively affect the Company's business results and financial and operational performance.

### **2-1-39 Health risks resulting from infectious diseases**

The Company is exposed to the risk of infectious diseases spreading in its medical clinics, as healthy individuals may contract infectious diseases during their stay or visit to the medical clinics, and the infection may be transmitted to health practitioners while providing their services and work in the medical clinics, preventing them from performing their work and providing healthcare services to patients. This may result in visiting clients, inpatients, or health practitioners claiming compensation, or filing lawsuits and cases against the Company, and in the event of this happening, the reputation of the clinics, the Company's business and the results of its operations will be adversely and materially affected.

Infectious disease outbreaks may also result in restrictions imposed by regulatory authorities to combat the spread and transmission of diseases, such as quarantines, closure of parts of clinics for sterilization, or other regulatory restrictions, or withdrawal of licenses, permits, or approvals of the health facilities concerned.

The occurrence of any of the above will have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

## 2-1-40 Risks related to lease contracts

The Company has entered into several contractual lease agreements documented in the Ejar platform, where the Company has leased several properties as its headquarters, to practice its operational activity for medical operations and visits by the Company's clients (please refer to Section (3-15) «**Properties owned and leased by the Company**» of this Document). The Company's failure to abide by the contractual agreements and ensure their continuity on the same current terms or preferential terms, will expose the Company to losing those locations, or incurring additional costs. If this happens, it will affect the Company's business, results of operations, financial condition and prospects.

## 2-1-41 Risks related to material contracts with third parties

The Company has signed a number of contracts with entities operating in the Kingdom, which mainly consist of contracts with suppliers, major customers and health insurance companies for individuals. These contracts define the framework between the contracting parties and their responsibilities. These agreements also specify the types of services required to be provided under the concluded contracts. On November 30, 2024G, two of the Company's material contracts expired, and there is another material contract that about to expire during the remainder of the year 2024G. As of the date of this Document, the Company is, negotiating and agreeing to renew these contracts with customers, but it cannot be guaranteed that they will actually be renewed on the same terms previously agreed upon or on terms that are in the Company's favor.

Also, in the event of any dispute between the Company and any of these parties regarding the provision of certain services, this will lead to consequences that may include filing legal cases by or against the Company or terminating these contracts.

If any change or amendment is requested in the contracts or agreements between the Company and those parties, and these changes or amendments are not in the Company's interest, this may have a negative and material impact on the company's business, financial performance, results of operations and prospects.

The Company's 3 largest current contracts with suppliers represent more than 75% of the total supply contracts. The two largest contracts with customers also represent more than 75% of the total contracts with current customers (please refer to the Section (3-11) «**Material Contracts**» in this Document). Therefore, the failure to renew any of these contracts or renew them on terms that are unfavorable to the Company will have a negative and material impact on the Company's business and financial results.

## 2-1-42 Risks related to safety systems and waste disposal and treatment

The regulations in force in the Kingdom of Saudi Arabia impose strict standards that the Company must adhere to on an ongoing basis with regard to safety systems and medical waste treatment. Companies operating in the health sector may incur serious financial consequences resulting from non-compliance with these regulations.

The Company has signed a contract with a specialized company to treat medical waste. The Company aims through this contract to reduce the risk of safety systems and waste treatment, but the third party (the service provider in this contract) cannot be fully relied upon and the Company must ensure safety systems and medical waste treatment itself through continuous monitoring in this regard. (Please refer to Section No. (3-11) «**Material Contracts**» of this Document). Failure to comply with safety systems will expose the Company to financial penalties and fines, which will negatively and materially affect its financial condition, results of operations and prospects.

### **2-1-43 Risks related to withdrawal of health license**

The Company operates under health license No. (3810501201210012) issued by the Ministry of Health on 20/09/1434H (corresponding to 28/07/2013G), which expires on 20/05/1446H (corresponding to 22/11/2024G). The Company must abide by the terms and conditions imposed by the Ministry of Health on companies that have health licenses. If the Company decides to make any amendments to its data, such as amending the trade name, it must submit a license amendment application to the Ministry of Health. If the Company violates any of the instructions and conditions of the Ministry, it will be subject to the withdrawal of its health license, and it will not be able to continue its activity, which will have a negative and material impact on its business, results of operations and profitability.

### **2-1-44 Risks related to medical practices and errors**

The Company is exposed to medical errors by its medical staff, and it cannot be guaranteed that such errors will not occur. Article (41) of the Health Professions Practice Law stipulates that all doctors and dentists working in public and private health institutions must subscribe to cooperative insurance against medical professional errors. According to the Law, these health institutions are responsible for paying any additional amounts awarded in favor of the affected patient as compensation for damages resulting from medical errors if the health practitioner's insurance does not cover the full value of the compensation. It is worth noting that the Company has never been exposed to such claims in the past, until the date of this Document.

As of the date of this Document, the Company has not insured against medical errors, which leaves it vulnerable to financial claims in the event of medical errors by its healthcare practitioners resulting in claims that exceed what the healthcare practitioner's insurance covers. Consequently, this could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

### **2-1-45 Risks related to the participation of Board members in competing businesses**

The Board member, Raed Al-Naeem, is engaged in a competitive activity to the Company, through his membership in the Board of Directors of Al-Salam Medical Company, a company operating within the framework of the Company's business, and this business is similar to the Company's business or competes with its business directly or indirectly. Accordingly, there may be a conflict of interest as a result of this matter.

According to the requirements of the Companies Law, a member of the Board of Directors may not participate in any business that would compete with the Company, or compete with the Company in any of the branches of activity it carries out, otherwise the Company may demand appropriate compensation from him before the competent judicial authority, unless he has obtained a license from the Ordinary General Assembly allowing him to do so in accordance with the controls it sets.

In the event of a conflict of interest, this will have a material negative impact on the Company's business, financial condition, results of its operations and prospects.

There are no contractual arrangements between the Company and the members of the Board of Directors or its senior executives to ensure that they do not engage in any activity that may result in a conflict of interest or that such activity competes with the Company's business.

It is worth noting that the approval of the General Assembly was obtained for Board Member Raed Al-Naeem to practice a



competing business as a member of the Board of Directors of Al-Salam Medical Company at the General Assembly meeting held on 29/01/1446H (corresponding to 04/08/2024G).

It is not possible to guarantee that the members of the Board of Directors or senior executives will comply with the continuous disclosure requirements in the event of any new competing business for any of them. If they do not comply, this will have a negative and material impact on the Company's business, results of operations, financial condition, profitability and prospects.

### **2-1-46 Risks of failure to disclose the interests of Board Members**

On 01/01/2023G, a lease contract was signed for the main building with Kinan Alsharq Works Real Estate Development Company, and on 21/06/2023G, the Company's Extraordinary General Assembly approved the appointment of Saleh Al-Melhem as a member of the Company's Board of Directors. This resulted in an interest in the then-current lease contract for the benefit of the Board member Saleh Al-Melhem, as he is a Board member and partner in Kinan Alsharq Works Real Estate Development Company. According to the auditor's statement, these related party transactions were not included in the audited financial statements for the year 2023G due to the Company's lack of knowledge, represented by its management, of the nature of the relationship. Therefore, disclosing this transaction in these financial statements was not possible at that time. As the Company later discovered during the second half of 2024G that the Board member Saleh Al-Melhem has an interest in the contract signed with Kinan Alsharq Works Real Estate Development Company, the amount and type of the relationship were disclosed in the interim financial statements for the period ending June 30, 2024G. The auditor confirmed that the rental amount resulting from this contract was included in the general and administrative expenses for the year 2023G, and that there were no outstanding balances as of December 31, 2023G, and therefore there were no balances due to related parties. The auditor also confirmed that this error does not affect the fairness of the financial statements. The Company has reissued the financial statements for the period ending June 30, 2024G, in order to display the value of transactions with Kinan Alsharq Works Real Estate Development Company for the comparative period ending June 30, 2023G. The Company does not guarantee that such errors will not occur in the future, and if they do occur, they will have a negative and material impact on the Company's business, results of operations, financial condition, profitability and prospects.

It is worth noting that the approval of the Extraordinary General Assembly dated 09/06/2024G was obtained for this contract and the resulting transactions, which were carried out on the prevailing commercial terms and without preferential benefits, noting that the value of transactions for the year 2023G amounted to (855,772) Saudi riyals, including value-added tax. The value of transactions as of June 30, 2024G amounted to (372,075) Saudi riyals, including value-added tax, and these transactions were approved by the Ordinary General Assembly held on 06/11/2024G.

### **2-1-47 Risks of amendments to the financial statements and the error that arose in the year 2022G.**

During the year ended December 31, 2023G, the Company restated its revenues for the comparative year due to errors in the revenues recognized for 2022G. The error relates to the refund of recognized revenues and corresponding receivables based on rejected claims received during 2023G. Correcting this error has a material impact on the previously announced financial results for the year ended December 31, 2022G, and has been corrected in accordance with the requirements of the International Financial Reporting Standard. If any adjustments appear in the Company's financial statements in the future, this may have a material adverse effect on the Company's business, financial performance, results of operations and prospects. The following two tables show the impact of the adjustments on the statement of financial position and the statement of profit or loss and comprehensive income for the fiscal year 2022G:



**Table No. 4 :Amendments to the Statement of Financial Position for the Fiscal Year 2022G**

	Impact on financial position as of 31 December 2022G		
	As previously shown	Amendments	Revised
Accounts Receivable, Net	40,572,322	(8,233,032)	32,339,290
Prepayments and Other Assets	7,865,979	278,239	8,144,218
Retained Earnings	29,445,810	(7,276,491)	22,169,319
Accrued Expenses and Other Liabilities	6,604,384	(678,302)	5,926,082

Source: Audited Financial Statements for the Year Ended on 31/12/2023G

**Table No. 5 : Amendments to the Statement of Profit or Loss and Comprehensive Income for the Fiscal Year 2022G**

	Effect on profit or loss and other comprehensive income for the period ended 31 December 2022G		
	As previously shown	amendments	revised
<b>Revenue</b>	<b>156,782,693</b>	<b>(7,276,491)</b>	<b>149,506,202</b>

Source: Audited financial statements for the fiscal year ending on 31/12/2023G

## 2-1-48 Risks related to conflict of interest between the Board of Directors and the Company

Board member Saleh Al-Melhem owns shares in Kinan Alsharq Works Real Estate Development Company, which is the lessor of the Company's main building. If the lessor company raises the annual rental price, the Company will be negatively and materially harmed, while this is in the interest of the Board member. It is not possible to know the future annual rental prices after the expiration of the current lease contract, which may lead to a conflict of interest. It is worth noting that on 03/12/1445H (corresponding to 09/06/2024G), approval of the General Assembly was obtained for the business and contracts concluded between the Company and Kinan Alsharq Works Real Estate Development Company, in which Board member Saleh Al-Melhem has an interest, which is a lease contract for a period of (5) five years starting from 01/01/2023G until 31/12/2027G, on the prevailing commercial terms and without any preferential benefits. Noting that the value of transactions for the year 2023G amounted to (855,772) eight hundred and fifty-five thousand and seven hundred and seventy-two Saudi riyals, including value-added tax, in return for the rental payment due for the first year of the contract. The value of transactions as of June 30, 2024G amounted to (372,075) three hundred and seventy-two thousand seventy-five Saudi riyals, including value-added tax, and these transactions were approved in the Ordinary General Assembly held on 06/11/2024G.

## 2-1-49 Risks related to inventory management

The net value of the Company's inventory amounted to SAR 5,713,565 as of December 31, 2022G, SAR 5,918,359 as of December 2023G, and SAR 5,998,203 in the period ended on June 30, 2024G. The inventory consists of medicines, medical supplies and consumables supplied by the Company to meet its operational requirements. If the Company is unable to maintain optimal inventory levels and regularly monitor inventory, this may result in a sharp decrease or excess in inventory quantities. This will lead to losses for the Company as a result of not meeting customer requirements in the event of insufficient inventory, or difficulty in disposing of inventory in the event of a large surplus higher than the Company's operational needs, which will affect the Company's profitability and financial condition.

**Table No. 6: Inventory Age**

Year/Period	Inventory Age				Total	Provision	Net
	0-30 days	31-60 days	61-90 days	90 days and more			
Year 2022G	4,230,741	1,888,802	119,032	109,830	6,348,406	(634,841)	5,713,565
Year 2023G	4,367,211	1,949,733	122,872	113,374	6,553,200	(634,841)	5,918,359
Period ending on 30/06/2024G	4,530,344	1,839,728	122,410	140,561	6,633,044	(634,841)	5,998,203

Source: Twareat Medical Care Company

## 2-1-50 Risks Related to CEO Commission

The CEO's employment contract includes an annual remuneration in the form of a commission of (5%) of the Company's net profit, and not less than (500,000) five hundred thousand Saudi riyals. The existence of a fixed minimum for the annual remuneration poses risks to the Company as it reduces the Company's profitability without affecting the CEO's remuneration in the event that the Company's operational performance declines and it achieves annual profits of less than (10,000,000) ten million Saudi riyals, which will negatively affect the Company's financial performance and profitability.

## 2-2 Risks related to the market and the sector in which the Company operates

### 2-2-1 Risks related to the economic performance of the Kingdom

The expected future performance of the Company depends on a number of factors related to the economic conditions in the Kingdom, which generally include inflation factors, GDP growth, average per capita income, etc., in addition to global economic conditions that in turn affect the Kingdom's economy. The Kingdom's macro and micro economy depend mainly on oil and oil industries, which still control a large share of the gross domestic product. Accordingly, any unfavorable fluctuations in oil prices will have a direct and substantial impact on the Kingdom's economic growth plans in general and on Government spending rates, which in turn will negatively impact the Company's financial performance and prospects.

The continued growth of the Kingdom's economy also depends on several other factors, including continued population growth, public and private sector investments in infrastructure, the volume of foreign direct investment in the Kingdom, and the development of capital markets in general. Therefore, any negative change in any of these factors will have a significant impact on the economy and will consequently have a negative and material impact on the Company's business, financial results, and prospects.

### 2-2-2 Risks related to political and economic instability in the Middle East

Many countries in the Middle East are currently suffering from political and/or economic instability that may affect the economy of the Kingdom of Saudi Arabia. The political, economic and social environment in this region is still subject to continuous developments, which imposes a high degree of uncertainty on investments therein. Since the Company's assets and operations are in the Kingdom of Saudi Arabia, any unexpected changes in the political, economic or other conditions in the Middle East and other markets with which the Company deals will have a negative and material impact on the Kingdom's market, which will have a negative and material impact on the Company's business, results of operations, financial condition and prospects.





### **2-2-3 Risks related to the competitive environment**

The Company operates in the health sector in the Kingdom, and therefore, if current or potential competitors offer competitive prices, conditions, or solutions better than those offered by the Company, it will not be able to compete with those companies, which may lead to a reduction in the Company's market share and thus negatively affect its profits, results of operations, and financial condition.

### **2-2-4 Risks related to value-added tax**

On the second of Jumada Al-Awwal 1438H, the Saudi Council of Ministers decided to approve the unified agreement for value-added tax for the Gulf Cooperation Council countries, which came into effect as of 01/01/2018G. This system imposes a 5% value added tax on a number of products and services, as stated in the system. The Kingdom's Government has decided to increase the value added tax rate from 5% to 15%, starting from 01/07/2020G. A number of products and services have been exempted, including (basic foods and services related to healthcare and education). According to the Guidance Manual for the Provisions Related to Value Added Tax in Economic Activity (updated version in September 2021G), fines and penalties are imposed on taxable persons in relation to violating the provisions and conditions of the Value Added Tax System. In this case, fines and penalties are borne by the Company as a taxable person in the event of any violation or incorrect application of the tax system by the Company's management.

If the Government raises the VAT rate again in the future or imposes other fees and taxes on companies or on all sectors operating in the Kingdom, including the IT sector, it is expected that the Company will raise its service fees to reflect the increase in VAT. Accordingly, if the Company is able to charge the full VAT to its customers, the increase in the prices of its services may lead to a decrease in demand for them in general, which will negatively affect the Company's operations and profits. However, if the Company is unable to transfer the value of the VAT in whole or in part to the customer due to competitive factors or otherwise, it will be forced to bear the value of the tax not collected from customers, which will negatively affect the Company's profits and results of operations.

### **2-2-5 Risks associated with the mandatory application of the Corporate Governance Regulations**

The Board of the Capital Market Authority issued a new Corporate Governance Regulations pursuant to 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), and amended by Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G) and its amendments.

Although the Corporate Governance Regulations are considered indicative for companies listed in the Parallel Market (with the exception of paragraph (c) of Article (13), paragraph (b) of Article (50), paragraph (a) of Article (51), Article (52), Article (56), Article (58) and Article (88), which are considered mandatory for companies listed in the Parallel Market) as of the date of this Document. However, if they are applied in a mandatory manner, the Company's success in adhering to them correctly depends on the extent to which the Board of Directors, its committees, management and employees of the Company understand and comprehend these rules and procedures. Accordingly, if the Corporate Governance Regulations are applied mandatorily to companies listed in the Parallel Market, the Company will be obligated to apply all of its mandatory articles, and if it does not comply with this, it will be subject to violations by the Capital Market Authority, which will have a material negative impact on the Company's business and the results of its operations.

## 2-2-6 Risks of changes in relevant laws and regulations

Like other companies operating in the Kingdom of Saudi Arabia, the Company is subject to a number of laws and regulations such as the Companies Law, Labor Law, Municipalities and Civil Defense Laws, and the laws and regulations issued by the Capital Market Authority and others, which may change or be updated by the competent authorities. Also, new laws and regulations may be issued by the relevant official authorities from time to time. Accordingly, the Company's business may be negatively affected in the event of any fundamental change to any of the relevant laws or the introduction of additional laws that have a direct impact on the Company's performance and profitability.

## 2-2-7 Risks related to currency exchange rate fluctuations

Currency exchange rate risks are represented by the fluctuation in the value of financial investments due to changes in the exchange rate of foreign currencies. Companies face currency exchange rate risks most of the time when they have commercial relations with international parties or suppliers of imported goods from abroad that require transacting with them in foreign currency. The Company's operations until the date of issuance of this Document are conducted in Saudi Riyals only. If the Company pays any amounts in a foreign currency in the future, including payments to suppliers or consultants, it will face the risk of foreign exchange rate fluctuations, as any unexpected significant fluctuations in exchange rates will negatively affect the Company's financial performance.

## 2-2-8 Interest rate fluctuation risks

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

## 2-2-9 Growth opportunity risks

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 that the same level of continuous growth will be maintained, as the Company may face difficulties in expanding its activity, developing its market share and increasing its sales. Accordingly, if the Company is unable to manage its growth in a positive manner, its ability to develop its activity, increase or maintain its market share, increase its profits and enhance returns to its shareholders may be affected, which will have a negative and material impact on the Company's financial performance, financial condition and prospects.

## 2-2-10 Risks related to changing the mechanism for calculating Zakat and income tax

The Zakat, Tax and Customs Authority issued Circular No. 6768/16/1438 dated 05/03/1438H (corresponding to 04/12/2016G) requiring Saudi companies listed on the Exchange to calculate income and Zakat based on the nationality of shareholders and actual ownership between Saudi and Gulf citizens and others, as stated in the «**Tadawulati System**» at the end of the year. Prior to the issuance of this circular, companies listed on the capital market were generally subject to paying Zakat or tax based on the ownership of their founders according to their articles of association, and the impact of listed shares was not taken into account in determining the Zakat base. This circular was scheduled to be implemented in the year ending 31/12/2016G and subsequent years. However, Zakat, Tax and Customs Authority issued its letter No. 12097/16/1438 dated 19/04/1438H (corresponding to 17/01/2017G) postponing the implementation of the circular for

the fiscal year ending 31/12/2017G and subsequent years. Until the Zakat, Tax and Customs Authority issues its directives regarding the mechanisms and procedures for implementing this circular, the implementation of this circular, including the final requirements that must be met, is still under consideration, as are the rules that impose income tax on all non-GCC residents who are shareholders in listed Saudi companies and that apply withholding tax on dividends of non-resident shareholders regardless of their nationality. The Company has not assessed the financial impact of this circular and taken sufficient steps to ensure compliance with it, as it is a closed joint stock company wholly owned by Saudi shareholders. If the financial impact of this circular upon its implementation is significant, or if the Company incurs additional costs to take the necessary steps to ensure compliance with it, this will negatively affect its business, results of operations, financial condition and prospects.

### **2-2-11 Risks related to the imposition of new fees or taxes**

Although the Company is not currently subject to any type of taxes other than the legal Zakat and the value added tax of 15% of the fees for services provided by the Company, it is possible that other fees or taxes will be imposed on companies by the government in the future. Accordingly, if new taxes or fees are imposed on companies other than those currently in effect, this will have a negative and material impact on the Company's financial performance, financial condition and prospects.

### **2-2-12 Risks related to changes in the regulatory environment that have an impact on how the Company conducts its operations**

The Company is subject to a set of laws and regulations in the Kingdom, which are implemented by Government agencies in accordance with specific directives and policies. In the event of any amendments to these laws, regulations, policies and Government administrative directives in the Kingdom, including specifically those applicable to the health sector in the Kingdom, this will have a negative and material impact on the demand for the products and services provided by the Company.

## **2-3 Risks related to shares that will be listed directly in the Parallel Market**

### **2-3-1 Risks related to potential fluctuations in the share price**

The Company's share price may be subject to a large degree of fluctuation after listing and may not be stable as a result of several factors, including, but not limited to, market conditions related to the shares, any regulatory changes in the sector, the deterioration of the Company's business results, the inability to implement future plans, the entry of new competing companies, or a change in the vision or estimates of experts and analysts for the stock market. It should also be noted that the indicative price of the Company's shares upon listing is not an indicator of the market price after listing, and there is no guarantee that the market price of the Company's shares immediately upon listing on the Capital Market will not be less than the indicative price, which will negatively affect investors.

### **2-3-2 Liquidity risk of the Company's shares**

The Company's shares have not previously been listed on any stock market, whether inside or outside the Kingdom of Saudi Arabia, before being listed directly in the Parallel Market. There are no confirmations regarding the existence of an effective and continuous trading movement in the Company's shares after the end of the listing process. If the market is not an active market with high liquidity to trade the Company's shares, the liquidity and trading price of the Company's shares will be adversely and materially affected.

### **2-3-3 Risks of limiting trading in the Parallel Market on qualified investors**

The Company intends to list its shares in the Parallel Market, in which trading is limited to qualified investors only, which reduces the number of traders and thus the volume of trading in the shares, which may have a material negative impact on the liquidity and trading price of the Company's shares.

### **2-3-4 Risks related to future data**

The future results and expected performance data of the Company cannot be guaranteed with certainty, and may differ from those contained in this Document. Accordingly, the failure to achieve the expected results or the difference in actual data from those expected are considered risks that the shareholder should be aware of before making any investment decision.

### **2-3-5 Risks of selling or offering additional shares in the future**

If the Company decides to increase its capital by issuing new shares in the future for the purpose of expanding its activities, or to cover any severe shortage in working capital, or to extinguish losses, this may negatively affect the share price in the market, or lead to a decrease in the percentage of shareholders' ownership in the Company if they do not subscribe to the new shares when they are issued.

The Company may also not be able to increase its capital at the time it needs, or in a manner that serves its interest or the interest of its shareholders, which will negatively affect the Company's expectations, results of operations and financial condition.

### **2-3-6 Risks of not distributing dividends to shareholders**

The future distribution of dividends depends on several factors including, but not limited to, future profits, financial condition, capital requirements, the Company's distributable reserves, compliance with restrictions and requirements imposed by financiers, general economic conditions, analysis of investment opportunities and needs and other relevant factors, which the Board of Directors may consider important from time to time. Based on that, the Board of Directors will decide whether or not to forward any recommendation to the General Assembly of Shareholders to distribute dividends in the future. The Company provides no guarantee whatsoever that the Board of Directors will recommend the distribution of dividends or that the Board of Directors' recommendation to distribute any dividends will be approved by shareholders at the General Assembly meetings, nor does the Company provide any guarantee regarding the amounts that will be paid as dividends in any given year (please refer to Section (5) «**Dividend Policy**» of this Document).

### **2-3-7 Risks associated with actual control by current shareholders after listing**

After completing the listing process, the current shareholders, together or with other shareholders, may be able to control decisions that require shareholder approval, such as mergers, acquisitions and asset sales, electing Board members, increasing or decreasing the capital, issuing or not issuing additional shares, distribution of profits, or any change in the Company. If the interests of the current shareholders conflict with the interests of the minority shareholders, this may put the minority shareholders in a position that is not in their favor, and the current shareholders may exercise their control over the Company in a way that negatively and materially impact on the Company's business, financial condition, results of operations and prospects.

### **2-3-8 Risks associated with the lack of a prior market for the Company's shares**

The Company's shares had not previously been listed on any stock market, whether inside or outside the Kingdom of Saudi Arabia, prior to this direct listing in the Parallel Market, and there are no assurances regarding the existence of an effective and sustainable market for trading the Company's shares after listing. Direct listing may result in limited supply or demand for the Company's shares, which will affect their price. If there is no active market for trading the Company's shares, its liquidity and trading price may be significantly and negatively affected.

### **2-3-9 Risks associated with selling a large number of shares in the market after the Listing**

The sale of a large number of the Company's shares in the Capital Market after completion of the listing process or the expectation that this process will occur will negatively affect the Company's share price in the market, (especially the sale of the Substantial Shareholders who own 5% or more of the Company's shares who are entitled to dispose of their shares after the end of the lock-up period) of a large number of shares will adversely affect the company's shares, and thus reduce their price in the market.

### **2-3-10 Risks that the Company will not be able to meet the current requirements for moving to the Main Market or any future regulatory requirements**

After the regulatory period has passed under the Listing Rules, the Company may wish to move to the Main Market. In order for the Company to be able to move, it must fulfill the regulatory requirements issued by the Capital Market Authority and the Saudi Tadawul Company (Saudi Stock Exchange) based on the Rules on the Offering of Securities and Continuing Obligations and Listing Rules, related to the transfer the companies listed in the Parallel Market to the Main Market. Therefore, if the Company is unable to meet these requirements or any additional future regulatory requirements that may be imposed by the regulatory authorities on the Company or the Exchange, the Company will not be able to move to the Main Market. Since the Parallel Market, as of the date of this Registration Document, is a market in which trading is limited to qualified investors only, the daily trading volume and liquidity will be less than in the Main Market and thus will negatively affect the liquidity of the Company's shares and market value.

### **2-3-11 Risks associated with not having a specific number of shares allocated for sale**

Direct listing of the Company's shares in the Parallel Market differs from the listing through an IPO, in that there is no prior determination of the number of shares allocated for sale. After the direct listing, all current shareholders in the Company have the right to offer the shares they own for sale (except for Substantial Shareholders who own 5% or more of the Company's shares and who have the right to dispose of their shares after the end of the lock-up period). The absence of a specific number of shares allocated for sale may result in limited supply or demand in the market, which affects the share price. Accordingly, if there is no active market for trading the Company's shares, the liquidity and trading price of the Company's shares will be significantly and adversely affected.

### **2-3-12 Risk of the historical prices of buying and selling transactions differing from the opening price on the first day of trading of the Company's shares in the Parallel Market**

The Company's shares have never been listed on any stock market, whether inside or outside the Kingdom of Saudi Arabia, before this direct listing in the Parallel Market. There is also no relationship at all between the historical prices of buy and sell transactions that took place on the Company's shares in the past and the opening price on the first day. The Company's shares are traded in the Parallel Market, and there are no confirmations regarding the existence of an effective and continuous market for trading the Company's shares after listing. Direct listing may result in limited supply or demand, which affects the share price. If there is no active market for trading the Company's shares, the liquidity and trading price of the Company's shares will be significantly and adversely affected.

### **2-3-13 Risk of fluctuations in the Company's share price compared to the share prices of companies offered in an initial offering, as there is no specific price for the offering in the case of direct listing.**

One of the notable differences between direct listing and listing through the IPO of company shares is that there is no specific price for offering shares upon listing, so only an indicative price is set in this Document (please refer to Section No. (8-2) «**The indicative share price upon listing and the nominal value of each share**» of this Document). The opening price is determined based on the mechanism of supply and demand for the share, and there is no pre-determined price. This may lead to significant fluctuations in the Company's share price, especially the daily fluctuation rate allowed in the Parallel Market is (30%) up and down. Therefore, there is no guarantee that a shareholder will be able to sell his shares at a price equal to or greater than the purchase price in the future.

### **2-3-14 Risks of direct listing differing from listing through an initial public offering**

The direct listing of the Company's shares in the Parallel Market differs significantly from listing through initial public offering, in that there is no offering of a specific number of the Company's shares for sale before listing, the absence of a mechanism for building an order book to determine the share price, and the absence of price stability mechanism. The Company's current shareholders (except for Substantial Shareholders who own 5% or more of the Company's shares and who have the right to dispose of their shares after the end of the lock-up period) and Qualified Investors will be able to buy and sell the Company's shares after its direct listing in the Parallel Market. There are no guarantees regarding the presence of demand for the Company's shares after their listing in the Parallel Market. There is also no guarantee that the shares will be traded at a specific price upon listing, nor is there a guarantee that the price will be stable upon listing in the Exchange. Therefore, a shareholder may not be able to sell his/her shares in whole or in part if he wishes to sell, which will negatively and materially affect the liquidity and trading price of the Company's shares after listing.

### **2-3-15 Risks related to the Company's desire to continue in the Parallel Market**

After listing in the Parallel Market and after the regulatory period has passed under the Listing Rules, the Company may meet the conditions for transferring to the Main Market, but it wishes to continue as a company listed in the Parallel Market and not to move to the Main Market. Since the Parallel Market, as of the date of this Registration Document, is a market in which trading is limited to qualified investors only, the daily trading volume and liquidity may be less than in the Main Market, thus negatively affecting the liquidity of the Company's share and its market value.



TMC HEALTH  
طوارثيات الطبية

# The Company

# 03





## 3- The Company

### 3-1 Company Background

Twareat Medical Care Company (hereinafter referred to as the «**Company**» or the «**Issuer**») is a Saudi closed joint stock company under Commercial Registration No. (2051054263) issued in the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G). The Company's capital is (40,000,000) forty million Saudi Riyals divided into (40,000,000) forty million fully paid ordinary shares at a nominal value of (1) one Saudi Riyal per share, all of which are ordinary shares of the same class. Twareat Medical Care Company provides medical care services in remote and industrial areas in the Kingdom of Saudi Arabia. The Company also owns Twareat Medical Center in Jubail City, through which it provides internal medicine clinics, pediatric clinics, obstetrics and gynecology clinics, ENT clinics, general medicine clinics and Twareat clinics. The Center also provides radiology and medical examination services. The Company's activity according to its Commercial Registration is represented in general construction of residential buildings, renovations of residential and non-residential buildings, wholesale of medical devices, equipment and supplies, warehouses of medical devices and products, medical operation of hospitals, general medical complexes, medical clinics, medical operation of medical complexes and one-day surgery centers, ambulance services centers, medical laboratories, home medical services centers, mobile medical clinics, remote care and telemedicine centers, medical operation of medical laboratories and radiology centers and support medical services. The Company's activities according to its articles of association are as follows:

- 1- Construction: Construction of buildings.
- 2- Wholesale and retail trade and repair of motor vehicles and motorcycles: Sale of pharmaceutical and medical products, cosmetics and toiletries in specialized stores.
- 3- Transport and storage: Storage.
- 4- Human health and social work activities: Hospitals, medical and dental clinics. Other human health services.

The Company's headquarters is located in the city of Al-Khobar at the following address:

#### **Twareat Medical Care Company**

Kinan Alshareq, Prince Turki bin Abdulaziz Road, Al-Khobar

P.O. Box 7465, Al-Khobar 34413

Kingdom of Saudi Arabia

Tel: +966 13 858 7000

Fax: +966 13 858 1324

Website: [www.twareat.com](http://www.twareat.com)

Email: [info@twareat.com](mailto:info@twareat.com)

### 3-2 Company Incorporation and Major Capital Structure Developments

Twareat Medical Care Company (hereinafter referred to as the «**Company**» or the «**Issuer**») is a Saudi closed joint stock company under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G). Twareat Medical Care Center (the previous name of the Company) was established as a branch of a sole proprietorship with a capital of (10,000) ten thousand Saudi riyals under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G). On 05/06/1439H





(corresponding to 21/02/2018G), the legal status of the Twareat Medical Care Company was converted into a limited liability company bearing the same registration number, and the name was changed to Twareat Medical Care Company («the Company» and/or the «Issuer»), and the capital was determined to be (77,000) seventy-seven thousand Saudi riyals divided into (7,700) seven thousand seven hundred equal cash shares, at (10) ten Saudi riyals per share. The net assets of the establishment's branch were evaluated at (50,000) fifty thousand Saudi riyals, which is (10,000) ten thousand Saudi riyals as paid-up capital in addition to (40,000) forty thousand Saudi riyals as retained earnings. An amount of (27,000) twenty-seven thousand Saudi riyals was also injected in cash by all partners upon conversion into a limited liability company. This was Documented by the Articles of Association dated 05/06/1439H (corresponding to 21/02/2018G). The shares were distributed among the partners as follows:

**Table No. 7: Company's Ownership Structure as on 05/06/1439H (corresponding to 21/02/2018G)**

Partners	No. of Shares	Par Value (SAR)	Total Shares Value (SAR)	Ownership Percentage
Khaled Ahmed Saeed Balhaddad	25	10	250	0.32%
Tariq Mohammed Sulaiman Al-Hamdan	7,075	10	70,750	91.88%
Amer Mohammed Amer Al-Amer	350	10	3,500	4.55%
Hani Mohammed Abdul Rahman Al Hashemi	250	10	2,500	3.25%
<b>Total</b>	<b>7,700</b>	<b>-</b>	<b>77,000</b>	<b>100.00%</b>

Source: Twareat Medical Care Company

On 14/06/1440H (corresponding to 19/02/2019G), the Company's partners, decided to increase the Company's capital to (5,277,000) five million, two hundred and seventy-seven thousand Saudi riyals, divided into (5,277) five thousand, two hundred and seventy-seven shares of equal value, where the value of the share was modified from (10) ten Saudi riyals to (1,000) one thousand Saudi riyals per share. The capital was increased from the partners' current account in the amount of (5,088,678) Saudi riyals and the retained earnings account in the amount of (111,322) one hundred and eleven thousand, three hundred and twenty-two Saudi riyals. On 20/06/1440H (corresponding to 25/02/2019G), the partners wished to amend the Articles of Association with regard to the Company's ownership. The shares were distributed among the partners as follows:

**Table No. 8: Company's Ownership Structure as on 14/06/1440H (corresponding to 19/02/2019G)**

Partners	No.		Par Value (SAR)	Total Shares Value (SAR)	Ownership Percentage
Khaled Ahmed Saeed Balhaddad	17	-	1,000	17,000	0.32%
Tariq Mohammed Sulaiman Al-Hamdan	4,849	-	1,000	4,849,000	91.89%
Amer Mohammed Amer Al-Amer	240	-	1,000	240,000	4.55%
Hani Mohammed Abdul Rahman Al Hashemi	171	-	1,000	171,000	3.24%
<b>Total</b>	<b>5,277</b>	<b>-</b>	<b>-</b>	<b>5,277,000</b>	<b>100.00%</b>

Source: Twareat Medical Care Company



On 20/06/1440H (corresponding to 25/02/2019G), the partners wished to amend the Articles of Association, whereby Mr. Tariq Mohammed Sulaiman Al-Hamdan waived part of his shares in the Company amounting to (3,530) three thousand five hundred and thirty shares with a total value (3,530,000) three million five hundred and thirty thousand Saudi riyals to Dar Noor Contracting Company, a single person company, with their rights and obligations, These shares were waived without compensation, and a number of (1,319) one thousand three hundred and nineteen shares with a total value (1,319,000) one million three hundred and nineteen thousand Saudi riyals to Al-Ahsa Development Company, with their rights and obligations against cash compensation. The shares were distributed among the partners as follows:

**Table No. 9: Company's Ownership Structure as on 20/06/1440H (corresponding to 25/02/2019G)**

Partners	No. of Shares	Par Value (SAR)	Total Shares Value (SAR)	Ownership Percentage
Khaled Ahmed Saeed Balhaddad	17	1,000	17,000	0.32%
Al-Ahsa Development Company	1,319	1,000	1,319,000	25.00%
Dar Noor Contracting Company	3,530	1,000	3,530,000	66.89%
Amer Mohammed Amer Al-Amer	240	1,000	240,000	4.55%
Hani Mohammed Abdul Rahman Al Hashemi	171	1,000	171,000	3.24%
<b>Total</b>	<b>5,277</b>	<b>-</b>	<b>5,277,000</b>	<b>100.00%</b>

Source: Twareat Medical Care Company

On 04/04/1441H (corresponding to 01/12/2019), the Articles of Association was amended to modify the Company's objectives and the fiscal year clause, where three categories of wholesale and retail trade and repair of motor vehicles and motorcycles were deleted. The three categories are non-specialized wholesale trade, retail sale of pharmaceutical and medical products, cosmetics and ornamental items in specialized stores, and other types of retail sales outside stores, kiosks and markets.

As for the amendment to the fiscal year clause, some tasks have been added to the Company Manager, which are: preparing the financial statements, a report on the Company's activity and financial position, and proposals for dividends distribution within three months of the end of the fiscal year, and sending these reports to the Ministry of Commerce and to each partner within one month of the date of preparing these documents. Each partner shall have the right to request the managers to call for a meeting of the General Assembly of partners to discuss the aforementioned documents.

On 21/12/1441H (corresponding to 11/08/2020G), the Articles of Association was amended to modify the Company's purposes.

The changes in the Company's purposes are represented in adding the category of legal activities from the professional, scientific and technical activities section, adding the category of building construction from the construction section, thirdly adding the category of storage from the storage section, adding the category of hospitals from the human health and social work activities section, deleting the category of retail sale of other new goods in specialized stores from the wholesale and retail trade section, repair of motor vehicles and motorcycles section, and adding the category of retail sale of pharmaceutical and medical products, cosmetics and ornamental items in specialized stores.



On 18/10/1442H (corresponding to 30/05/2021G), the Articles of Association was amended due to the change of the partner's name from Al-Ahsa Development Company to Ayan Investment Company. The ownership structure becomes as follows:

**Table No. 10: Company's Ownership Structure as on 18/10/1442H (corresponding to 30/05/2021G)**

Partners	No. of Shares	Par Value (SAR)	Total Shares Value (SAR)	Ownership Percentage
Khaled Ahmed Saeed Balhaddad	17	1,000	17,000	0.32%
Dar Noor Contracting Company	3,530	1,000	3,530,000	66.89%
Ayan Investment Company	1,319	1,000	1,319,000	25.00%
Amer Mohammed Amer Al-Amer	240	1,000	240,000	4.55%
Hani Mohammed Abdul Rahman Al Hashemi	171	1,000	171,000	3.24%
<b>Total</b>	<b>5,277</b>	<b>-</b>	<b>5,277,000</b>	<b>100.00%</b>

Source: Twareat Medical Care Company

On 27/02/1443H (corresponding to 04/10/2021G), the partners wished to increase the capital from (5,277,000) five million, two hundred and seventy-seven thousand Saudi riyals to (8,999,000) eight million, nine hundred and ninety-nine thousand Saudi riyals by capitalizing an amount of (3,722,000) three million, seven hundred and twenty-two thousand Saudi riyals from the retained earnings account, and the value of the share was adjusted from (1,000) one thousand Saudi riyals to (10) ten Saudi riyals, and the number of shares from (5,277) five thousand, two hundred and seventy-seven shares to (899,900) eight hundred and ninety-nine thousand, nine hundred shares. The shares were distributed among the partners as follows:

**Table No. 11: Company's Ownership Structure as on 27/02/1443H (corresponding to 04/10/2021G)**

Partners	No. of Shares	Par Value (SAR)	Total Shares Value (SAR)	Ownership Percentage
Khaled Ahmed Saeed Balhaddad	2,923	10	29,230	0.32%
Ayan Investment Company	224,975	10	2,249,750	25.00%
Dar Noor Contracting Company	590,194	10	5,901,940	65.58%
Amer Mohammed Amer Al-Amer	40,904	10	409,040	4.55%
Hani Mohammed Abdul Rahman Al Hashemi	40,904	10	409,040	4.55%
<b>Total</b>	<b>899,900</b>	<b>-</b>	<b>8,999,000</b>	<b>100.00%</b>

Source: Twareat Medical Care Company

On 29/06/1443H (corresponding to 01/02/2022G), The partners have decided to redistribute the shares in the company and admit new shareholders. The Company was also converted into a closed joint-stock company, as the aforementioned changes were recorded and the Company was converted into a closed joint-stock company pursuant to Ministerial Resolution No. (992) dated 11/10/1443H (corresponding to 12/05/2022G) under Commercial Registration No. (2051054263) issued from the city of Al-Khobar on 03/11/1434H (corresponding to 09/09/2013G), whose Articles of Association is documented at the Notary Public in Al-Khobar under Deed No. (39857764), dated 05/06/1439H (corresponding to 21/02/2018G). The



Company's capital after the conversion amounted to (8,999,000) eight million nine hundred and ninety-nine thousand Saudi riyals divided into (899,900) eight hundred and ninety-nine thousand nine hundred ordinary shares fully paid at a nominal value of (10) ten Saudi riyals per share. The table below shows the ownership details in the company upon conversion:

**Table No. 12: Company's Ownership Structure as on 11/10/1443H (corresponding to 12/05/2022G)**

Shareholders	No. of Shares	Nominal Par Value (SAR)	Direct Ownership	Indirect Ownership
1 Tariq Mohammed Al-Hamdan	243,746	2,437,460	27.09%	-
2 Ayan Investment Company	224,975	2,249,750	25.00%	-
3 Abdullah bin Mohammed Al-Hamdan	58,435	584,350	6.49%	-
4 Khaled Mohammed Al-Hamdan	35,061	350,610	3.90%	-
5 Amer Mohammed Amer Al-Amer	35,061	350,610	3.90%	-
6 Basmah Ayed Muhammad Al-Tamimi	1	10	0.0001%	-
The public (65 Shareholders)	302,621	3,026,210	33.63%	-
<b>Total</b>	<b>899,900</b>	<b>8,999,000</b>	<b>100.00%</b>	<b>-</b>

Source: Twareat Medical Care Company.

On 09/01/1444H (corresponding to 07/08/2022G), shareholder Firas Abdul Rahman Al-Zoghaibi (a shareholder from among the public) wished to exit partially by waving (26,254) of his shares in favor of the Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Al-Hamdan against cash consideration, and the Company's ownership structure was amended, and this was documented in the shareholders' register. The ownership structure becomes as follows:

**Table No. 13: Company's Ownership Structure as on 09/01/1444H (corresponding to 07/08/2022G)**

Shareholders	No. of Shares	Nominal Par Value (SAR)	Direct Ownership	Indirect Ownership
1 Tariq Mohammed Al-Hamdan	270,000	2,700,000	30.00%	-
2 Ayan Investment Company	224,975	2,249,750	25.00%	-
3 Abdullah bin Mohammed Al-Hamdan	58,435	584,350	6.49%	-
4 Khaled Mohammed Al-Hamdan	35,061	350,610	3.90%	-
5 Amer Mohammed Amer Al-Amer	35,061	350,610	3.90%	-
6 Basmah Ayed Mohammed Al-Tamimi	1	10	0.0001%	-
Public (65 Shareholders)	276,367	2,763,670	30.71%	-
<b>Total</b>	<b>899,900</b>	<b>8,999,000</b>	<b>100.00%</b>	<b>-</b>

Source: Twareat Medical Care Company.



On 23/01/1444H (corresponding to 21/08/2022G), the Extraordinary General Assembly approved increasing the Company's capital from (8,999,000) eight million nine hundred and ninety-nine thousand Saudi riyals to (20,000,000) twenty million Saudi riyals divided into (2,000,000) two million ordinary shares at a nominal value of (10) ten Saudi riyals per share by capitalizing an amount of (11,001,000) eleven million and one thousand Saudi riyals from the retained earnings account, based on the recommendation of the Board of Directors dated 22/10/1443H (corresponding to 23/05/2022G). This change was recorded in the Shareholders' Register issued on 14/04/1444H (corresponding to 08/11/2022G) as follows:

**Table No. 14: Company's Ownership Structure as on 14/04/1444H (corresponding to 08/11/2022G)**

Shareholders	No. of Shares	Nominal Par Value (SAR)	Direct Ownership	Indirect Ownership
1 Tariq Mohammed Al-Hamdan	541,718	5,417,180	27.09%	-
2 Ayan Investment Company	500,000	5,000,000	25.00%	-
3 Abdullah bin Mohammed Al-Hamdan	129,870	1,298,700	6.49%	-
4 Khaled Mohammed Al-Hamdan	77,922	779,220	3.90%	-
5 Amer Mohammed Amer Al-Amer	77,922	779,220	3.90%	-
6 Basmah Ayed Mohammed Al-Tamimi	2	20	0.0001%	-
Public (65 Shareholders)	672,566	6,725,660	33.63%	-
<b>Total</b>	<b>2,000,000</b>	<b>20,000,000</b>	<b>100.00%</b>	<b>-</b>

Source: Twareat Medical Care Company.

On 23/07/1444H (corresponding to 14/02/2023G), Khaled Mohammed Al-Mulla, Ibrahim Abdul Rahman Al-Majed, Hani Mohammed Al-Hashemi, Suhair Mohammed Al-Ghamdi, Abdulmohsen Abdulaziz Al-Rajhi, Khalda Ali Al-Awaji, Talal Ali Al-Awaji, Ali Abdulaziz Al-Rajhi, Omar Abdulaziz Al-Rajhi and Firas Abdul Rahman Al-Zughaibi (shareholders from the public) wished to waive part of their shares against cash consideration in favor of each of the Substantial Shareholder and Chairman of the Board of Directors Tariq Mohammed Al-Hamdan, Abdullah Mohammed Al-Majed and Abdulaziz Mohammed Al-Essa and the Company's ownership structure was amended, and this was documented in the shareholders' register. The ownership structure becomes as follows:

**Table No. 15: Company's Ownership Structure as on 23/07/1444H (corresponding to 14/02/2023G)**

Shareholders	No. of Shares	Nominal Par Value (SAR)	Direct Ownership	Indirect Ownership
1 Tariq Mohammed Al-Hamdan	814,187	8,141,870	40.71%	-
2 Ayan Investment Company	500,000	5,000,000	25.00%	-
3 Abdullah bin Mohammed Al-Hamdan	129,870	1,298,700	6.49%	-
4 Khaled Mohammed Al-Hamdan	77,922	779,220	3.90%	-
5 Amer Mohammed Amer Al-Amer	77,922	779,220	3.90%	-
6 Basmah Ayed Mohammed Al-Tamimi	2	20	0.0001%	-
Public (65 Shareholders)	400,097	4,000,970	20.00%	-
<b>Total</b>	<b>2,000,000</b>	<b>20,000,000</b>	<b>100.00%</b>	<b>-</b>

Source: Twareat Medical Care Company.

On 16/08/1444H (corresponding to 08/03/2023), the Substantial Shareholder and Chairman of the Board of Directors Tariq Mohammed Al-Hamdan wished to waive part of his shares without compensation in favor of Bait Lulwa Limited (a one-person company wholly owned by the Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Al-Hamdan), and the Company's ownership structure was amended, and this was documented in the shareholders' register. The ownership structure becomes as follows:

**Table No. 16: Company's Ownership Structure as on 16/08/1444H (corresponding to 08/03/2023G)**

Shareholders	No. of Shares	Nominal Par Value (SAR)	Direct Ownership	Indirect Ownership
1 Tariq Mohammed Sulaiman Al-Hamdan*	583,519	5,835,190	29.18%	11.53%
2 Ayan Investment Company	500,000	5,000,000	25.00%	-
3 Bait Lulwa Company	230,668	2,306,680	11.53%	-
4 Abdullah Mohammed Sulaiman Al-Hamdan	129,870	1,298,700	6.49%	-
5 Khaled Mohammed Sulaiman Al-Hamdan	77,922	779,220	3.90%	-
6 Amer Mohammed Amer Al-Amer	77,922	779,220	3.90%	-
7 Basmah Ayed Mohammed Al-Tamimi	2	20	0.0001%	-
Public (65 Shareholders)	400,097	4,000,970	20.00%	-
<b>Total</b>	<b>2,000,000</b>	<b>20,000,000</b>	<b>100.00%</b>	<b>-</b>

Source: Twareat Medical Care Company.

\*The Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan, owns indirectly 11.5334% of the Company's capital through his full ownership of Bait Lulwa Company.

On 24/10/1444H (corresponding to 14/05/2023G), the Extraordinary General Assembly approved the Board of Directors' proposal to increase the Company's capital from (20,000,000) twenty million Saudi riyals to (40,000,000) forty million Saudi riyals divided into (4,000,000) four million fully paid shares by transferring the balance from the retained earnings account.

On 03/12/1444H (corresponding to 21/06/2023G), the Extraordinary General Assembly approved the Board of Directors' proposal to amend the nominal value of each share to (1) one Saudi riyal, all of them are ordinary shares of one class. This change was recorded in the company's Shareholders Register dated 02/01/1445H (corresponding to 20/07/2023G) after increasing the capital and amending the nominal value of the share as follows:

**Table No. 17: Company's Ownership Structure as on 02/01/1445H (corresponding to 20/07/2023G)**

Shareholders	No. of Shares	Nominal Par Value (SAR)	Direct Ownership	Indirect Ownership
1 Tariq Mohammed Sulaiman Al-Hamdan*	11,670,380	11,670,380	29,18%	11.53%
2 Ayan Investment Company	10,000,000	10,000,000	25,00%	-
3 Bait Lulwa Company	4,613,360	4,613,360	11,53%	-
4 Abdullah Mohammed Sulaiman Al-Hamdan	2,597,400	2,597,400	6,49%	-

Shareholders	No. of Shares	Nominal Par Value (SAR)	Direct Ownership	Indirect Ownership
5 Khaled Mohammed Sulaiman Al-Hamdan	1,558,440	1,558,440	3,90%	-
6 Amer Mohammed Amer Al-Amer	1,558,440	1,558,440	3,90%	-
7 Basmah Ayed Mohammed Al-Tamimi	40	40	0.0001%	-
Public (56)	8,001,940	8,001,940	20.00%	-
<b>Total</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>100.00%</b>	<b>-</b>

Source: Twareat Medical Care Company

\*The Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan, owns indirectly 11.5334% of the Company's capital through his full ownership of Bait Lulwa Company.

Accordingly, the Company's shares amounted to (40,000,000) forty million shares, fully paid, with a nominal value of (1) one Saudi Riyal, all of which are ordinary shares.

On 03/03/1445H (corresponding to 18/09/2023G), the Company conducted a private offering of (2,980,600) two million nine hundred and eighty thousand six hundred shares, representing (7.45%) of the Company's shares, and 55 new shareholders entered the private offering process. The current ownership structure of the company becomes as follows:

**Table No. 18: Current company Ownership Structure**

Shareholders	No. of Shares	Nominal Par Value (SAR)	Direct Ownership	Indirect Ownership
1 Tariq Mohammed Al-Hamdan*	11,670,380	11,670,380	29.18%	11.53%
2 Ayan Investment Company	10,000,000	10,000,000	25.00%	-
3 Bait Lulwa Company	4,613,360	4,613,360	11.53%	-
4 Abdullah Mohammed Sulaiman Al-Hamdan	2,597,400	2,597,400	6.49%	-
5 Ahmed Abdullah Abdulaziz Al-Khayal	1,558,440	1,558,440	3.90%	-
6 Amer Mohammed Amer Al-Amer	1,558,440	1,558,440	3.90%	-
7 Mohammed Ahmed Rumaizan Al-Rumaizan	20,000	20,000	0.05%	-
8 Hisham Abdulaziz Mohammed Al-Mutlaq	20,000	20,000	0.05%	-
9 Basmah Ayed Mohammed Al-Tamimi	40	40	0.0001%	-
Public (118 Shareholders)	7,961,940	7,961,940	19.90%	-
<b>Total</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>100.00%</b>	<b>-</b>

Source: Twareat Medical Care Company.

\*The Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan, owns indirectly 11.5334% of the Company's capital through his full ownership of Bait Lulwa Company.



### 3-3 Company Vision

Excel in providing high quality healthcare solutions in line with the latest technologies and international standards.

### 3-4 Company's Mission

Striving to attract qualified and specialized medical competencies that contribute to providing professional healthcare services to meet the needs and expectations of its clients and enhance their satisfaction.

### 3-5 Company's Strategy

The company seeks to be the leading provider of healthcare services in residential and industrial areas, whether within cities and governorates or in remote areas in the Kingdom of Saudi Arabia. Its strategy revolves around the following:

- **Management of remote area clinics:** Direct medical care services are provided in remote areas by covering the medical needs of companies, as medical facilities are operated and managed at the work sites of organizations and companies. Through this unit, Twareat provides the following services:
  - Assessing the need for medical services at work sites
  - Providing specialized medical staff including doctors, nurses, paramedics, ambulance drivers, and others necessary to operate the site
  - Providing medical equipment necessary to operate the clinic based on the special needs of remote sites
  - Providing medical supplies and medicines
  - Providing specialized medical ambulance in remote areas
  - Visits for quality enhancement and continuous service evaluation
  - Visits to enhance the training level of the staff
  - Reviewing applicable medical orders and legislation
  - Providing special services
- **Management of industrial area clinics:** Occupational medicine services are provided in addition to medical care in factories, where clinics are operated and therapeutic and preventive services are provided inside the factory, where Twareat services provide comprehensive healthcare to industrial companies on a permanent level through sustainable clinics inside these companies such as SABIC, Marafiq, SASREF and other industrial companies, assess potential risks, whether medical, technical or otherwise, and provide solutions and recommendations to all relevant departments within the company in order to provide a healthy and safe work environment for workers. The services include:
  - Assessing the need for medical services at work sites
  - Providing specialized medical staff including doctors, nurses, paramedics, ambulance drivers, and others necessary to operate the site
  - Providing the necessary medical equipment to operate the clinic based on the specific needs of the sites
  - Providing medical supplies and medicines
  - Performing annual examinations and pre-employment examinations
  - Studying and evaluating work hazards and developing plans to avoid them and reduce their complications
  - Routine visits to assess quality and readiness
  - First aid, medical transportation, and disaster response services





- **Management of Medical Operations:** Medical operation services are provided to medical centers and partial support to hospitals by providing distinguished health cadres, including:
  - Providing doctors and nurses
  - Providing consultants in emergency, Pediatrics, internal medicine, family and community departments
  - Full operation of medical centers within residential complexes
- **Management of medical centers:** Twareat Medical Care Center is located in the city of Jubail in the Kingdom of Saudi Arabia and is considered one of the modern centers in the region, as the Center is equipped with the latest medical devices and technologies to provide treatment solutions and professional prevention. Twareat Medical Care Center services consist of the following:
  - Emergency medical care service
  - Laboratory testing service
  - Radiology service
  - Home care service
  - Medical transportation service
  - Pediatrics service
  - ENT service
  - Occupational medicine service

### 3-6 Company's Strengths and competitive advantages

Following are the Company's most important strengths and competitive advantages:

- Long managerial, technical and financial experience of the Senior Management in the Company's field of work, including managing medical and health projects in oil and gas sector.
- Providing the highest quality standards when providing medical care services.
- Comprehensiveness and diversity of medical care services provided by the Company, as it provides its services through a medical center that contains many different specialties, as well as providing its services in industrial areas and remote areas.
- A wide, diverse and solid customer base at the level of remote and industrial clinics, which includes a group of industrial companies such as Saudi Aramco, SABIC, BAE Systems and the Royal Commission for Al-Ula Governorate.
- The Company trains its medical staff intensively starting from their appointment and continues to do so periodically to ensure their readiness and efficiency.
- The Company provides its services around the clock, including rapid response service when needed.
- The volume of contracts for clinic projects in remote and industrial areas, which amounted to (139,864,000) Saudi riya, distributed over more than (100) clinics.

### 3-7 Company Activities and Nature of Business

Twareat Medical Care Company provides medical care services in remote and industrial areas in the Kingdom of Saudi Arabia. (Please refer to Section (3-8) «**Company Business**» of this Document). The Company's activity according to its Commercial Registration is represented in general construction of residential buildings, renovations of residential and non-residential buildings, wholesale of medical devices, equipment and supplies, warehouses of medical devices and products,



hospitals, medical operation of hospitals, general medical complexes, medical clinics, medical operation of medical complexes and one-day surgery centers, ambulance services centers, medical laboratories, home medical services centers, mobile medical clinics, remote care and telemedicine centers, medical operation of medical laboratories and radiology centers and support medical services. The Company's activities according to its articles of association are as follows:

- 1- Construction: Construction of buildings.
- 2- Wholesale and retail trade and repair of motor vehicles and motorcycles: Sale of pharmaceutical and medical products, cosmetics and toiletries in specialized stores.
- 3- Transport and storage: Storage.
- 4- Human health and social work activities: Hospitals, medical and dental clinics. Other human health services.

The Company does not carry out its activities except after obtaining the regulatory licenses required by the prevailing regulations in force in the Kingdom of Saudi Arabia. The Company has obtained all the required regulatory licenses except for one certificate, and all these licenses are still valid as at the date of this Document. (Please refer to Section (3-13) «**Company Licenses and Permits**» of this Document).

The company conducts its main activities through its headquarters in the city of Al-Khobar. The Company's Board of Directors acknowledges that the company has no commercial activities or assets outside the Kingdom and confirms that there is no intention to make any material changes to the nature of the company's activities.

## 3-8 Company Business

The Company provides its business through four main units: Remote Area Clinics Management, Industrial Area Clinics Management, Medical Operations Management and Medical Centers Management.

### 3-8-1 Remote Areas Clinics Department

Direct medical care services are provided in remote areas by covering the medical needs of companies, where medical facilities are operated and managed at the work sites of public entities and companies, such as companies operating in the oil, gas and petrochemical sector, including oil and gas refineries and platforms of both onshore and offshore, as well as pipeline stations and various factories. Twareat services are provided through this unit by the following services:

#### 3-8-1-1 Assessing the need for medical services at labor sites

Twareat Medical Care Company seeks to provide a healthy and safe work environment for workers, which contributes to enhancing productivity and general well-being. This service includes a set of steps and analyses that contribute to determining the medical needs of each work site based on its nature, number of workers and working conditions, for example, but not limited to determining the geographical location and nature of the site, whether it is a construction site, oil facility or other, number of workers, their ages, shifts and working conditions, analyzing all types of potential risks such as health or occupational risks, assessing medical needs, and then providing recommendations and solutions to the client.

#### 3-8-1-2 Providing specialized medical staff including doctors, nurses, paramedics, ambulance drivers, and others necessary to operate the site.

It includes all necessary steps to ensure the availability of high-quality healthcare at work sites, through assessing needs, hiring and training qualified personnel, and ensuring that the site is fully equipped, it contributes significantly to maintaining the health and safety of workers, and promoting a safe and productive work environment.



### **3-8-1-3 Providing the necessary medical equipment to operate the clinic based on the special needs of remote locations.**

It requires careful planning and good coordination to ensure that the site needs are met efficiently. By assessing needs, selecting appropriate equipment, training personnel, and ensuring ongoing maintenance and technical support, high-quality healthcare can be provided to workers in remote locations, enhancing their safety and well-being.

### **3-8-1-4 Providing medical supplies and medicines**

Ensuring the provision of high-quality healthcare. By accurately assessing needs, selecting reliable suppliers, and managing inventory effectively, it contributes significantly to maintaining the health and safety of patients and workers, documenting operations and submitting periodic reports to help improve service and ensure that needs are met continuously and effectively, and this is done with continuous logistical support through warehouses licensed by the Food and Drug Authority.

### **3-8-1-5 Providing specialized medical aid in remote areas.**

Ensuring the provision of urgent healthcare to patients and injured people in these remote areas. Due to the lack of advanced medical facilities near these locations, the importance of this service is highlighted in reducing the time it takes to reach emergency medical care, using a fleet of modern, fully equipped and insured vehicles.

### **3-8-1-6 Quality enhancement visits and continuous service evaluation**

It aims to ensure the provision of high-quality healthcare and improve operations in a sustainable manner. This service aims to monitor and evaluate performance, identify strengths and weaknesses, and implement necessary improvements on an ongoing basis.

### **3-8-1-7 Visits to enhance the training level of the staff**

Continuous assessment and specialized training. This service is essential to ensure that medical and administrative staff are aware of the latest standards and practices in healthcare.

### **3-8-1-8 Review applicable medical orders and legislation.**

It is an ongoing process that aims to comply with health and regulatory laws by collecting and analyzing legislation, evaluating compliance, updating policies, and training employees, to ensure permanent compliance and improve the quality of healthcare provided, continuous monitoring and cooperation with external parties to enhance the effectiveness of this service, and continuous updating in line with changes in the legal and regulatory environment.

### **3-8-1-9 Providing special services**

It includes a wide range of health services that aim to promote prevention, early detection, and health awareness. By providing vaccinations for emerging diseases, conducting periodic medical examinations, implementing awareness programs, mental health services, nutrition, and chronic disease management, which represent an important part of comprehensive healthcare, thus enhancing the quality of life for individuals and communities.

The number of clinics in remote areas currently managed by the Company is (100) clinics, and the number of contracts signed by the Company as of the date of preparing this Document is (50) fifty contracts. The following table shows a brief overview of the most important of these contracts:

**Table No. 19: The most important contracts for remote areas units**

Project Name	Contract Value	Contract Starting Date	Contract Ending Date	Contract Status
Client 1	100 Million Saudi Riyals	17/05/1442H (corresponding to 01/01/2021G)	28/06/1443H (corresponding to 31/01/2026G)	Existing
Client 2	48 Million Saudi Riyals	14/01/1445H (corresponding to 01/08/2023G)	22/07/1448H (corresponding to 31/12/2026G)	Existing
Client 3	32.5 Million Saudi Riyals	25/11/1445H (corresponding to 15/11/2023G)	The contract ends upon completion of the project and the term is automatically renewed unless the project ends.	Existing
Client 4	20.5 Million Saudi Riyals	18/11/1445H (corresponding to 26/05/2024G)	30/06/1446H (corresponding to 31/12/2024G)	The contract is about to expire and is being renewed.

Source: Twareat Medical Care Company.

### 3-8-2 Industrial Area Clinics Department

Occupational medicine services are provided in addition to medical care in factories, where clinics are operated and therapeutic and preventive services are provided inside the factory. Twareat provides comprehensive healthcare to industrial companies on a permanent level through sustainable clinics inside these companies such as SABIC, Marafiq, SASREF and other industrial companies. It evaluates potential risks, whether medical, technical or otherwise, and provides solutions and recommendations to all relevant departments within the Company in order to provide a healthy and safe work environment for workers. The services include the following:

#### 3-8-2-1 Assessing the need for medical services at labor sites

Twareat Medical Care Company works to provide a healthy and safe work environment for workers, which contributes to enhancing productivity and general well-being. This service includes a set of steps and analyses that contribute to determining the medical needs of each factory based on its nature, number of workers and working conditions, for example, but not limited to determining the number of workers, their ages, working times and conditions, analyzing all types of potential risks such as health or occupational risks, assessing medical needs, and then providing recommendations and solutions to all departments concerned with the client.

#### 3-8-2-2 Providing specialized medical staff including doctors, nurses, paramedics, ambulance drivers, and others necessary to operate the site.

It includes all the necessary steps to ensure the availability of high-quality healthcare at the client's location, through assessing needs, hiring qualified personnel, training them, and ensuring that all necessary licenses are in place.

#### 3-8-2-3 Providing the necessary medical equipment to operate the clinic based on the specific needs of the sites.

It requires careful planning and good coordination to ensure that the needs of the factory/industrial company are met efficiently. By assessing the needs, selecting the appropriate equipment, training the staff, and ensuring continuous maintenance and technical support.



### 3-8-2-4 Providing medical supplies and medicines

Accurately assessing needs, selecting reliable suppliers, managing inventory effectively, documenting operations and reporting periodically to help improve service and ensure that needs are met continuously and effectively, with continuous logistical support through warehouses licensed by the Food and Drug Authority.

### 3-8-2-5 Annual and pre-employment examinations

They are an essential part of preventive healthcare. These checkups help identify early health problems and guide individuals to the necessary healthcare. They also contribute to maintaining the safety of workers and ensuring that they are able to perform their jobs efficiently and without health problems.

### 3-8-2-6 Studying and evaluating work hazards and developing plans to avoid them and reduce their complications.

Through risk analysis, assessment, and development of preventive plans.

### 3-8-2-7 Routine visits to assess quality and readiness

By evaluating processes and standards, identifying strengths and weaknesses and taking measures to improve performance and ensure that the needs and expectations of patients and the community are met.

### 3-8-2-8 Ambulance, medical transportation and disaster response service

Providing prompt and effective emergency medical care and safe transportation of patients to hospital when needed.

The following table shows the most important contracts of the Industrial Zones Unit with a brief overview of them:

**Table No. 20: The most important contracts of the Industrial Zones Unit**

Project Name	Contract Value	Contract Starting Date	Contract Ending Date	Current Status
Client 1 (Contract No. 1)	152.1 Million Saudi Riyals	04/04/1441H (corresponding to 01/12/2019G)	28/05/1446H (corresponding to 30/11/2024G)	The contract has expired and the Company is currently negotiating a renewal.
Client 1 (Contract No. 2)	54.8 Million Saudi Riyals	08/08/1441H (corresponding to 01/04/2020G)	28/05/1446H (corresponding to 30/11/2024G)	The contract has expired and the Company is currently negotiating a renewal.
Client 2	6.9 Million Saudi Riyals	17/03/1444H (corresponding to 13/10/2022G)	11/05/1449H (corresponding to 12/10/2027G)	Existing

Source: Twareat Medical Care Company.

### 3-8-3 Medical Operations Department

Medical operation services are provided to medical centers and partial support to hospitals by providing distinguished health cadres. Among the services provided are:



### 3-8-3-1 Providing doctors and nurses

Providing qualified and trained medical staff to meet the needs of medical and health facilities.

### 3-8-3-2 Providing consultants in emergency, pediatric, internal medicine, family and community departments.

To improve the diagnosis of health conditions and provide the necessary treatment to patients efficiently and effectively.

### 3-8-3-3 Full operation of medical centers within residential complexes

Providing periodic and therapeutic medical examinations for patients, providing general and specialized medical services, providing routine and therapeutic nursing services, caring for patients who require special care, operating and managing the medical center including administrative and financial aspects, and providing appointment schedules and an effective patient registration system.

**Table No. 21: The most important contracts of the medical operating unit**

Project Name	Contract Value	Contract Starting Date	Contract Ending Date	Renewal Option
Client 1	222.7 Million Saudi Riyals	21/11/1442H (corresponding to 01/07/2021G)	11/07/1447H (corresponding to 31/12/2025G)	Existing

Source: Twareat Medical Care Company.

## 3-8-4 Twareat Medical Center

Twareat Medical Center is located in Jubail City in the Kingdom of Saudi Arabia and is considered one of the modern centers in the region. The Center is equipped with the latest medical devices and technologies to provide professional treatment and prevention solutions. Twareat Medical Center services consist of the following:

### 3-8-4-1 Emergency medical care service

It is provided through a recovery room and (6) six emergency rooms equipped with the latest technologies and managed by a group of emergency specialists through the following:

- **Reception and initial assessment:** receiving patients and assessing their urgent medical conditions.
- **Immediate medical care:** providing first aid for critical and emergency cases, in addition to providing medical treatment for cases requiring immediate medical care.
- **Coordination with hospitals:** arranging the transfer of critical patients to hospitals when needed, in addition to coordinating with hospitals to receive cases requiring specialized care.

### 3-8-4-2 Laboratory testing service

The Center has an integrated laboratory department for various types of blood tests.

### 3-8-4-3 Radiology service

The Center has the latest X-ray and ultrasound machines.



#### 3-8-4-4 Home care service

This service aims to provide home medical care by visiting the patient's site by a specialist doctor and/or nurse and providing medical services at home.

#### 3-8-4-5 Medical transport service

A fully equipped medical team transports patients by ambulance according to the patient's need.

#### 3-8-4-6 Pediatric service

It is provided by a pediatrician, and also includes giving children vaccinations and immunizations, and a medical examination before going to school.

#### 3-8-4-7 Otorhinolaryngology (ENT) Service

It is provided by an ENT specialist and the clinic diagnoses and treats cases in addition to hearing testing.

#### 3-8-4-8 Occupational Medicine Service

They are provided by occupational medicine specialists and include annual and pre-employment examinations, hearing and respiratory screenings.

### 3-9 Mechanism for contracting and training employees and doctors

The Company conducts recruitment campaigns in the countries from which it seeks to recruit based on specific terms and specifications that are consistent with the nature of the work. An acceptance test and personal interview are conducted for candidates who pass the test and then they are approved by the recruitment committee. Upon arrival of new employees to the Kingdom of Saudi Arabia, they are enrolled in an intensive training program that qualifies them to work in clinics in remote and industrial areas. After employees start their work in the clinics, there is an ongoing training program through periodic visits by supervisors at work sites or training courses according to the training schedule set by the Company. The Company is constantly working to ensure the readiness of its employees and their fulfillment of work requirements in industrial areas and remote areas, given that some companies in the oil, gas and petrochemicals sectors require certain qualifications and courses for employees working in such areas. The Company also contracts with some local recruitment companies to provide the professional labor it needs (please refer to the section: (3-10-2) «Main Suppliers»).

It is worth noting that all contracts of doctors and employees do not stipulate the sharing of a percentage of the Company's revenues, but rather depend on a fixed salary and allowances only.

### 3-10 Company Revenues and main suppliers

#### 3-10-1 Company Revenues

##### 3-10-1-1 Revenues per Main Activities:

The following table shows the Company's revenues from main activities during the years 2022G, 2023G, the period ending on June 30, 2023G, and the period ending on June 30, 2024G:

**Table No. 22: Company revenues by main activities**

Activity	Fiscal year ending 31/12/2022G	Percentage of the total	Fiscal year ending 31/12/2023G	Percentage of the total	Financial period ending 30/06/2023G	Percentage of the total	Financial period ending 30/06/2024G	Percentage of the total
Remote Areas Unit	75,104,966	50.24%	86,858,597	56.14%	44,615,228	62.22%	57,902,357	62.78%
Industrial Services Unit	47,588,014	31.83%	39,971,969	25.83%	18,234,570	25.43%	21,179,061	22.96%
Medical Operations Department	26,813,222	17.93%	27,726,748	17.92%	8,809,623	12.29%	9,558,497	10.36%
Twareat Medical Center	-	-	166,189	0.11%	42,159	0.06%	3,589,840	3.89%
<b>Total</b>	<b>149,506,202</b>	<b>100.00%</b>	<b>154,723,503</b>	<b>100.00%</b>	<b>71,701,580</b>	<b>100.00%</b>	<b>92,229,755</b>	<b>100.00%</b>

Source: Twareat Medical Care Company.

**3-10-1-2 Revenues per customer sectors**

The following table shows the Company's revenues by customer segment during the years 2022G, 2023G, the period ending on June 30, 2023G, and the period ending on June 30, 2024G:

**Table No. 23: Company revenue by customer segment**

Activity	Fiscal year ending 31/12/2022G	Percentage of the total	Fiscal year ending 31/12/2023G	Percentage of the total	Financial period ending 30/06/2023G	Percentage of the total	Financial period ending 30/06/2024G	Percentage of the total
Oil & Gas Sector	79,553,555	53.21%	85,692,162	55.38%	42,167,212	58.81%	46,589,976	50.52%
Petrochemical Sector	47,588,015	31.83%	39,971,968	25.83%	18,234,570	25.43%	23,834,447	25.84%
Other Sectors*	22,364,632	14.96%	29,059,373	18.78%	11,299,798	15.76%	21,805,332	23.64%
<b>Total</b>	<b>149,506,202</b>	<b>100.00%</b>	<b>154,723,503</b>	<b>100.00%</b>	<b>71,701,580</b>	<b>100.00%</b>	<b>92,229,755</b>	<b>100.00%</b>

Source: Twareat Medical Care Company.

\*Includes each of the following sectors: Healthcare, Education &amp; Training, Commercial, Defense, Aviation &amp; Security Solutions, and Construction.

**3-10-1-3 Revenues per Geographical locations**

The following table shows the Company's revenues according to geographical distribution during the years 2022G, 2023G, the period ending on June 30, 2023G, and the period ending on June 30, 2024G:





**Table No. 24: Company revenues according to geographical distribution**

Geographical location	Fiscal year ending 31/12/2022G	Percentage from total	Fiscal year ending 31/12/2023G	Percentage from total	Financial period ending 30/06/2023G	Percentage from total	Financial period ending 30/06/2024G	Percentage from total
Eastern Region	124,184,726	83.06%	128,142,888	82.82%	59,321,823	82.73%	63,653,267	69.02%
Central Region	22,792,116	15.24%	19,747,158	12.76%	11,410,517	15.91%	17,295,775	18.75%
Western Region	2,529,360	1.69%	6,833,457	4.42%	969,240	1.35%	11,280,713	12.23%
<b>Total</b>	<b>149,506,202</b>	<b>100.00%</b>	<b>154,723,503</b>	<b>100.00%</b>	<b>71,701,580</b>	<b>100.00%</b>	<b>92,229,755</b>	<b>100.00%</b>

Source: Twareat Medical Care Company.

The following table shows the Company's revenues by city during the years 2022G, year 2023G, the period ending on June 30, 2023G, and the period ending on June 30, 2024G:

**Table No. 25: Company revenue by city**

Geographical location	Fiscal year ending 31/12/2022G	Percentage from total	Fiscal year ending 31/12/2023G	Percentage from total	Financial period ending 30/06/2023G	Percentage from total	Financial period ending 30/06/2024G	Percentage from total
Dhahran	55,978,078	37.44%	55,700,748	36.00%	26,840,931	37.43%	25,728,794	27.90%
Jeddah	49,294,879	32.97%	37,473,747	24.22%	17,513,846	24.43%	15,428,128	16.73%
Al-Khobar	18,988,423	12.70%	20,469,108	13.23%	10,007,980	13.96%	15,524,016	16.83%
Riyadh	19,127,251	12.79%	19,715,190	12.74%	9,835,462	13.72%	17,648,557	19.14%
Neom	-	-	5,864,391	3.79%	-	-	10,831,485	11.74%
Buqayq	1,881,363	1.26%	3,527,066	2.28%	2,019,522	2.82%	1,123,158	1.22%
Abu Ali	688,788	0.46%	2,785,250	1.80%	1,410,484	1.97%	1,471,923	1.60%
Zulaf	57,909	0.04%	2,104,911	1.36%	1,217,123	1.70%	941,929	1.02%
Jubail.	1,247,990	0.83%	2,798,283	1.81%	557,420	0.77%	1,894,441	2.05%
Al-Ula	429,600	0.29%	1,194,100	0.77%	391,500	0.55%	5,200	0.01%
Sihat	823,344	0.55%	969,076	0.063%	508,978	0.71%	557,108	0.60%
Ras Al-Khair	629,578	0.42%	739,955	0.48%	389,595	0.54%	444,556	0.48%
Al-Ahsa	325,042	0.22%	712,851	0.46%	442,624	0.59%	303,107	0.33%
Dammam	29,858	0.02%	468,826	0.30%	31,533	0.04%	327,353	0.35%
Tabuk	-	-	200,000	0.13%	-	-	-	-
Jazan	4,100	0.003%	-	-	-	-	-	-
<b>Total</b>	<b>149,506,202</b>	<b>100.00%</b>	<b>154,723,503</b>	<b>100.00%</b>	<b>71,701,580</b>	<b>100.00%</b>	<b>92,229,755</b>	<b>100.00%</b>

Source: Twareat Medical Care Company.

#### 3-10-1-4 Revenue by key customers:

The following table shows the distribution of the Company's revenues according to the five largest (5) customers during the years 2022G, 2023G, the period ending on June 30, 2023G, and the period ending on June 30, 2024G:



Table No. 26: Revenues according to main suppliers

Revenues by the top (5) five customers during the fiscal year ending 31/12/2022G				
Customers	Services provided	Nature of contract	Revenue (SAR)	Percentage from total
Customer 1 (Semi-Governmental)	Providing medical services	Contractual	54,821,006	36.67%
Customer 2 (Private Sector)	Providing medical services	Contractual	46,013,486	30.78%
Customer 3 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	17,097,307	11.44%
Customer 4 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	4,275,895	2.86%
Customer 5 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	3,822,128	2.56%
Other customers	Providing medical services and goods and providing manpower	Contractual	23,476,380	15.70%
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>149,506,202</b>	<b>100.00%</b>
Revenues by the top (5) five customers during the fiscal year ending 31/12/2023G				
Customers	Services provided	Nature of contract	Revenue (SAR)	Percentage from total
Customer 1 (Semi-Governmental)	Providing medical services	Contractual	54,142,267	34.99%
Customer 2 (Private Sector)	Providing medical services	Contractual	36,497,307	23.59%
Customer 3 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	17,770,118	11.49%
Customer 6 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	9,235,131	5.97%
Customer 5 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	6,279,256	4.06%
Other customers	Providing medical services and goods and providing manpower	Contractual	30,799,424	19.91%
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>154,723,503</b>	<b>100.00%</b>
Revenues by the top (5) five customers during the 6 months period ending 30/06/2023G				
Customers	Services provided	Nature of contract	Revenue (SAR)	Percentage from total
Customer 1 (Semi-Governmental)	Providing medical services	Contractual	26,428,593	36.86%
Customer 2 (Private Sector)	Providing medical services	Contractual	16,544,606	23.07%
Customer 3 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	8,809,623	12.29%



Customer 4 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	3,403,778	4.75%
Customer 6 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	1,866,726	2.60%
Other customers	Providing medical services and goods and providing manpower	Contractual	14,648,253	20.43%
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>71,701,580</b>	<b>100.00%</b>
<b>Revenues by the top (5) five customers during the 6 months period ending 30/06/2024G</b>				
Customers	Services provided	Nature of contract	Revenue (SAR)	Percentage from total
Customer 1 (Semi-Governmental)	Providing medical services	Contractual	25,068,021	27.18%
Customer 2 (Private Sector)	Providing medical services	Contractual	15,329,128	16.62%
Customer 6 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	10,831,485	11.74%
Customer 3 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	9,558,497	10.36%
Customer 7 (Private Sector)	Providing medical services and goods and providing manpower	Contractual	7,328,220	7.95%
Other customers	Providing medical services and goods and providing manpower	Contractual	24,114,404	26.15%
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>92,229,755</b>	<b>100.00%</b>

Source: Twareat Medical Care Company

Note: Medical goods in the above table means medicines, consumables and medical equipment

### 3-10-2 Main Suppliers

The Company transacts with a group of suppliers as the field of medical materials and equipment is broad and not confined to a limited number of suppliers, which guarantees the Company's competitive prices to ensure business continuity. The following table shows the Company's dealings with the five largest suppliers during the years 2022G, 2023G, the period ending on June 30, 2023G, and the period ending on June 30, 2024G:

**Table No. 27: Major suppliers**

<b>Major suppliers during the fiscal year ending 31/12/2022G</b>					
Suppliers	Nature of Transaction	Value of Transactions (SAR)	Percentage from total	Percentage from Total Costs	Nature of Relationship
Supplier 1	Medical Staff	13,356,210	30.83%	14.87%	Contractual
Supplier 2	Laboratories	2,976,539	6.87%	3.31%	Contractual
Supplier 3	Medical Devices	1,857,674	4.29%	2.07%	Purchase Orders
Supplier 4	Medical Staff	6,681,636	15.42%	7.44%	Contractual



Supplier 5	Medical Staff	1,505,265	3.47%	1.68%	Contractual
Other suppliers	-	16,942,712	39.11%	18.87%	Purchase Orders
<b>Total suppliers</b>	-	<b>43,320,036</b>	<b>100.00%</b>	<b>48.23%</b>	-
<b>Total Costs</b>	-	<b>89,817,895</b>	-	<b>100.00%</b>	-

#### Major suppliers during the fiscal year ending 31/12/2023G

Suppliers	Nature of Transaction	Value of Transactions (SAR)	Percentage from total	Percentage from Total Costs	Nature of Relationship
Supplier 1	Medical Staff	17,556,868	28.22%	16.63%	Contractual
Supplier 2	Laboratories	2,296,036	3.69%	2.17%	Contractual
Supplier 4	Medical Staff	5,902,940	9.49%	5.59%	Contractual
Supplier 6	Medical Insurance	3,055,508	4.91%	2.89%	Contractual
Supplier 7	Equipment Rental	1,491,261	2.40%	14.12%	Purchase Orders
Other suppliers	-	31,922,299	51.30%	30.23%	Purchase Orders
<b>Total suppliers</b>	-	<b>62,224,939</b>	<b>100.00%</b>	<b>58.93%</b>	-
<b>Total Costs</b>	-	<b>105,598,863</b>	-	<b>100.00%</b>	-

#### Major suppliers during the financial period ending 30/06/2023G

Suppliers	Nature of Transaction	Value of Transactions (SAR)	Percentage from total	Percentage from Total Costs	Nature of Relationship
Supplier 1	Medical Staff	9,635,277	32.18%	20.02%	Contractual
Supplier 2	Laboratories	1,863,697	6.22%	3.87%	Contractual
Supplier 4	Medical Staff	3,463,554	11.57%	7.20%	Contractual
Supplier 3	Medical Devices	561,695	1.88%	1.17%	Purchase Orders
Supplier 8	Consumables and medical supplies	472,304	1.58%	0.98%	Purchase Orders
Other suppliers	-	13,945,272	46.57%	28.98%	Purchase Orders
<b>Total suppliers</b>	-	<b>29,941,799</b>	<b>100.00%</b>	<b>62.21%</b>	-
<b>Total Costs</b>	-	<b>48,126,846</b>	-	<b>100.00%</b>	-

#### Major suppliers during the financial period ending 30/06/2024G

Suppliers	Nature of Transaction	Value of Transactions (SAR)	Percentage from total	Percentage from Total Costs	Nature of Relationship
Supplier 1	Medical Staff	10,291,007	30.67%	18.05%	Contractual
Supplier 2	Laboratories	408,159	1.22%	0.72%	Contractual



Supplier 8	Consumables and medical supplies	343,481	1.02%	0.60%	Purchase Orders
Supplier 9	Laboratories	1,522,543	4.54%	2.67%	Purchase Orders
Supplier 10	Laboratories	772,277	2.30%	1.35%	Contractual
Other suppliers	-	20,216,451	60.25%	35.45%	Purchase Orders
<b>Total suppliers</b>	-	<b>33,553,918</b>	<b>100.00%</b>	<b>58.84%</b>	-
<b>Total Costs</b>	-	<b>57,027,187</b>	-	<b>100.00%</b>	-

Source: Twareat Medical Care Company.

### 3-11 Material Contracts

The Company has signed several material contracts, including:

Table No. 28: Material Contracts

Second Party	Description of the agreement	Contract value (SAR)	Percentage from Material Contracts	Contract starting date	Contract ending date	Renew seal
<b>Suppliers</b>						
Supplier 1	Providing manpower	25,311,216 *	45.18%	19/09/1444H (corresponding to 10/04/2023G)	11/10/1446H (corresponding to 09/04/2025G)	By mutual consent
Supplier 2	Providing manpower	9,102,912 *	16.25%	28/07/1444H (corresponding to 19/02/2024G)	01/09/1447H (corresponding to 18/02/2026G)	By mutual consent
Supplier 3	Providing manpower	7,656,000 *	13.67%	05/06/1445H (corresponding to 28/12/2023G)	07/07/1447H (corresponding to 27/12/2025G)	By mutual consent
Supplier 4	Providing manpower	6,018,624 *	10.74%	09/07/1445H (corresponding to 21/01/2024G)	01/08/1447H (corresponding to 20/01/2026G)	By mutual consent
Supplier 5	Providing manpower	4,692,000 *	8.38%	13/05/1445H (corresponding to 27/11/2023G)	05/06/1447H (corresponding to 26/11/2025G)	By mutual consent
Supplier 6	Providing manpower	1,135,176 *	2.03%	09/07/1445H (corresponding to 21/01/2024G)	01/08/1447H (corresponding to 20/01/2026G)	By mutual consent
Supplier 7	Legal Services	1,080,000	1.93%	16/03/1445H (corresponding to 01/10/2023G)	09/04/1447H (corresponding to 01/10/2025G)	Automatic renewal
Supplier 8	Providing manpower	1,027,200 *	1.83%	04/01/1446H (corresponding to 10/07/2024G)	24/01/1448H (corresponding to 09/07/2026G)	By mutual consent

Second Party	Description of the agreement	Contract value (SAR)	Percentage from Material Contracts	Contract starting date	Contract ending date	Renew seal
<b>Total</b>		<b>56,023,128</b>	<b>100,00%</b>			
<b>Clients</b>						
Client 1	Medical operation of remote area clinics in the Eastern and Northern Region	222,713,831	46.04%	21/11/1442H (corresponding to 01/07/2021G)	11/07/1447H (corresponding to 31/12/2025G)	By mutual consent
Client 2 (Contract #1)	Supply of goods and/or services**	152,101,350	31.44%	04/04/1441H (corresponding to 01/12/2019G)	28/05/1446H (corresponding to 30/11/2024G)	The contract has expired and the company is currently negotiating a renewal.
Client 2 (Contract #2)	Supply of goods and/or services**	54,815,840	11.33%	17/05/1442H (corresponding to 01/01/2021G) Contract «2» 08/08/1441H (corresponding to 01/04/2020G)	28/05/1446H (corresponding to 30/11/2024G)	The contract has expired and the company is currently negotiating a renewal.
Client 3	Providing medical services.	32,500,000	6.72%	25/11/1445H (corresponding to 15/11/2023G)	Upon completion of the project, the period is automatically renewed unless the project is completed.	By mutual consent
Client 4	Providing medical services.	20,508,000	4.24%	18/11/1445H (corresponding to 26/05/2024G)	30/06/1446H (corresponding to 31/12/2024G)	The contract has expired and the company is currently negotiating a renewal.
<b>Total</b>		<b>482,639,021</b>	<b>100,00%</b>			
<b>Financing</b>						
Ministry of Finance	Additional Loan Agreement	6,080,652	10.29%	18/07/1444H (corresponding to 09/02/2023G)	29/12/1460H (corresponding to 24/01/2039G)	Will not be renewed

Second Party	Description of the agreement	Contract value (SAR)	Percentage from Material Contracts	Contract starting date	Contract ending date	Renewal
Al Rajhi Bank	Bank Facilities Agreement	53,000,000	89.71%	04/04/1446H (corresponding to 07/10/2024G)	08/04/1447H (corresponding to 31/08/2025G)	By mutual consent
<b>Total</b>		<b>59,080,652</b>	<b>100.00%</b>			

Source: Twareat Medical Care Company.

\*The amount is estimated based on the number of current Ajeer employees.

\*\* Medical goods in the above table refer to medicines, consumables and medical equipment.

### 3-12 Related party transactions and their details

The Company's related party transactions included some transactions with shareholders, Board members and senior management, which mainly consisted of expenses paid by the company, rental payments, bonuses and benefits for key management staff.

The following table shows the details of these transactions with related parties for the fiscal years ending December 31, 2022G and 2023G and the fiscal period ending 30/06/2024G as follows:

**Table No. 29: Transactions with related parties**

Related party	Relationship	Nature of Transaction	Fiscal year ending 31/12/2022G (Audited)	Fiscal year ending 31/12/2023G (Audited)	Fiscal period ending 30/06/2024G (Unaudited)
Amer Mohammed Amer Al-Amer	Partner	Expenses incurred by the Company	27,677	-	104,172
Tariq Al-Hamdan	Partner	Expenses incurred by the Company	-	-	6,981
Kinan Alsharq Works Real Estate Development Company	A company in which a member of the Company's board of directors owns	Rent payments	-	744,150	372,075
Senior Management Staff	-	Remuneration and benefits	4,941,345	5,915,727	3,104,029

Source: Twareat Medical Care Company

On 03/12/1445H (corresponding to 09/06/2024G), the General Assembly approved the business and contracts concluded between the Company and Kinan Alsharq Works Real Estate Development Company, in which the Board Member Saleh Al-Melhem has an interest, which is a lease contract for a period of (5) five years on the prevailing commercial terms and without any preferential benefits. Note that the value of transactions for the year 2023G amounted to (855,772) eight hundred and fifty-five thousand and seven hundred and seventy-two Saudi riyals in exchange for the rental payment due for the first year of the contract, including value-added tax. The transactions with related parties related to expenses paid by the Company, rental payments and the balances resulting from them as of June 30, 2024G were also approved at the Ordinary General Assembly held on 06/11/2024G. As for the transaction that took place during the year 2022G in the



amount of (27,677) Saudi Riyals, the approval has been obtained by the General Assembly for it in the General Assembly held on 18/12/2024G.

The following table also shows details of balances due from related parties:

**Table No. 30: Balances due from related parties**

Related party	As of 31/12/2022G (Audited)	As of 31/12/2023G (Audited)	As of 30/06/2024G (Unaudited)
Amer Mohammed Amer Al-Amer	27,677	-	104,172
Tariq Al-Hamdan	-	-	6,981
<b>Total</b>	<b>27,677</b>	<b>-</b>	<b>111,153</b>

Source: Twareat Medical Care Company

### 3-13 Company Licenses and Permits

Twareat Medical Care Company has obtained the necessary licenses and approvals to carry out its work, but the Company has not yet obtained the final accreditation certificate from the Saudi Central Board for Accreditation of Healthcare Institutions for Jubail Medical Center. The Company submitted an application to register Twareat Medical Care Center with the Saudi Central Board for Accreditation of Healthcare Institutions, and this registration application was accepted on 10/01/1446H (corresponding to 16/07/2024G). The Company is still waiting for the date of the visit of the specialized committee to evaluate the Company. The following table shows the approvals and licenses obtained by the Company:

**Table No. 31: Licenses related to the Company's operations**

Type of license	Issuer	license number	Issuance Date	Expiration Date
<b>Licenses and certificates issued to the Company</b>				
Commercial Registration	Ministry of Commerce	2051054263	03/11/1434H (corresponding to 19/09/2013G)	06/06/1446H (corresponding to 18/12/2024G)*
Chamber of Commerce	Eastern Province Chamber of Commerce	159177	27/11/1435H (corresponding to 22/09/2014G)	06/06/1446H (corresponding to 07/12/2024G)*
Certificate of the General Organization for Social Insurance	General Organization for Social Insurance	80783273	10/05/1446H (corresponding to 12/11/2024G)	10/06/1446H (corresponding to 11/12/2024G)*
Certificate of commitment to the Wage Protection Law	Ministry of Human Resources and Social Development	74751940-132301	23/05/1446H (corresponding to 25/11/2024G)	24/06/1446H (corresponding to 25/11/2024G)*
Nitaqat certificate	General Organization for Social Insurance	1786426-15	13/10/1444H (corresponding to 03/05/2023G)	-





Type of license	Issuer	license number	Issuance Date	Expiration Date
Localization certificate	Ministry of Human Resources and Social Development	15540384-552365	12/05/1446H (corresponding to 14/11/2024G)	13/08/1446H (corresponding to 12/02/2025G)
Final license to open a private health facility	Ministry of Health	3810501201210012	20/09/1434H (corresponding to 28/07/2013G)	18/07/1451H (corresponding to 24/11/2029G)
Initial approval of the Ministry of Health	Ministry of Health	3800053144	20/05/1445H (corresponding to 04/12/2023G)	02/06/1446H (corresponding to 04/12/2024G)*
Warehouse license/medical devices and supplies	Saudi Food and Drug Authority	WL-2023-MD-0089	16/11/1444H (corresponding to 05/06/2023G)	11/01/1450H (corresponding to 04/06/2028G)
License Certificate	Saudi Health Council	-	19/07/1445H (corresponding to 31/01/2024G)	01/08/1446H (corresponding to 31/01/2025G)
Civil Defense License	General Directorate of Civil Defense	3-001142937-46	02/01/1446H (corresponding to 08/07/2024G)	13/09/1447H (corresponding to 02/03/2026G)
Civil Defense License	General Directorate of Civil Defense	1-001489547-45	04/12/1445H (corresponding to 10/06/2024G)	04/12/1446H (corresponding to 31/05/2025G)
Zakat Certificate	Zakat, Tax and Customs Authority	1042252787	20/11/1445H (corresponding to 28/05/2024G)	02/11/1446H (corresponding to 30/04/2025G)
VAT Registration Certificate	Zakat, Tax and Customs Authority	10023109651463	09/08/1444H (corresponding to 14/04/2019G)	-
<b>Licenses and certificates for Dammam branch</b>				
Commercial Registration	Ministry of Commerce	2050137379	22/01/1442H (corresponding to 10/09/2020G)	22/01/1447H (corresponding to 17/07/2025G)
Civil Defense License	General Directorate of Civil Defense	1-00109505-44	04/07/1444H (corresponding to 26/01/2023G)	10/07/1446H (corresponding to 10/01/2025G)
Commercial Activity License (Municipal)	Eastern Province Municipality	440410855313	10/07/1444H (corresponding to 01/02/2023G)	10/07/1446H (corresponding to 10/01/2025G)

Type of license	Issuer	license number	Issuance Date	Expiration Date
Warehouse License	Saudi Food and Drug Authority	06-05-03578	-	17/01/1448H (corresponding to 02/07/2026G)
Warehouse License	Saudi Food and Drug Authority	06-05-04590	-	07/10/1449H (corresponding to 03/03/2028G)
<b>Licenses and Certificates for Al-Khobar Branch</b>				
Commercial Registration	Ministry of Commerce	2051232155	20/02/1442H (corresponding to 07/10/2020G)	12/03/1447H (corresponding to 04/09/2025G)
Wage Protection Law compliance Certificate	Ministry of Human Resources and Social Development	186909-20035898	23/05/1446H (corresponding to 25/11/2024G)	24/06/1446H (corresponding to 25/12/2024G)*
General Organization for Social Insurance Certificate	General Organization for Social Insurance	80783395	10/05/1446H (corresponding to 12/11/2024G)	10/06/1446H (corresponding to 11/12/2024G)*
Localization Certificate	Ministry of Human Resources and Social Development	174249-62418797	28/05/1445H (corresponding to 25/11/2024G)	24/08/1446H (corresponding to 23/02/2025G)
Commercial Activity License (Municipal)	Eastern Province Municipality	42055070456	20/05/1445H (corresponding to 04/12/2023G)	20/05/1447H (corresponding to 11/11/2025G)
Civil Defense License	General Directorate of Civil Defense	2-000659462-46	25/02/1446H (corresponding to 29/08/2024G)	20/05/1447H (corresponding to 14/08/2025G)
<b>Licenses and Certificates for Jubail Branch</b>				
Commercial Registration	Ministry of Commerce	2055133741	15/11/1443H (corresponding to 14/06/2022G)	05/12/1447H (corresponding to 22/05/2026G)
Wage Protection Law Compliance Certificate	Ministry of Human Resources and Social Development	575068-43105826	23/05/1446H (corresponding to 25/11/2024G)	24/06/1446H (corresponding to 25/12/2024G)*
General Organization for Social Insurance Certificate	General Organization for Social Insurance	80783340	10/05/1446H (corresponding to 12/11/2024G)	10/06/1446H (corresponding to 11/12/2024G)*
Localization Certificate	Ministry of Human Resources and Social Development	134466-68171918	12/05/1446H (corresponding to 14/11/2024G)	13/08/1446H (corresponding to 12/02/2025G)

Type of license	Issuer	license number	Issuance Date	Expiration Date
Civil Defense License	General Directorate of Civil Defense	2-001171045-46	28/02/1446H (corresponding to 01/09/2024G)	24/10/1447H (corresponding to 12/04/2026G)
Civil Defense License	General Directorate of Civil Defense	3-001142937-46	02/01/1446H (corresponding to 08/06/2024G)	13/09/1447H (corresponding to 02/03/2026G)
Commercial Activity License (Municipal)	Eastern Province Municipality	440911876076	13/09/1445H (corresponding to 23/03/2024G)	13/09/1447H (corresponding to 02/03/2026G)

Source: Twareat Medical Care Company.

\*It will be renewed upon expiration.

### 3-14 Commercial Registration

The following table shows the business records of Twareat Medical Care Company:

**Table No. 32: Commercial records of the company and its branches**

Name	Legal entity	Commercial registration number	Place of issue	Issuance Date	Expiration Date
Twareat Medical Care Company	Closed joint stock company	(2051054263)	Al-Khobar	03/11/1434H (corresponding to 09/09/2013G)	06/06/1446H (corresponding to 07/12/2024G) *
Twareat Medical Care Company	Closed joint stock company	(2050137379)	Dammam	22/01/1442H (corresponding to 10/09/2020G)	22/01/1447H (corresponding to 17/07/2025G)
Twareat Medical Care Company	Closed joint stock company	(2051232155)	Al-Khobar	20/02/1442H (corresponding to 07/10/2020G)	22/01/1447H (corresponding to 17/07/2025G)
Twareat Medical Care Company	Closed joint stock company	(2055133741)	Jubail	15/11/1443H (corresponding to 14/06/2022G)	05/12/1447H (corresponding to 22/05/2026G)

Source: Twareat Medical Care Company.

\*It will be renewed upon expiration of Commercial Registration.

### 3-15 Properties owned and leased by the Company

Twareat Medical Care Company has entered into several lease contracts in Buqayq, Hofuf, Al-Khobar, Riyadh, Jubail Industrial City and Yanbu, and the Company owns one property in Jubail Industrial City. The following table shows the details of the property owned by the Company:

**Table No. 33: Company owned properties**

#	Owner	City	Type of Property	Land Area (M2)	Building Area (M2)	Book value as of June 30, 2024G (SAR)	Ownership Date
1	Twareat Medical Care Company	Jubail Industrial City	Land on which Twareat Medical Care Company is located	882	2,328	9,226,526	01/06/2022G

Source: Twareat Medical Care Company.

The following table shows details of the properties rented by the Company:

**Table No. 34: Company leased properties**

#	Lessor	City	Type of property	Contract term	Annual Rent Value (SAR)
1	Lessor 1	Al Hofuf	Residential building	(364) days starting on 24/11/1445H (corresponding to 01/06/2024G) and ending on 04/12/1446H (corresponding to 31/05/2025G)	(15,500)
2	Lessor 1	Al Hofuf	Residential building	(364) days starting on 24/11/1445H (corresponding to 01/06/2024G) and ending on 04/12/1446H (corresponding to 31/05/2025G)	(15,500)
3	Lessor 2	Al-Khobar	Commercial	Starts from 19/06/1445H (corresponding to 01/01/2023G) and ends on 03/09/1449H (corresponding to 31/12/2027G)	(744,150)
4	Lessor 3	Al-Jubail	Residential - Commercial	(365) days starting from 24/11/1445H (corresponding to 01/06/2024G) until 04/12/1446H (corresponding to 31/05/2025G)	(23,200)
5	Lessor 4	Al-Khobar	Residential	Starts from 05/09/1446H (corresponding to 15/03/2024G) and ends on 14/09/1446H (corresponding to 14/03/2025G)	(18,500)
6	Lessor 5	Buqayq	Residential	Starts from 22/10/1445H (corresponding to 01/05/2024G) and ends on 02/11/1446H (corresponding to 30/04/2025G)	(65,000)
7	Lessor 6	Dammam	Commercial	Starts from 22/09/1445H (corresponding to 01/04/2024G) and ends on 12/10/1447H (corresponding to 31/03/2026G)	(415,150)
8	Lessor 7	Al-Jubail	Residential	Starts from 16/02/1445H (corresponding to 01/09/2023G) and ends on 27/02/1446H (corresponding to 31/08/2024G)	(270,000)
9	Lessor 8	Al-Jubail	Residential	Starts from 16/02/1445H (corresponding to 01/09/2023G) and ends on 29/08/1446H (corresponding to 28/02/2025G)	(270,000)
10	Lessor 9	Al-Khobar	Commercial	Starts from 25/10/1444H (corresponding to 15/05/2023G) and ends on 27/11/1447H (corresponding to 14/05/2026G)	(626,175)



#	Lessor	City	Type of property	Contract term	Annual Rent Value (SAR)
11	Lessor 10	Al-Khobar	Residential	Starts from 25/12/1445H (corresponding to 01/07/2024G) and ends on 05/01/1447H (corresponding to 30/06/2025G)	(220,000)
12	Lessor 11	Al-Khobar	Residential	Starts from 24/01/1443H (corresponding to 01/09/2021G) and ends on 18/03/1448H (corresponding to 31/08/2026G)	(130,000) Automatically renewed for the same period
13	Lessor 12	Al-Khobar	Residential	Starts from 05/09/1445H (corresponding to 15/03/2024G) and ends on 14/09/1446H (corresponding to 14/03/2025G)	(18,500)
14	Lessor 13	Al-Khobar	Residential	Starts from 22/09/1445H (corresponding to 01/04/2024G) and ends on 02/10/1446H (corresponding to 31/03/2025G)	(12,000)
15	Lessor 14	Riyadh	Residential	Starts from 12/06/1445H (corresponding to 25/12/2023G) and ends on 04/07/1447H (corresponding to 24/12/2025G)	(24,000)
16	Lessor 15	Riyadh	Residential	Starts from 01/09/1445H (corresponding to 11/03/2024G) and ends on 10/09/1446H (corresponding to 10/03/2025G)	(24,000)
17	Lessor 16	Al-Jubail	Residential	Starts from 22/12/1444H (corresponding to 10/07/2023G) and ends on 27/11/1447H (corresponding to 14/05/2026G)	(18,500) Automatically renewed for the same period
18	Lessor 17	Al-Khobar	Residential	Starts from 28/03/1446H (corresponding to 01/10/2024G) and ends on 08/04/1447H (corresponding to 03/09/2025G)	(15,000)

Source: Twareat Medical Care Company.

### 3-16 Trademarks and Intellectual Property Rights

The Company relies on the reputation of its brand in marketing its services and managing its operational processes, which gives it a distinguished position among its customers in the market. The Company obtained a trademark registration certificate for Twareat Medical Care Company with the Saudi Authority for Intellectual Property in the Kingdom of Saudi Arabia on 25/10/1444H (corresponding to 16/05/2023G). The following table shows details of the trademarks:

**Table No. 35: Company Trademark**

Registration No.	Owner Name	Category	Expiry Date of Protection	Country of Registration	Trademark
1444027402	Twareat Medical Care Company	44	27/07/1454H	Kingdom of Saudi Arabia	 TMC HEALTH طوارثيات الطبية

Source: Twareat Medical Care Company.

It is worth noting that the trademark of Twareat Medical Care Company has been officially registered in the Kingdom of Saudi Arabia, and the Company does not own any other trademark other than those mentioned above. The Company has not concluded any licensing agreement to use its above trademark with any other party, whether inside or outside the Kingdom, in addition to the fact 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.

### 3-17 Research and Development Policy

Since there is no direct link between research and development and the nature of the Company's work and activity, there is no specific policy applied by the Company regarding research and development. The Company's senior management constantly follows up on market developments and medical research in order to keep pace with them and maintain the quality levels of the service provided. It also realizes the importance of following up on modern technology in the medical field.

### 3-18 Business Interruption

The Company's Board of Directors declares that there has been no interruption in the Company's business that could have, or has significantly affected, the Company's financial position during the last twelve (12) month period.

### 3-19 Employees and Saudization

#### 3-19-1 Employees

The number of employees in Twareat Medical Care Company reached (595) employees as of 30/07/2024G. The following table shows the number of employees and Saudization rates for the Company during the years 2022G and 2023G and as of 30/07/2024G:

**Table No. 36: Numbers of Company Employees**

	2022G		2023G		30/07/2024G	
	Number	Ratio	Number	Ratio	Number	Ratio
Saudis	137	29.72%	176	31.37%	154	25.88%
Non-Saudis	324	70.28%	385	68.63%	441	74.12%
<b>Total</b>	<b>461</b>	<b>100.00%</b>	<b>561</b>	<b>100.00%</b>	<b>595</b>	<b>100.00%</b>

Source: Twareat Medical Care Company.



The following table shows the number of Company employees per department during the years 2022G and 2023G and as of 30/07/2024G:

**Table No. 37: Employees by main departments**

The Department	2022G			2023G			30/07/2024G		
	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
Senior Department	5	1	6	4	1	5	4	1	5
Financial Department	2	4	6	3	6	9	2	5	7
Human Resource Department	9	4	13	23	6	29	10	9	19
Operations Department	120	315	435	145	372	517	137	426	563
Legal Department	1	-	1	1	-	1	1	0	1
<b>Total</b>	<b>137</b>	<b>324</b>	<b>461</b>	<b>176</b>	<b>385</b>	<b>561</b>	<b>154</b>	<b>441</b>	<b>595</b>

Source: Twareat Medical Care Company.

### 3-19-2 Saudization

The Saudization program «**Nitaqat**» was approved pursuant to the Resolution of His Excellency the Minister of Labor No. (4040) dated 12/10/1432H (corresponding to 10/09/2011G), based on Council of Ministers Resolution No. (50) dated 21/05/1415H (corresponding to the 27/10/1994G). Nitaqat Program was implemented on 12/10/1432H (corresponding to 10/09/2011G). In implementation of Ministerial Resolution No. (182495) dated 15/11/1442H (corresponding to 25/06/2021G), Nitaqat Program was amended to the «**Developer Nitaqat Program**», which approved the integration of small and micro economic activities, and incorporating them with the rest of the economic activities and provide a fixed localization plan to improve the relationship between the number of workers and the localization rate in entities.

The Ministry of Human Resources and Social Development has implemented the program to encourage institutions to employ Saudi citizens. Through the program, the performance of any company is evaluated based on specific categories «**Nitaqat**» including: the platinum band, the green band (divided into subcategories, i.e.: low, medium and high), and the red band. Companies that are within the platinum or green band are considered to have met the Saudization requirements, and thus 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). As for companies that are in the red band, they are considered to have violated the Saudization requirements, and may be subject to some punitive measures such as limiting their ability to renew work visas for non-Saudi employees or obtain new work visas. It is worth noting that the Company was classified according to its main record within the medium green band as of 30/07/2024G, as the Company was able to achieve a Saudization rate of 33%.



TMC HEALTH  
طوارئ الطبية

# Ownership and Orga- nizational Structure

# 04





## 4- Ownership and Organizational Structure.

### 4-1 Company Ownership Structure

The current capital of the Company is (40,000,000) forty million Saudi Riyals divided into (40,000,000) forty million fully paid ordinary shares with a nominal value of (1) one Saudi Riyal per share. The following table shows the ownership structure of the current shareholders in the Company before listing:

**Table No. 38: Current ownership structure of the Company**

Shareholders	No. of Shares	Nominal Value of Shares (SAR)	Direct Ownership Percentage	Indirect Ownership Percentage
1 Tariq Mohammed Al-Hamdan*	11,670,380	11,670,380	29,18%	11.53%
2 Ayan Investment Company	10,000,000	10,000,000	25,00%	-
3 Bait Lulwa Company	4,613,360	4,613,360	11,53%	-
4 Abdullah Mohammed Sulaiman Al-Hamdan	2,597,400	2,597,400	6,49%	-
5 Khaled Mohammed Sulaiman Al-Hamdan	1,558,440	1,558,440	3,90%	-
6 Amer Mohammed Amer Al-Amer	1,558,440	1,558,440	3,90%	-
7 Mohammed Ahmed Rumaizan Al-Rumaizan	20,000	20,000	0.05%	-
8 Hisham Abdulaziz Mohammed Al-Mutlaq	20,000	20,000	0.05%	-
9 Basma Ayed Mohammed Al-Tamimi	40	40	0.0001%	-
Public (118 Shareholders)	7,961,940	7,961,940	19.90%	-
<b>Total</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>100,00%</b>	<b>-</b>

Source: Twareat Medical Care Company.

\*The Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan, owns 11.5334% of the Company's capital indirectly through his full ownership of Bait Lulwa Company.

Substantial Shareholders who own (5%) five percent or more of the Company's shares according to the above table will be subject to a lock-up period of (12) twelve months starting from the date of listing the Company's shares.

#### 4-1-1 Shareholders who own less than (5%) of the Company's capital

The following table shows the shareholders who own less than (5%) of the Company's capital:

**Table No. 39: Shareholders who own less than (5%) of the Company's capital**

#	Shareholders	No. of Shares	Nominal Value of Share (SAR)	Direct Ownership Percentage	Indirect Ownership Percentage
1	Mohammed Abdul Mohsen Mohammed Al Rajhi	390,000	390,000	0.98%	-
2	Abdulaziz Mohammed Saleh Al Melhem	390,000	390,000	0.98%	-
3	Omar Mohammed Abdul Rahman Al Issa	390,000	390,000	0.98%	-
4	Khalda Ali Mohammed Al Awaji	380,000	380,000	0.95%	-
5	Suhair Mohammed Ahmed Al Sa'iri Al Ghamdi	380,000	380,000	0.95%	-
6	Abdulaziz Mubarak Abdulaziz Al Melhem	380,000	380,000	0.95%	-
7	Hani Mohammed Abdul Rahman Al Hashemi	380,000	380,000	0.95%	-
8	Firas Abdul Rahman Hamad Al Zghaibi	380,000	380,000	0.95%	-
9	Talal Ali Mohammed Al Awaji	370,000	370,000	0.93%	-
10	Abdullah Mohammed Abdullah Al Majed	370,000	370,000	0.93%	-
11	Ali Abdulaziz Abdul Mohsen Al Rajhi	370,000	370,000	0.93%	-
12	Omar Abdulaziz Abdul Mohsen Al Rajhi	370,000	370,000	0.93%	-
13	Ibrahim bin Abdul Rahman Ibrahim Al Majed	370,000	370,000	0.93%	-
14	Abdulaziz Mohammed Abdul Rahman Al Issa	370,000	370,000	0.93%	-
15	Faisal bin Mohammed Abdulaziz Ababtain	365,000	365,000	0.91%	-
16	Khaled bin Mohammed Abdullatif Al Mulla	276,120	276,120	0.69%	-
17	Latifa Ibrahim Abdullah Al Samhan	259,720	259,720	0.65%	-
18	Khaled Mohammed Abdullah Al Arfaj	205,600	205,600	0.51%	-
19	Mohammed Abdulaziz Abdullah Ababtain	130,000	130,000	0.33%	-
20	Abdullah Ahmed Abdullah Al Hamdan	129,840	129,840	0.32%	-
21	Khaled bin Ahmed Saeed Balhaddad	129,840	129,840	0.32%	-
22	Amani Ibrahim Abdul Rahman Al Jalal	103,880	103,880	0.26%	-
23	Nasser Fahd Abdulaziz Al Melhem	100,000	100,000	0.25%	-
24	Nayef Saud Ibrahim Al Tariri	100,000	100,000	0.25%	-
25	Khaled bin Abdullah Ali Al Jundabi Al Zahrani	20,040	20,040	0.05%	-
26	Abdul Ilah Abdullah Abdul Rahman Al Shahil	20,000	20,000	0.05%	-
27	Abdullah Manaa Abdul Rahman Al Manaa	20,000	20,000	0.05%	-
28	Abdullah Amer Abdullah Al Amer	20,000	20,000	0.05%	-
29	Mohammed Abdullah Amer Al Amer	20,000	20,000	0.05%	-

#	Shareholders	No. of Shares	Nominal Value of Share (SAR)	Direct Ownership Percentage	Indirect Ownership Percentage
30	Moath Abdulaziz Amer Al Amer	20,000	20,000	0.05%	-
31	Omar Abdullah Amer Al Amer	20,000	20,000	0.05%	-
32	Osama Ahmed Rumaizan Al Rumaizan	20,000	20,000	0.05%	-
33	Ashjan Abdul Karim Abdulaziz Aba Hussain	20,000	20,000	0.05%	-
34	Reem Abdullah Amer Al Amer	20,000	20,000	0.05%	-
35	Rinad Abdullah Manaa Al Manaa	20,000	20,000	0.05%	-
36	Ziad Tariq Amer Al Amer	20,000	20,000	0.05%	-
37	Sarah Tariq Amer Al Amer	20,000	20,000	0.05%	-
38	Samia Mohammed Abdul Rahman Al Hashemi	20,000	20,000	0.05%	-
39	Shahil Abdullah Abdul Rahman Al Shaheel	20,000	20,000	0.05%	-
40	Saleh Misfer Ali Al Hamdan	20,000	20,000	0.05%	-
41	Salah Ahmed Rumaizan Al Rumaizan	20,000	20,000	0.05%	-
42	Tariq Amer Abdullah Al Amer	20,000	20,000	0.05%	-
43	Abdul Rahman Abdullah Abdul Rahman Al Shaheel	20,000	20,000	0.05%	-
44	Abdulaziz Ibrahim Mohammed Al Ajyan	20,000	20,000	0.05%	-
45	Abdulaziz Saud Abdulaziz Al Yemeni	20,000	20,000	0.05%	-
46	Abdullah Abdul Rahman Mohammed Baeshen	20,000	20,000	0.05%	-
47	Abeer Abdul Mohsen Mohammed Al Rajhi	20,000	20,000	0.05%	-
48	Athari Abdullah Abdul Rahman Al Shaheel	20,000	20,000	0.05%	-
49	Alia Abdul Mohsen Mohammed Al Rajhi	20,000	20,000	0.05%	-
50	Ghada Ibrahim Mohammed Al Khalifa	20,000	20,000	0.05%	-
51	Fahd bin Ibrahim Hassan Al Houtan Al Tamimi	20,000	20,000	0.05%	-
52	Faisal Mohammed Saeed Al Duairam Al Shahrani	20,000	20,000	0.05%	-
53	Latifa Abdullah Sulaiman Al Mutlaq	20,000	20,000	0.05%	-
54	Mohammed Ahmed Abdullah Al Hamdan	20,000	20,000	0.05%	-
55	Mohammed Saeed Saad Al Duairam Al Shahrani	20,000	20,000	0.05%	-
56	Mohammed Abdul Rahman Abdullah Al Hashemi	20,000	20,000	0.05%	-
57	Mohammed Abdulaziz Amer Al Amer	20,000	20,000	0.05%	-
58	Mohammed Abdulaziz Mohammed Al Mutlaq	20,000	20,000	0.05%	-
59	Mohammed Hani Mohammed Al Hashemi	20,000	20,000	0.05%	-
60	Munira Sulaiman Abdullah Al Dablan	20,000	20,000	0.05%	-
61	Noha Abdul Mohsen Mohammed Al Rajhi	20,000	20,000	0.05%	-



#	Shareholders	No. of Shares	Nominal Value of Share (SAR)	Direct Ownership Percentage	Indirect Ownership Percentage
62	Hisham Mohammed Abdul Rahman Al Hashemi	20,000	20,000	0.05%	-
63	Wafaa Mohammed Abdullah Al-Amer	20,000	20,000	0.05%	-
64	Sufyan Othman Mohammed Al-Melhem	15,000	15,000	0.04%	-
65	Hani Ali Ahmed Al-Hamdan Al-Ghamdi	10,040	10,040	0.03%	-
66	Iman Daaj Mohammed Al-Daaj	10,000	10,000	0.03%	-
67	Sana Mohammed Abdul Rahman Al-Hashemi	10,000	10,000	0.03%	-
68	Abdul Rahman Mohammed Abdul Rahman Al-Hashemi	10,000	10,000	0.03%	-
69	Abdullah Khaled Abdullah Al-Hamad	10,000	10,000	0.03%	-
70	Laila Mohammed Abdul Rahman Al-Hashemi	10,000	10,000	0.03%	-
71	Noura Ahmed Abdullah Al-Hamdan	10,000	10,000	0.03%	-
72	Saad Ghali Kadimis Al-Shaibani Al-Otaibi	5,040	5,040	0.01%	-
73	Ahmed bin Abdullah Mohammed Al-Saeed bin Al-Ghamdi	40	40	0.0001%	-
74	Abdullatif Mohammed Abdullatif Al-Mulla	40	40	0.0001%	-
75	Ashwaq Abdullah Ahmed Al-Ahmad	40	40	0.0001%	-
76	Afnan Abdullah Mohammed Al-Dhuwayan	40	40	0.0001%	-
77	Amal Sulaiman Abdulaziz Al-Ammar	40	40	0.0001%	-
78	Ameera Mishaan Nasser Al-Shahrani	40	40	0.0001%	-
79	Basil Ali Abdullatif Al-Jaafari	40	40	0.0001%	-
80	Rana Abdullatif Mohammed Al-Mulla	40	40	0.0001%	-
81	Rowan Abdul Rahman Fahd Al-Ahmad	40	40	0.0001%	-
82	Ziad Abdullah Ibrahim Al-Zaid	40	40	0.0001%	-
83	Saad Hassan Saad Al-Wasali	40	40	0.0001%	-
84	Sulaiman Adeeb Sulaiman Al-Fuhaid	40	40	0.0001%	-
85	Sharifa Khalifa Sultan Al-Amur Al-Dosari	40	40	0.0001%	-
86	Abdul Hamid Fouad Abdullatif Al-Melhem	40	40	0.0001%	-
87	Abdullah Ali Saeed Al-Khaled Al-Khalidi	40	40	0.0001%	-
88	Azzam Zamel Ali Al-Ghanim	40	40	0.0001%	-
89	Azizah Dhiban Abdullah Al-Dhiban Al-Ghamdi	40	40	0.0001%	-
90	Omar Abdullatif Abdulaziz Al-Haimoud	40	40	0.0001%	-
91	Ghadeer Fayez Hamza Hawsawi	40	40	0.0001%	-
92	Lujain Abdullah Al-Hassan Al-Hazmi	40	40	0.0001%	-



#	Shareholders	No. of Shares	Nominal Value of Share (SAR)	Direct Ownership Percentage	Indirect Ownership Percentage
93	Mohammed Abdullah Mohammed Al-Amer	40	40	0.0001%	-
94	Mohammed Othman Mohammed Al-Jamaan	40	40	0.0001%	-
95	Maryam Abdullah Ahmed Al-Mulla	40	40	0.0001%	-
96	Moataz Abdullatif Mohammed Al-Mulla	40	40	0.0001%	-
97	Malak Abdullatif Mohammed Al-Mulla	40	40	0.0001%	-
98	Mansour Mohammed Turki Saqian	40	40	0.0001%	-
99	Munira Saleh Atiah Al-Arafah	40	40	0.0001%	-
100	Muayyad Abdullah Abdul Rahman Al-Suhaibani	40	40	0.0001%	-
101	Nour Abdullah Ahmed Al-Ahmad	40	40	0.0001%	-
102	Noura Yousef Ahmed Al-Melhem	40	40	0.0001%	-
103	Heba Ali Hassan Al-Saedi	40	40	0.0001%	-
104	Hadeel Sami Rashid Al-Saeed	40	40	0.0001%	-
105	Haya Abdullah Mohammed Al-Eid	40	40	0.0001%	-
106	Yousef Ahmed Abdullatif Al-Ghannam	40	40	0.0001%	-
107	Asma Ibrahim Yaqoub Al-Mushrif	40	40	0.0001%	-
108	Bayan Nabil Abdullatif Al-Mulla	40	40	0.0001%	-
109	Sarah Abdullah Al-Hassan Al-Hazmi	40	40	0.0001%	-
110	Abdul Rahman bin Abdullah Abdul Rahman Al-Duhailan	40	40	0.0001%	-
111	Abdul Rahman Abdullah Al-Hassan Al-Hazmi	40	40	0.0001%	-
112	Abdullatif Mohammed Abdullatif Al-Jaber	40	40	0.0001%	-
113	Abdullatif Abdul Rahman Abdullatif Al-Mousa	40	40	0.0001%	-
114	Abdulmajeed Abdullah Al-Hassan Al-Hazmi	40	40	0.0001%	-
115	Mohammed Abdulaziz Mohammed Al-Fawzan	40	40	0.0001%	-
116	Mohammed Awad Saleh Kharshan Al-Ghamdi	40	40	0.0001%	-
117	Mishaal Mohsen Alawi Mashwash	40	40	0.0001%	-
118	Abdul Mohsen Abdulaziz Abdul Mohsen Al-Rajhi	20	20	0.0001%	-
<b>Total</b>		<b>7,961,940</b>	<b>7,961,940</b>	<b>19.90%</b>	<b>-</b>

Source: Twareat Medical Care Company.



## 4-2 Substantial Shareholders who own directly 5% or more of the Company Shares

The Company has one (4) Substantial Shareholder who directly owns 5% or more of the Company's shares as of the date of this Document. The following table shows the number of their shares and their ownership percentages before listing

Table No. 40: Substantial Shareholders who own directly 5% or more of the Company Shares

Substantial Shareholders	No. of Shares	Nominal value of shares (SAR)	Direct Ownership Percentage	Indirect Ownership Percentage
Tariq Mohammed Sulaiman Al-Hamdan*	11,670,380	11,670,380	29.18%	11.53%
Ayan Investment Company	10,000,000	10,000,000	25.00%	-
Bait Lulwa Company	4,613,360	4,613,360	11.53%	-
Abdullah Mohammed Sulaiman Al-Hamdan	2,597,400	2,597,400	6.49%	-
<b>Total</b>	<b>28,881,140</b>	<b>28,881,140</b>	<b>72.20%</b>	<b>-</b>

Source: Twareat Medical Care Company

\*The Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan, owns 11.5334% of the Company's capital indirectly through his full ownership of Bait Lulu Company, a Substantial Shareholder.

## 4-3 Substantial Shareholders who own indirectly 5% or more of the Company Shares

The Company has two (2) Substantial Shareholders who indirectly own 5% or more of the Company's shares as of the date of this Document. The following table shows the number of their shares and their ownership percentages before listing

Table No. 41: Substantial Shareholders who own indirectly 5% or more of the Company Shares

Substantial Shareholders	No. of Shares	Nominal value of shares (SAR)	Direct Ownership Percentage	Indirect Ownership Percentage
Tariq Mohammed Sulaiman Al-Hamdan*	11,670,380	11,670,380	29.18%	11.53%
Al Othman Holding Company, a closed joint stock company**	-	-	-	5.25%
<b>Total</b>	<b>11,670,380</b>	<b>11,670,380</b>	<b>29.18%</b>	<b>16.78%</b>

Source: Twareat Medical Care Company

\*The Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan, owns 11.5334% of the Company's capital indirectly through his full ownership of Bait Lulu Company, a Substantial Shareholder.

\*\*Al Othman Holding Company, a closed joint stock company, owns 5.25% of the Company's capital indirectly through its ownership of 20.98% of the shares of the Substantial Shareholder, Ayan Investment Company.

## 4-4 Shareholding Companies in Twareat Medical Care Company

### 4-4-1 Ayan Investment Company

Ayan Investment Company is a public joint stock company listed on the Saudi Stock Exchange «Main Market» under Commercial Registration No. (2051064048) issued in the city of Al-Khobar on 19/07/1438H (corresponding to



16/04/2017G). The head office of Ayan Investment Company is located in the city of Al-Khobar, and its capital is (806,363,280) eight hundred and six million three hundred and sixty-three thousand two hundred and eighty Saudi riyals divided into (80,636,328) eighty million six hundred and thirty-six thousand three hundred and twenty-eight shares of equal value, at a nominal value of (10) ten Saudi riyals per share, and its purposes according to its articles of association are:

- Establishing, managing, operating and maintaining various industrial projects alone or in partnership with other companies, bodies or individuals.
- Maintenance, management and operation of industrial, residential and commercial cities, public and private facilities and establishments.
- Owning and reclaiming lands and exploiting them in establishing agricultural and animal production projects.
- Owning, managing, operating and maintaining real estate and lands and establishing commercial and residential facilities on them and investing in them by selling, buying and leasing in cash or in installments.
- Owning, investing, managing, operating and maintaining hotels, hospitals, health, educational, entertainment and tourism facilities.
- Establishing, managing, operating and maintaining cold stores, transportation fleets, maintenance and repair workshops and fuel stations.
- Wholesale and retail trade for what falls within the scope of the Company's industrial, agricultural, tourism and health activities and exporting various products of the Kingdom to other countries.
- Obtaining commercial agencies.

The following table shows the Substantial Shareholders who own 5% or more of Ayan Investment Company's shares as of the date of this Document:

**Table No. 42: Ayan Investment Company's ownership structure**

#	Shareholders	Direct ownership percentage
1	Al Othman Holding Company, a closed joint stock company	20.987%
2	Manafea Al Salam Healthcare Holding Company	7.824%
<b>Total</b>		<b>28.80%</b>

Source: Saudi Stock Exchange website

#### **4-4-2 Al Othman Holding Company**

Al Othman Holding Company is a closed joint stock company under Commercial Registration No. (2051012674) issued in the city of Al-Khobar on 01/07/1409H (corresponding to 08/02/1989G). The head office of Al Othman Holding Company is located in the city of Al-Khobar, and its capital is (900,000,000) nine hundred million Saudi riyals divided into (90,000,000) ninety million shares of equal value, at a nominal value of (10) ten Saudi riyals per share, and its purposes according to its commercial Registration are as follows:

- Managing the subsidiaries of the holding companies
- Investing the funds of the subsidiaries of the holding companies
- Owning the real estate and movable property necessary for the holding companies
- Providing loans, guarantees and financing to the subsidiaries of the holding companies
- Owning the industrial property rights of the subsidiaries of the holding companies

- Leasing the industrial property rights of the subsidiaries of the holding companies

The following table shows the Substantial Shareholders who own 5% or more of the shares of Al Othman Holding Company as of the date of this Document:

**Table No. 43: Al Othman Holding Company Ownership Structure**

#	Shareholders	Direct Ownership Percentage
1	Mohammed Abdullah Al Othman	49.00%
2	Abdullah Mohammed Al Othman	15.00%
3	Abdul Mohsen Mohammed Al Othman	15.00%
4	Abdulaziz Mohammed Al Othman	10.00%
5	Maryam Abdulaziz Al Ahmed	8.00%
<b>Total</b>		<b>97.00%</b>

Source: Twareat Medical Care Company

### 4-4-3 Manafea Al Salam Healthcare Holding Company

Manafea Al Salam Healthcare Holding Company is a limited liability company under Commercial Registration No. (2051054289) issued in the city of Al-Khobar on 05/11/1434H (corresponding to 08/02/1989G). Manafea Al Salam's head office is located in the city of Al-Khobar, and its capital is (500,000) five hundred thousand Saudi riyals divided into (500) five hundred shares of equal value, at a nominal value of each share is (1000) one thousand Saudi riyals, and its purposes according to its commercial registration are:

- Managing the companies affiliated with the holding companies
- Investing the funds of the companies affiliated with the holding companies
- Owning the real estate and movable property necessary for the holding companies
- Providing loans, guarantees and financing to the companies affiliated with the holding companies
- Owning the industrial property rights of the companies affiliated with the holding companies
- Leasing the industrial property rights of the companies affiliated with the holding companies

The following table shows the Substantial Shareholders who own 5% or more of the shares of Manafea Al Salam Company as of the date of this Document:

**Table No. 44: Manafea Al Salam Healthcare Holding Company ownership structure**

#	Shareholders	Direct Ownership Percentage
1	Maryam Abdulaziz Al Ahmed	95.00%
2	Nada Mohammed Al Othman	5.00%
<b>Total</b>		<b>100%</b>

Source: Twareat Medical Care Company



### 4-4-4 Bait Lulwa Company

Bait Lulwa Company is a limited liability company under Commercial Registration No. (2051246834) issued by the city of Al-Khobar on 15/08/1444H (corresponding to 07/03/2023G). Bait Lulwa Company's head office is located in the city of Khobar, and its capital is (10,000) ten thousand Saudi riyals divided into (10,000) ten thousand shares of equal value, and the nominal value is (1) one Saudi riyal per share, and its purposes according to its articles of association are as follows:

- Construction of buildings

The following table shows the ownership structure of Bait Lulwa Company:

Table No. 45: Bait Lulwa Company's ownership structure

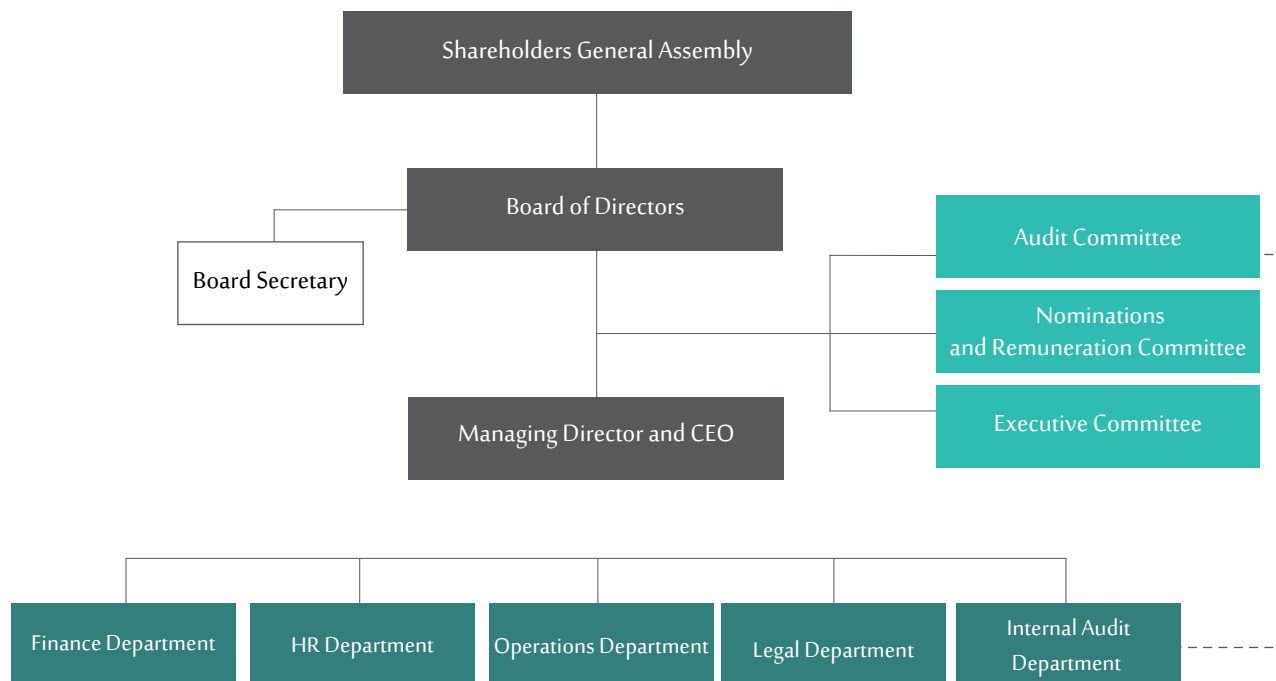
#	Shareholders	Number of Shares	Nominal Value of the Shares	Direct Ownership Percentage
1	Tariq Mohammed Sulaiman Al-Hamdan	10,000	10,000	100.00%
<b>Total</b>		<b>10,000</b>	<b>10,000</b>	<b>100.00%</b>

Source: Twareat Medical Care Company

### 4-5 Organizational Structure

The following figure shows the organizational structure of Twareat Medical Care Company:

Figure No. 1 : Organizational Structure of the Company



Source: Twareat Medical Care Company

Note: There is no internal audit department in the Company yet, and the Company is committed to establishing the department and appointing its manager no later than the end of the last quarter of 2025G.

## 4-6 Members of the Board of Directors

Twareat Medical Care Company is managed by a Board of Directors consisting of (9) nine members elected by the Ordinary General Assembly of Shareholders. The term of membership of the first Board of Directors of the Company began from the date of issuance of the Ministerial Resolution announcing the conversion of the Company into a closed joint-stock company. The members of the Board of Directors were appointed by the Company's Transformation Assembly on 10/10/1443H (corresponding to 11/05/2022G) for a period of (5) five years. The term of membership of the Board of Directors was later amended to become (3) three years from the date of appointment of the Board, after updating the Company's bylaws approved by the Ministry of Commerce on 06/01/1445H (corresponding to 24/07/2023G), in order to align with the provisions of the Companies Law issued by Royal Decree (M/132) on 01/12/1443H (corresponding to 30/06/2022G).

The Company is managed by a board of directors consisting of (9) nine members, including (6) six non-independent members and (3) independent members. The following table shows the members of the Board of Directors:

**Table No. 46: Members of the Board of Directors**

Name	Position	Capacity	Nationality	Age	Number of Shares	Direct Ownership	Indirect Ownership	Year of Appointment
Tariq Mohammed Sulaiman Al-Hamdan*	Chairman	Non-executive	Saudi	47	11,670,380	29.18%	11.53%	2022G
Saleh Mohammed Saleh Al-Melhem	Deputy Chairman	Non-executive	Saudi	41	-	-	-	2023G
Amer Mohammed Amer Al-Amer	Managing Director & CEO	Executive	Saudi	41	1,558,440	3.90%	-	2022G
Abdullah Mohammed Sulaiman Al-Hamdan	Member	Non-executive	Saudi	42	2,597,400	6.49%	-	2022G
Ahmed Abdullah Abdulaziz Al-Khayal	Member	Independent	Saudi	34	-	-	-	2022G
Khaled Mohammed Sulaiman Al-Hamdan	Member	Executive	Saudi	34	1,558,440	3.90%	-	2022G
Ahmed Ibrahim Ali Al-Fawzan	Member	Independent	Saudi	42	-	-	-	2023G
Raed Mohammed Abdullatif Al-Naeem	Member	Non-executive	Saudi	47	-	-	-	2022G
Mohammed Ahmed Rumaizan Al-Rumaizan	Member	Independent	Saudi	38	20,000	0.05%	-	2024G

Source: Twareat Medical Care Company

\*The Substantial Shareholder and Chairman of the Board of Directors, Tariq Mohammed Sulaiman Al-Hamdan, owns 11.5334% of the Company's capital indirectly through his full ownership of the Substantial Shareholder Bait Lulwa Company.

- The current number of members of the Company's Board of Directors is (9) members. The first members of the Board of Directors, numbering (8) eight members, were appointed based on the decision of the Transformational Assembly dated 10/10/1443H (corresponding to 11/05/2022G) for a period of (5) five years. The term of membership of the Board of Directors was later amended to become (3) three years from

the date of appointment of the Board, after updating the Company's Articles of Association approved by the Ministry of Commerce on 03/12/1444H (corresponding to 21/06/2023G), in order to align with the provisions of the Companies Law issued by Royal Decree (M/132) dated 01/12/1443H (corresponding to 30/06/2022G). On 03/12/1444H (corresponding to 21/06/2023G), the Extraordinary General Assembly approved the election of Ahmed Al-Fawzan and Saleh Al-Malhem as Board members due to the withdrawal of the previous members Hani Al-Hashemi and Khaled Balhaddad. On 22/11/1445H (corresponding to 30/05/2024G), the Board of Directors of the Company decided to appoint Saleh Mohammed Al-Melhem as Deputy Chairman of the Board. On 03/12/1445H (corresponding to 09/06/2024G), the Extraordinary General Assembly decided to add member Mohammed Ahmed Al-Rumaizan as an additional independent member to the Board, bringing the number of Board members to (9) nine members.

- The factors of independence for the members of the Board of Directors have been determined based on the Corporate Governance Regulations issued by the Capital Market Authority, and they are:
  - 1- To own 5% or more of the Company's shares or shares of another company in its group or to be a relative to the owner of this percentage.
  - 2- To be a relative to any member of the Board of Directors of the Company or another company in its group.
  - 3- To be a relative to any of the senior executives in the Company or another company in its group.
  - 4- To be a member of the board of directors of another company in the group of the company nominated for membership of its board of directors.
  - 5- To work or have worked as an employee during the past two years for the Company or any party transacting with it or another company in its group, such as auditors and major suppliers, or to be the owner of controlling shares in any of those parties during the past two years.
  - 6- To have a direct or indirect interest in the business and contracts concluded on behalf of the Company.
  - 7- To receive financial amounts from the Company in addition to the remuneration for membership of the Board of Directors or any of the committees exceeding (200,000) two hundred thousand Saudi riyals or 50% of the remuneration of the previous year received for membership of the Board of Directors or any of the committees, whichever is less.
  - 8- To participate in a business that competes with the Company, or to trade in one of the branches of activity carried out by the Company.
  - 9- To have spent more than (9) nine consecutive or separate years as a member of the Company's Board of Directors.

#### **4-6-1 Board of Directors Responsibilities**

Taking into account the powers assigned to the General Assembly, the Board of Directors shall have the broadest powers and authorities in managing the Company, supervising the management and implementation of its business and conducting its affairs. The role of the Board of Directors of the Company is briefly as follows:

- General strategic direction and monitoring of the executive management to achieve the goals and results for which the Company was incorporated in a way that achieves the development of returns for shareholders in the long term, preserves their rights, investments and interests, and deals with their categories fairly.
- Drawing up the Company's general policies, controlling its directions and approving plans and strategies.
- Studying and approving the organizational and functional structures, cash wage law, allowances, incentives and bonuses prepared and recommended by the members of the Board of Directors and submitting them to the Board for approval and final approval by the General Assembly.

- Directing the tasks of planning, guidance, coordination, supervision, follow-up, control and performance evaluation, while leaving the executive work to the leadership and supervisory positions, technical specialization, financial and administrative specialization.
- Opening, activating and closing investment accounts, withdrawing and transferring from them, and buying and selling shares.

#### **4-6-2 Duties and responsibilities of the Chairman of the Board of Directors**

Without prejudice to the powers of the Board of Directors, the Chairman of the Board of Directors shall lead the Board, supervise its work and perform its powers effectively. The duties and powers of the Chairman of the Board of Directors shall include, in particular, the following:

- Ensuring that the Directors receive timely, complete, clear, correct and non-misleading information.
- Verifying that the Board of Directors discusses all essential issues effectively and in a timely manner.
- Representing the Company before others in accordance with the Companies Law, its Implementing Regulations and the Company's Articles of Association.
- Encouraging the Directors to exercise their duties effectively and in a manner that serves the interests of the Company.
- Ensuring that there are channels for effective communication with shareholders and conveying their views to the Board of Directors.
- Encouraging constructive relations and effective participation between the Board of Directors and the executive management and between executive, non-executive and independent Board members, and creating a culture that encourages constructive criticism.
- Preparing the agenda for the Board meetings, taking into account any issue raised by a Board member or raised by the auditor, and consulting with the Board members and the CEO when preparing the Board's agenda.
- Holding periodic meetings with non-executive Board members without the presence of any executive in the Company.

#### **4-6-3 Responsibilities of the CEO**

- Supervising the Company's daily operations to ensure the achievement of objectives and guidelines.
- Making important strategic decisions based on the analysis of available data and information.
- Communicating with shareholders and providing them with periodic reports on the Company's performance.
- Directing and supervising the executive team and ensuring the recruitment and development of the necessary competencies to achieve the Company's objectives.
- Monitoring and following up on the Company's financial performance and achieving the targeted financial returns.
- Representing the Company before others in accordance with the provisions of the Companies Law and its Implementing Regulations and the Company's bylaws.
- Dealing effectively with business partners, customers, Government agencies and suppliers.
- Providing advice and suggestions to the Board of Directors on how to improve the Company's performance and achieve its objectives.
- Representing the Company at events, conferences, official and press events.

#### 4-6-4 Competence and duties and tasks of the Board Secretary

- Documenting the Board of Directors meetings and preparing minutes of them, including the discussions and deliberations that took place, stating the venue, date, start and end times of the meeting, documenting the Board's decisions and voting results, keeping them in a special and organized register, recording the names of the attending members and the reservations they expressed - if any - and signing these minutes by the Chairman of the meeting, all attending members and the Secretary.
- Keeping the reports submitted to the Board of Directors and the reports prepared by the Board.
- Providing the Board members with the meeting agenda, working papers, documents and information related to it, and any additional documents or information requested by any of the Board members related to the topics included in the meeting agenda.
- Verifying that the Board members adhere to the procedures approved by the Board.
- Notifying the Directors of the dates of the Board meetings before the specified date at a sufficient time.
- Presenting draft minutes to the Board members to express their views on them before signing them.
- Verifying that the Directors obtain a full and prompt copy of the Board meeting minutes and the information and documents related to the Company.
- Coordinating between the Board of Directors members.
- Organizing the disclosure record of the members of the Board of Directors and the Executive Management in accordance with the provisions of Article Eighty-Nine of the Corporate Governance Regulations.
- Providing assistance and advice to the members of the Board of Directors.

Below is a summary of the biographies of the Board of Directors:

**Table No. 47: Biography of Chairman of the Board of Directors Tariq Mohammed Sulaiman Al-Hamdan**

<b>Name</b>	Tariq Mohammed Sulaiman Al-Hamdan
<b>Position:</b>	Chairman of the Board of Directors
<b>Age:</b>	47 years
<b>Year of appointment:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Fellowship in Emergency Medicine from the Royal College of Otto University in Canada in 2009G.</li> <li>• Master of Business Administration from the University of Tennessee in the United States of America in 2008G.</li> <li>• Master of Disaster Medicine from the University of Eastern Piedmont in Italy in 2007G.</li> <li>• Bachelor of Medicine from King Saud University in the Kingdom of Saudi Arabia in 1999G.</li> </ul>



<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Founder of Bait Lulwa Company, a limited liability company, a single person company, since 2023G until now.</li> <li>• Director of the Saudi Emergency Medicine Program at King Fahad Specialist Hospital in Dammam from 2012G until 2014G.</li> <li>• Head of the Emergency Medicine Department at King Fahad Specialist Hospital in Dammam from 2012G until 2014G.</li> <li>• Professor of Disaster Medicine at the University of Piedmont in Italy in 2009G.</li> <li>• Director of the Emergency Medicine Department at the Emergency Medicine Association, an association working in the field of medical education in the Eastern Province during 2010G.</li> <li>• Auditor of the Saudi Commission for Health Specialties Training Program for Emergency Medicine, an authority working in the field of medical education in the Eastern Province during 2012G.</li> <li>• Auditor and Supervisor at the Saudi Council for Emergency Medicine, a council working in the medical field in the city of Riyadh from 2010G until 2011G.</li> <li>• Chief Operating Officer of Twareat Medical Care Company, a company operating in the medical field in Al-Khobar city from 2012G to 2017G.</li> <li>• Founder of Twareat Medical Care Company, a company operating in the medical field in Al-Khobar city from 2012G to date.</li> <li>• Head of Prehospital Care Department, Emergency Medicine Consultant, King Fahad Specialist Hospital, King Khalid Military City Working Group for the design and construction of the medical city during 2012G.</li> <li>• Head of the Prehospital Care Unit and Remote Clinics at Aramco Hospital in Dhahran from 2010G to 2012G.</li> <li>• Head of the Emergency Response Plan Committee, a committee operating in the medical field in Dhahran city from 2010 to 2012G.</li> <li>• Member of the Cardiopulmonary Resuscitation Committee of the Saudi Aramco Medical Services Organization, a medical organization affiliated with Saudi Aramco in Dhahran from 2010G to 2012G.</li> <li>• Member of the Quality Improvement Committee at Saudi Aramco Medical Services Organization, a medical organization affiliated with Saudi Aramco in Dhahran, from 2010G to 2012G.</li> <li>• Member of the Risk Management Committee as an expert in emergency medicine at Saudi Aramco Medical Services Organization, a medical organization affiliated with Saudi Aramco in Dhahran, from 2010G to 2012G.</li> <li>• Emergency Medicine Specialist at Saudi Aramco, an oil and gas company in Dhahran, from 2009G to 2011G.</li> <li>• Resident Physician at Ottawa Hospitals in the United States of America, from 2004G to 2009G.</li> <li>• Resident Physician at Saudi Aramco, an oil and gas company in Dhahran, from 2000G to 2004G.</li> </ul>
<b>Memberships in other boards</b>	None

Source: Twareat Medical Care Company

**Table No. 48: Biography of the Member of the Board of Directors Saleh Mohammed Saleh Al-Melhem**

<b>Name:</b>	Saleh Mohammed Saleh Al-Melhem
<b>Position:</b>	Board Member
<b>Age:</b>	40 years
<b>Year of appointment:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Financial Management and Economics from King Fahd University of Petroleum and Minerals in 2006G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• CEO of Al-Melhem Automotive Services Company, a company operating in selling cars in Al-Khobar since 2008G until now.</li> </ul>



<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors of Alriyada International Education Company, a company operating in the field of education in Al-Ahsa since 2012G until now.</li> <li>• Chairman of the Board of Directors of Alriyada International Investment Company, a company operating in the field of investment in Al-Khobar since 2018G until now.</li> <li>• Chairman of the Board of Directors of Ports and Storage Services Company Limited, a company operating in the field of logistics services in Dammam since 2014G until now.</li> <li>• Chairman of the Board of Directors of Across the Seas of the Levant Shipping Services Company Limited, a company operating in the field of shipping lines in Dammam since 2016G until 2018G.</li> <li>• Member of the Board of Directors and CEO of Al-Melhem Automotive Services Company Limited, a company operating in the field of selling cars in Al-Ahsa since 2008G until now.</li> <li>• Vice Chairman of the Board of Directors of Kinan Alsharq Works Real Estate Development Company, a company operating in the field of real estate development in Al-Khobar since 2014G until now.</li> <li>• Member of the Board of Directors and Chairman of the Investment Development Committee at the Chamber of Commerce, a non-profit government entity in the city of Al-Ahsa, from 2020G until now.</li> <li>• Member of the Commercial Committee at the Chamber of Commerce, a non-profit government entity in the Eastern Region, from 2019G until 2021G.</li> <li>• Representative of the Young Businessmen and Women Committee in the Chamber Council at the Chamber of Commerce, a non-profit government entity in Al-Ahsa, from 2014G until 2017G.</li> </ul>
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Source: Twareat Medical Care Company

**Table No. 49: Biography of the Managing Director and CEO Amer Mohammed Amer Al Amer**

<b>Name:</b>	Amer Mohammed Amer Al Amer
<b>Position:</b>	Managing Director and CEO
<b>Age:</b>	41 years
<b>Year of appointment:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Master's degree in Business Administration from RMIT University in Melbourne, Australia in 2008G.</li> <li>• Bachelor's degree in Accounting from the University of Miami in America in 2004G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• CEO of Twareat Medical Care Company, a company operating in the medical field in Al-Khobar since 2015G until now.</li> <li>• Head of the Accounting Department at the General Organization for Social Insurance in Dammam from 2005G until 2014G.</li> </ul>
<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• Founder of Information Technology Company Limited, a one-person limited liability company operating in the field of drones in Al-Khobar since 2018G until now.</li> </ul>

Source: Twareat Medical Care Company

**Table No. 50: Biography of the Member of the Board of Director Abdullah Mohammed Suleiman Al-Hamdan**

<b>Name:</b>	Abdullah Mohammed Suleiman Al-Hamdan
<b>Position:</b>	Board Member
<b>Age:</b>	42 years
<b>Year of appointment:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Fellow of the Saudi Organization for Chartered and Professional Accountants (SOCPA) in 2011G.</li> <li>• Master of Business Administration from Griffith University in Australia in 2009G.</li> <li>• Bachelor of Accounting from King Faisal University in Saudi Arabia in 2003G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Founder and CEO of Abdullah Al-Hamdan Accounting Office in Al-Khobar since 2014G until now.</li> <li>• Financial Control Manager for Subsidiary Companies at Al-Rajhi Bank, a company operating in the banking sector in Riyadh since 2013G until 2014G.</li> <li>• Executive Financial Officer at Energy Equipment Leasing Company Limited, a company operating in the leasing sector since 2012G until 2013G.</li> <li>• Financial Controller at Riyadh Bank, a company operating in the banking sector in Riyadh since 2010G until 2011G.</li> <li>• Accountant at the General Organization for Social Insurance, a specialized retirement affairs authority in Dammam since 2005G until 2008G.</li> <li>• Accountant at Schlumberger, a company operating in the oil and gas sector in Al-Khobar since 2004G until 2005G.</li> </ul>
<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>

Source: Twareat Medical Care Company

**Table No. 51: Biography of the Member of the Board of Director Ahmed Abdullah Abdulaziz Al-Khayal**

<b>Name:</b>	Ahmed Abdullah Abdulaziz Al-Khayal
<b>Position:</b>	Board Member
<b>Age:</b>	34 years
<b>Year of appointment:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Accounting from Portland University in the United States of America in 2012G.</li> </ul>





<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Chief Operating Officer at Dar Wa Emaar Real Estate Investment and Development Company, a company operating in the field of real estate development in the city of Khobar since 2022G until now.</li> <li>• General Manager at Sahara Gulf Chemicals Company, a company operating in the field of manufacturing and supplying chemicals in the city of Khobar from 2014G until 2022G.</li> <li>• Treasury broker at the Saudi Investment Bank, a company operating in the banking sector in the city of Riyadh from 2013G until 2014G.</li> </ul>
<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• Member of the Board of Directors of Ayan Investment Company, a company operating in the field of investment in the city of Khobar from 2016G until now.</li> <li>• Member of the Investment Committee at Ayan Investment Company, a company operating in the field of investment in Khobar from 2016G until 2019G.</li> </ul>

Source: Twareat Medical Care Company

**Table No. 52: Biography of the Member of the Board of Director Khaled Mohammed Suleiman Al-Hamdan**

<b>Name:</b>	Khaled Mohammed Suleiman Al-Hamdan
<b>Position:</b>	Board Member
<b>Age:</b>	34 years
<b>Year of appointment:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Certified by the American Board of Emergency Medicine from Baylor College of Medicine in Houston, USA in 2021G.</li> <li>• Passed the US Medical Licensing Examination for Phase I and II of Clinical Knowledge and Phase II of Clinical Skills in 2017G.</li> <li>• Certified by the Educational Commission for Foreign Medical Graduates from Baylor College of Medicine in Houston, USA in 2016G.</li> <li>• A Bachelor's degree in Medicine and Surgery from the University of Dammam in Saudi Arabia in 2014G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Chief Operating Officer at Twareat Medical Care Company, a company operating in the medical field in the city of Al-Khobar since 2021G until now.</li> <li>• Resident in the Emergency Department at Ben Taub Hospital in Houston, USA from 2018G until 2021G.</li> <li>• Business Development Manager and Medical Director at Twareat Medical Care Company, a company operating in the medical field in the city of Al-Khobar from 2014G until 2018G.</li> <li>• Fellow in Emergency Medicine Research at Baylor College of Medicine in Houston, USA, starting work from 2016G until 2017G.</li> <li>• Worked in emergency care at the Twareat Medical Center, a former center affiliated with Twareat Medical Care Company in the city of Al-Khobar from 2014G until 2015G.</li> <li>• Part-time project manager at Twareat Training Company, a company working in the medical field in the city of Al-Khobar from 2012G until 2014G.</li> </ul>
<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>

Source: Twareat Medical Care Company


**Table No. 53: Biography of the Member of the Board of Director Ahmed Ibrahim Ali Al-Fawzan**

<b>Name:</b>	Ahmed Ibrahim Ali Al-Fawzan
<b>Position:</b>	Board Member
<b>Age:</b>	44 years
<b>Year of appointment:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• A Master's degree in Business Administration from Thompson Rivers University in Canada in 2012G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Senior Manager of Private Equity Funds at Daraya Financial Company, a company operating in the financial sector in Riyadh since 2021G until now.</li> <li>• Partner at Jawla Communications and Information Technology Company, a limited liability company operating in the field of communications and information technology since 2019G until now.</li> <li>• Manager of Investment Department at the Social Development Bank, a company operating in the government sector in Riyadh from 2019G until 2021G.</li> <li>• Manager of Private Equity Funds at Riyadh Capital, a company operating in the financial sector in Riyadh from 2016G until 2019G.</li> <li>• Financial Analyst at Riyadh Capital, a company operating in the financial sector in Riyadh from 2013G until 2015G.</li> <li>• Compliance Officer at Samba Financial Group, a company operating in the financial sector in Riyadh from 2012G until 2013G.</li> </ul>
<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• Board member of Sharaka Capital Company, working in the financial sector since 2023G until now.</li> <li>• Board member of Hala Bustani Trading Company, working in the industry and retail sector since 2022G until now.</li> <li>• Board member of Al-Naseba Al-Mukhtasah Trading Company, working in the food and beverage sector since 2022G until now.</li> <li>• Board member of Daraya Retail Fund, working in the investment sector in Riyadh since 2022G until now.</li> <li>• Board member of Daraya Private Equity Fund, working in the investment sector in Riyadh since 2022G until now.</li> <li>• Board member of Sharaka Ventures Fund, working in the investment sector in Riyadh since 2024G until now.</li> <li>• Board member of the Czech Center for Physiotherapy, working in the field of physiotherapy in Riyadh since 2022G until 2023G.</li> <li>• Member of the Audit Committee of Hala Bustani Trading Company, working in the field of industry and retail in the city of Riyadh since 2022G until now.</li> </ul>

Source: Twareat Medical Care Company

**Table No. 54: Biography of the Member of the Board of Director Raed Mohammed Abdul Latif Al-Naeem**

<b>Name:</b>	Raed Mohammed Abdul Latif Al-Naeem
<b>Position:</b>	Board Member
<b>Age:</b>	47 years
<b>Year of appointment:</b>	2022G



<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Accounting from King Faisal University in the Kingdom of Saudi Arabia in 1998G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• CEO of Ayan Investment Company, an investment company in Al-Khobar since 2019G until now.</li> <li>• Regional Manager of the Corporate Banking Group at Al-Bilad Bank, a company operating in the banking sector in Dammam from 2007G until 2019G.</li> <li>• Senior Relationship Manager in the Corporate Banking Group at Riyadh Bank, a company operating in the banking sector in Dammam from 2005G until 2007G.</li> <li>• Relationship Manager in the Corporate Banking Group at Riyadh Bank, a company operating in the banking sector in Riyadh from 2000G until 2004G.</li> <li>• Administrative Trainee in the Future Managers Program at Riyadh Bank, a company operating in the banking sector in Riyadh from 1998G until 2000G.</li> </ul>
<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• Member of the Board of Directors of Ayan Investment Company, a company operating in the field of investment in Al-Khobar, since 2019G until now.</li> </ul>

Source: Twareat Medical Care Company

**Table No. 55: Biography of the Member of the Board of Director Mohammed Ahmed Rumaizan Al-Rumaizan**

<b>Name:</b>	Mohammed Ahmed Rumaizan Al-Rumaizan
<b>Position:</b>	Board Member
<b>Age:</b>	38 years
<b>Year of appointment:</b>	2024G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration from London Business School in London, UK, 2019G.</li> <li>• Bachelor of Electronics and Communication Engineering from RMIT University in Melbourne, Australia, 2012G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Vice President at SAP, an IT company based in Riyadh, Saudi Arabia, from 2021G to date.</li> <li>• Head of Public Sector, Healthcare, Education, Security and Defense at SAP, an IT company based in Riyadh, Saudi Arabia, from 2020G to 2022G.</li> <li>• Head of Business Development at Gartner, a technology consulting company based in Riyadh, Saudi Arabia, from 2018G to 2020G.</li> <li>• Account Executive in the Public Sector at SAP, an IT company based in Riyadh, Saudi Arabia, from 2014G to 2016G.</li> <li>• Core and Intelligent Network Project Manager at Mobily, a telecommunications company based in Riyadh, Saudi Arabia, from 2012G to 2014G.</li> </ul>
<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>

Source: Twareat Medical Care Company

## 4-6-5 Board Secretary

The Board of Directors decided to appoint Fahd Abdul Rahman Ahmed Sulaiman as Secretary of the Board of Directors on 06/01/1445H (corresponding to 24/07/2023G). He is responsible for recording the minutes of the Board of Directors' meetings, documenting and preserving the decisions issued from these meetings, in addition to exercising other powers assigned to him by the Board of Directors.

Below is a summary of the biography of the Board Secretary:

**Table No. 56: Biography of the Board Secretary Fahd Abdul Rahman Ahmed Sulaiman**

<b>Name:</b>	Fahd Abdul Rahman Ahmed Sulaiman
<b>Position:</b>	Board Secretary
<b>Age:</b>	34 years
<b>Year of appointment:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Marketing from King Faisal University in the Kingdom of Saudi Arabia in 2013G.</li> <li>• Diploma in Business Administration from the Chamber of Commerce in 2014G.</li> <li>• Board Governance Certificate from the Financial Academy in 2019G.</li> <li>• International Corporate Governance Officer (ICCGO) Certificate from the European Institute of Management and Finance in 2022G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Secretary of the Board of Directors of Twareat Medical Care Company, a company operating in the medical field in the city of Al-Khobar since 2019G until now.</li> <li>• Compliance and Governance Officer and Secretary of the Board of Directors at Ayan Investment Company, a company operating in the investment field in the city of Al-Khobar since 2018G until now.</li> <li>• Administrative Assistant in the Legal Department at Ayan Investment Company, operating in the investment field in the city of Al-Khobar since 2014G until 2018G.</li> <li>• Insurance Officer at Al-Kifah Contracting Company, operating in the contracting field in the city of Al-Khobar since 2013G until 2014G.</li> </ul>
<b>Memberships in other boards</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>

Source: Twareat Medical Care Company

## 4-7 Board Committees

The Company's policy is to adopt a number of corporate governance standards, including the segregation of responsibilities and tasks of the Board of Directors and executive management, and policies that ensure that the Company's Board of Directors works in a way that achieves the interests of shareholders.

### 4-7-1 Audit Committee

The Audit Committee was formed in accordance with Article (54) of the Corporate Governance Regulations issued by the Capital Market Authority. The Ordinary General Assembly, in its meeting held on 06/01/1445H (corresponding to 24/07/2023G), approved the formation of an Audit Committee, defining its tasks, work controls, and members' remuneration, and setting their membership term at (5) five years.

### Responsibilities of the Audit Committee:

The Audit Committee is responsible for monitoring the Company's activities and verifying the integrity and honesty of its reports, financial statements and internal control systems. Its tasks are summarized as follows:

- Studying the interim and annual financial statements of the Company before presenting them to the Board of Directors and expressing its opinion and recommendations thereon; to ensure their integrity, fairness and transparency, and studying any important or unusual issues included in the financial reports.
- Recommending to the Board of Directors the appointment of auditors, which includes the committee's review of their professional competencies, confirming their independence and the expected risks of conflict of interest, as well as determining their fees and dismissing them.
- Verifying the Company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and transactions proposed to be conducted by the Company with related parties and submitting its views on this to the Board of Directors.
- Raising to the Board of Directors any issues it deems necessary to take action on, and providing its recommendations on the procedures that should be taken.
- General supervision of the performance and activities of the internal auditor and the Internal Audit Department in the Company, in order to verify the extent of their effectiveness in implementing the work and tasks assigned to them by the Board of Directors.
- Preparing recommendations for establishing the Company's internal audit department and its budget, selecting and appointing the manager of the internal audit unit or department, and ensuring the independence of internal auditors.
- Studying the accounting policies followed in the Company, expressing an opinion on them, and providing recommendations to the Board of Directors regarding them.

The following table shows the members of the audit committee:

**Table No. 57: Audit Committee members**

Name	Position	Capacity
Raed Mohammed Abdul Latif Al-Naeem	Chairman of the Audit Committee	Non-executive
Ahmed Ibrahim Ali Al-Fawzan	Member of the Audit Committee	Independent
Abdullah Mohammed Suleiman Al-Hamdan	Member of the Audit Committee	Non-executive

Source: Twareat Medical Care Company

The CVs of the Chairman and members of the Audit Committee are included in the biographies of the Board of Directors.

### 4-7-2 Executive Committee

The Board of Directors, in its meeting held on 29/10/1443H (corresponding to 30/05/2022G), approved the formation of the Executive Committee, defined its tasks, work controls, members' remuneration, and their membership term. The Committee holds its meetings at least every two months. It is a committee emanating from the Board of Directors, and its members are determined by the Board so that the number of its members is not less than (3) three and not more than (5) five members, provided that its members are from the Board of Directors and not members of the Executive Management or any of the committees formed by the Board.

**Competencies of the Executive Committee:**

The Executive Committee is responsible for the following:

- Following up on the implementation of the Company's financial, administrative and supervisory policies and regulations and each of its subsidiaries separately, developing them and proposing appropriate amendments to them to the Board of Directors.
- Following up on the Company's long-, medium- and short-term strategic plans, updating them and reviewing them from time to time.
- Following up on the implementation of the Company's plans and estimated budgets, following up on actual performance and analyze the reasons for deviations - if any - and requesting the relevant managers to respond to them, and provide recommendations regarding them.
- Reviewing the capital budgets approved by the Board of Directors, and the Committee has the authority to exceed the approved capital budget by a maximum of 10%.
- Recommend entering into new investment projects and partnerships or acquiring companies related to the Company's work or to develop and improve current activities.
- Reviewing the monthly, quarterly and periodic financial statements and consolidated final accounts of the Company and each of its subsidiaries separately.
- Meeting with the heads of sectors, the External Auditor, the internal auditor and all those concerned to monitor the operational and financial performance of the Company and its sectors.
- Following up on the implementation of important recommendations submitted by the internal auditor and the Auditor.
- Conducting the necessary studies for the Company's new investments and taking the necessary decisions regarding them.
- Following up on the review of all important issues related to cases brought before the judiciary, urgent cases and claims that require to appear in the accounting statements.
- Nominating the Company's senior executives and general managers of the subsidiaries.
- Selecting and assigning consultants and experts, conducting studies and developing systems and procedures to achieve automated updating of operations and their means and methods of work.
- Ensuring that all reports issued by the various organizational levels in the Company and its subsidiaries are transparent, honest and objective.
- Any other tasks assigned to the committee by the Board of Directors.

The following table shows the members of the Executive Committee:

**Table No. 58: Executive Committee Members**

Name	Position	Capacity
Ahmed Abdullah Abdulaziz Al-Khayal	Chairman of the Executive Committee	Independent
Amer Mohammed Amer Al-Amer	Member of the Executive Committee	Executive
Saleh Mohammed Saleh Al-Melhem	Member of the Executive Committee	Non-executive

Source: Twareat Medical Care Company



### 4-7-3 Nominations and Remuneration Committee

The first Ordinary General Assembly of Twareat Company approved in its meeting held on 29/10/1443H (corresponding to 30/05/2022G) the formation of the Nominations and Remunerations Committee and the definition of its tasks, work controls, members' remunerations and the term of their membership. It is a committee emanating from the Board of Directors and its members are determined by the Board so that a sufficient number of its members are non-executive. The term of the Nominations and Remunerations Committee is three years.

#### Responsibilities of the Nominations and Remuneration Committee:

The Nominations and Remuneration Committee is responsible for the following

- Developing a clear policy for the remuneration of the members of the Board of Directors, the Board committees and the Executive Management, and approving it by the Board of Directors, provided that this policy takes into account the adoption of standards related to performance, disclosing them, and verifying their implementation.
- Clarifying the relationship between the granted remunerations and the applicable remuneration policy, and stating any material deviation from this policy.
- Periodically reviewing the remuneration policy, and evaluating its effectiveness in achieving the intended objectives.
- Recommending to the Board of Directors the remuneration of the members of the Board of Directors, its committees and the Company's senior executives in accordance with the approved policy.
- Proposing clear policies and standards for membership in the Board of Directors and the Executive Management.
- Recommending to the Board of Directors the nomination and re-nomination of members in accordance with the approved policies and standards, taking into account not to nominate any person previously convicted of a crime involving breach of trust.
- Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and filling executive management positions.
- Developing special procedures in the event of a vacancy in the position of a member of the Board of Directors or senior executives.

The following table shows the Nominations and Remuneration Committee:

**Table No. 59: Nominations and Remuneration Committee**

Name	Position	Capacity
Saleh Mohammed Saleh Al-Melhem	Chairman of the Nominations and Remuneration Committee	Non-executive
Khaled Mohammed Suleiman Al-Hamdan	Member of the Nominations and Remuneration Committee	Executive
Ahmed Ibrahim Ali Al-Fawzan	Member of the Nominations and Remuneration Committee	Independent

Source: Twareat Medical Care Company



The CVs of the Chairman and members of the Nominations and Remuneration Committee are included in the biographies of the Board of Directors members.

## 4-8 Executive Management

Twareat Medical Care Company has a number of main departments that work to manage and develop the Company's business, each according to its role. Each department must implement the duties and tasks that fall under its responsibility to activate the Company's overall performance and achieve the Company's vision, mission, goals and strategies in the short and long term. The following table shows the members of the Company's executive management:

**Table No. 60: The Company's Executive Management**

	Name	Position	Nation-ality	Age	Date of Joining the Company	Date of Appoint-ment to the Posi-tion	Direct Owner-ship	Indirect Owner-ship
1	Amer Mohammed Amer Al-Amer	Managing Director & CEO	Saudi	41	2014G	2015G	3.90%	-
2	Mohammed Tariq Mohammed El Sayed	Chief Financial Officer	Egyptian	36	2024G	2024G	-	-
3	Khaled Mohammed Suleiman Al-Hamdan	Chief Operating Officer	Saudi	33	2014G	2017G	3.90%	-
4	Hisham Abdulaziz Mohammed Al-Mutlaq	Human Resources Manager	Saudi	44	2022G	2022G	-	-
5	Sarah Hamoud Abdulaziz Al-Sagheer	Legal Department Manager	Saudi	35	2024G	2024G	-	-
6	Vacant*	Internal Audit Manager	-	-	-	-	-	-

Source: Twareat Medical Care Company

\*There is no internal audit department in the Company yet. The Company contracted with an external auditor to carry out the tasks of the internal audit department on November 7, 2024G. The Company is committed to establishing the department internally and appointing its manager no later than the end of the last quarter of 2025G, coinciding with the expected date for the completion of the work of the external auditor who was contracted for this task.

The CV of the Managing Director and CEO Amer Mohammed Al Amer and the CV of the Chief Operating Officer Khaled Mohammed Al Hamdan are included on pages (82 & 84) within the biographies of the Board of Directors members.

Below is a summary of the biographies of members of the Executive Management:





**Table No. 61: Biography of the CFO**

<b>Name:</b>	Mohammed Tariq Mohammed El Sayed
<b>Position:</b>	Chief Financial Officer
<b>Age:</b>	36 years
<b>Year of joining:</b>	2024G
<b>Nationality:</b>	Egyptian
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Diploma in International Financial Reporting Standards from the Association of Chartered Certified Accountants in London in 2014G.</li> <li>• Bachelor's degree in Accounting from Cairo University in Egypt in 2008G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Chief Financial Officer of Twareat Medical Care Company since 2024G until now.</li> <li>• CFO of Amiantit Company in the Kingdom of Saudi Arabia since 2017G until 2024G.</li> <li>• Accounts and Financial Reports Manager at Fawaz Refrigeration and Air Conditioning Contracting Company Limited in Al-Al-Khobar from 2016G until 2017G.</li> <li>• Accounts Manager at Telecom Egypt (an Egyptian listed joint stock company) in Egypt from 2013G until 2016G.</li> <li>• Accounts Supervisor at Telecom Egypt (an Egyptian listed joint stock company) in Egypt from 2011G until 2013G.</li> <li>• Accountant at Telecom Egypt (an Egyptian listed joint stock company) in Egypt from 2009G until 2011G.</li> </ul>

Source: Twareat Medical Care Company

**Table No. 62: Biography of HR Department Manager**

<b>Name:</b>	Hisham Abdulaziz Mohammed Al-Mutlaq
<b>Position:</b>	Human Resources Department Manager
<b>Age:</b>	44 years
<b>Year of joining:</b>	2022G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Master's degree in Business Administration from SBS in the UAE in 2022G.</li> <li>• Diploma in English from Horizon General Institute for Training and Languages in 2007G.</li> <li>• Bachelor's degree in Marketing from King Faisal University in Al-Ahsa in 2004G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Human Resources and Administrative Consultant at Bin Faqih Real Estate Investment Company, a company operating in the real estate sector in Al-Khobar from 2020G to 2022G.</li> <li>• Regional Manager at Jawad Business Group, a company operating in the food sector in Al-Khobar from 2015G to 2020G.</li> <li>• Administration Manager at Sheed Limited, a company operating in the contracting sector in Dammam from 2014G to 2015G.</li> <li>• Administration Manager at Al-Othman Industrial Marketing Company, a company operating in the commercial sector in Dammam from 2012G to 2014G.</li> <li>• Purchasing Manager at Saudi Crushers Company, a company operating in the industrial sector in Dammam from 2010G to 2011G.</li> <li>• Relationship Manager in Commercial Banking Services at Riyadh Bank, a company operating in the banking sector in Dammam from 2004G to 2008G.</li> </ul>

**Table No. 63: Biography of the Legal Department Manager**

<b>Name:</b>	Sarah Hamoud Abdulaziz Al-Sagheer
<b>Department:</b>	Legal Department Manager
<b>Age:</b>	35 years
<b>Year of joining:</b>	2024G
<b>Nationality:</b>	Saudi
<b>Academic Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Law from King Saud University in Riyadh in 2013G.</li> </ul>
<b>Practical Experience</b>	<ul style="list-style-type: none"> <li>• Legal Manager at Tri Company, an insurance company, from 2023G to 2024G.</li> <li>• Assistant Vice President at the Public Investment Fund in Riyadh from 2021G to 2023G.</li> <li>• Legal Manager at Tatweer Education Holding Company, an educational technology company in Riyadh from 2020G to 2021G.</li> <li>• Legal Specialist at Osool Company, a real estate management company in Riyadh from 2018G to 2019G.</li> <li>• Lawyer at Saudi Arabian Cooperative Insurance Company, an insurance company in Riyadh from 2016G to 2018G.</li> </ul>

Source: Twareat Medical Care Company





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# Dividends Policy 05





## 5- Dividends Policy

The Shares grant their holders the right to receive the dividends declared by the Company. According to the Company's Articles of Association, any decision to distribute cash dividends must be issued by the Ordinary General Assembly based on a recommendation from the Board of Directors, which takes into account upon issuing this recommendation various factors prevailing at the time, including the Company's profits and financial conditions, and the restrictions that govern the process of distributing profits in accordance with financing and debt agreements, results of the Company's activities, the Company's cash needs now and in future, and the expansion plans and investment requirements of the Company.

The Company is under no obligation to distribute dividends for any year, nor does it guarantee the value of those dividends that can be distributed in any specific year. The process of dividends distribution is subject to certain restrictions according to the Company's Articles of Association. The Company's bylaws stipulate that the Company's annual net profits will be distributed as follows:

- The Ordinary General Assembly may decide to establish other reserves, to the extent that serves the interest of the Company or ensures the distribution of fixed profits as much as possible to shareholders. The said Assembly may also deduct from the net profits amounts to establish social institutions for the Company's employees or to assist existing such institutions.
- The remainder is then distributed to shareholders representing 5% of the Company's paid-up capital.
- The remainder is then distributed to shareholders as an additional share of profits.
- If no profits are distributed for any fiscal year, profits may not be distributed for the following years except when the specified percentage is paid to preferred shareholders for that year in accordance with the regulations.
- The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.
- The shareholder shall be entitled to his share of the profits in accordance with the General Assembly resolution issued in this regard. The resolution shall specify the due date and the distribution date. The right to profits shall be for the shareholders registered in the Shareholders' Register at the end of the day specified for the entitlement. The regulations shall specify the maximum period within which the Board of Directors must implement the General Assembly resolution regarding the distribution of profits to shareholders.

The shareholder is entitled to his share of the profits in accordance with the decision of the General Assembly issued in this regard. The decision shall specify the due date and the distribution date. The right to profits shall be for the shareholders registered in the shareholders' records at the end of the day specified for entitlement. It is worth noting that profits were distributed as follows:

- (3,200,000) Three million two hundred thousand Saudi riyals for the fiscal year ending 31/12/2021G, distributed to shareholders during the year 2022G.
- (9,455,810) Nine million four hundred fifty-five thousand eight hundred and ten Saudi riyals for the fiscal year ending 31/12/2022G, distributed to shareholders during the year 2023G.
- (6,890,956) Six million eight hundred and ninety thousand nine hundred and fifty-six Saudi riyals for the fiscal year ending 31/12/2023G, distributed to shareholders during the year 2024G.



The table below shows the dividend distributions for the years 2022G, 2023G, and the period ending 30/06/2024G:

**Table No. 64: Dividend distributions for the years 2022G and 2023G and the period ending on 30/06/2024G:**

(SAR)	Fiscal year ending 31/12/2022G	Fiscal year ending 31/12/2023G	The fiscal period ending 30/06/2024G
Dividends declared for the year/period	9,445,810 **	6,890,956***	-
Dividends declared during the year/period (for a previous year/period)	3,200,000*	9,445,810 **	6,890,956***
Dividends paid during the year/period	3,200,000*	8,235,537**	2,641,441***
Net profit for the year/period	25,433,050	14,167,447	16,127,381
Percentage of profits declared for the year/period from the Company's net profit	37.18%	48.64%	-
Retained earnings	22,169,319	6,890,956	21,569,568

Source: Twareat Medical Care Company

\* The Extraordinary General Assembly held on 23/01/1444H (corresponding to 21/08/2022G) approved the distribution of profits in the amount of (3,200,000) Saudi riyals, for the fiscal year ending on 31/12/2021G, and it was distributed to shareholders during the year 2022G.

\*\* The Ordinary General Assembly held on 20/09/1444H (corresponding to 11/04/2023G) approved the distribution of profits in the amount of (9,445,810) Saudi riyals, for the fiscal year ending on 31/12/2022G, and (8,235,537) Saudi riyals were distributed to shareholders during the year 2023G, and an amount of (1,209,810) Saudi riyals was distributed at the beginning of the year 2024G, and the remaining amount (463) Saudi riyals was distributed in November 2024G.

\*\*\* The Ordinary General Assembly held on 23/10/1445H (corresponding to 02/05/2024G) approved the distribution of profits in the amount of (6,890,956) Saudi riyals, for the fiscal year ending on 31/12/2023G, and an amount of (1,431,631) was distributed during the first six-month period of the year 2024G and an amount of (3,594,532) Saudi riyals until the date of this Document, with the remaining amount to be paid in installments during the year 2024G.



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# Costs of Direct Listing

# 06



## 6- Costs of Direct Listing

The total costs of direct listing of the Company's shares in the Parallel Market are expected to reach approximately (3,500,000) Three million and five hundred thousand Saudi Riyals, which include direct listing costs, Financial Advisor fees, and other expenses related to direct listing in the Parallel Market. The Company will bear all listing costs, which will be included in the Company's expenses in the income statement.



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# Directors' Declarations

# 07





## 7- 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 last (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 registration application in connection with the issuance or offering of any shares.
- 3- Other than as stated on page (Q) of this Document, there has been no material adverse change in the financial and commercial position of the Issuer during the year immediately preceding the date of filing the application for registration.
- 4- Other than what is stated on page (77) in Section No. (4-6) «**Board of Directors**» of this Document, neither 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 legal claims or proceedings that may materially affect its business or financial condition, as of the date of this Document.
- 6- The Directors are not subject to any legal claims or proceedings that may materially affect the Company's business or financial condition, as of the date of this Document.
- 7- Other than as stated on page (24) of this Document, none of the Board Members participate in businesses competitive with the Company.
- 8- Other than as stated on page (25) of this Document, the Company acknowledges that it has no contracts or arrangements in effect at the time of filing this Registration Document in which the Chairman of the Board of Directors, a member of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, or other related parties have an interest.
- 9- There are no other facts that could affect the application for registration of shares that are not included in this Document.
- 10- The Company holds all basic licenses and approvals required to practice its activities.
- 11- The Company has obtained all necessary approvals to list its shares in the Parallel Market.
- 12- Except for what is stated in Section No. (2) «**Risk Factors**», the Directors are not aware of any other material risks that could affect the decision of potential investors to invest in the Company's shares.
- 13- There is no authority that gives any member of the Board of Directors or the CEO the right to vote on the remunerations granted to them.
- 14- There is no authority that allows members of the Board of Directors or senior executives to borrow from the Issuer.
- 15- No member of the Company's Board of Directors, nor any member of the Company's Executive Management, or the Secretary of the Board of Directors, has been declared bankrupt, and none of them has ever been subject to any bankruptcy procedures.
- 16- The Company is committed to all provisions of the Companies Law up to the date of this Document.
- 17- The Company does not intend to make any fundamental change to the nature of its activity, products or services.

- 18- There is no agreed disposition of the Company's shares as a result of ownership by a group of shareholders from the same family.
- 19- The Company undertakes, after its listing and upon holding the first Shareholders General Assembly, to update its legal entity in the Company's regulatory documents (including Commercial Registration and the Articles of Association) to become a public joint stock company.
- 20- The Company undertakes to establish an internal audit department and appoint a manager for it by the end of the last quarter of 2025G.



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# Information Concerning the Shares and Terms of Direct Listing

# 08





## 8- Information Concerning the Shares and Terms of Direct Listing

### 8-1 Filing an application to the Authority to register shares in the Parallel Market

The Company has submitted an application to register the shares subject to this Document to the Saudi Capital Market Authority, and all required documents were submitted to the relevant authorities and all requirements were met. All approvals related to the registration process and direct listing of the Company's shares in the Parallel Market have also been obtained, including the Authority's approval of this Registration Document

### 8-2 The indicative share price upon listing and the nominal value of each share

The indicative price for the Company's shares was determined by calculating the Company's fair market value, which was carried out by Aldukheil Capital Group in its capacity as a financial advisor for the listing. The indicative price of the Company's shares was (12) twelve Saudi Riyals, and the nominal value of the share was (10) ten Saudi riyals. It is worth noting that the Company's capital amounts to (40,000,000) forty million Saudi riyals divided into (40,000,000) forty million ordinary shares.

The opening price of the share is determined based on the supply and demand for the share through the opening auction mechanism, which is a period preceding the market opening (from (9:30) nine thirty to (10:00) ten in the morning). During this period, investors can enter buy and sell orders, and then the trading system finds the fair price at which the orders are executed after matching them during the bid period. The execution price is the opening price with a permissible daily fluctuation rate of (30% rise and fall). The indicative price is considered a reference only for the fair market value, which is the listing price for the first day only. Fixed limits for the price fluctuation will be applied when the price of the security reaches 10%, whether rising or falling, which leads to the activation of the price fluctuation bid. To set a new fixed limit for the security based on the new reference price resulting from the volatility bid. The price fluctuation auction is activated for a period of five minutes when the price of the security reaches 10%, whether rising or falling. It is an auction that begins when the price of the security reaches the fixed limit of price fluctuation and can be repeated several times during the trading session and results in a new reference price on which fixed price limits are built. These limits will only apply during the first three days of listing, and starting from the fourth day of trading, the daily fluctuation limits according to the securities listed on the parallel market will be reset to (30% rise and fall), and the fixed fluctuation limits will be abolished.

The opening and closing bids are extended when the security price reaches the upper or lower limit (+/- 10%) of the default price, or when the default opening and/or closing price has not yet been established.

The market calculates the opening and closing prices as follows:

- 1- The trading system sets the price for the maximum amount that can be traded of securities.
- 2- If two or more prices may trade the same quantity, the trading system selects the price that leaves the lowest remaining minimum, which is the number of unmatched securities at that price.
- 3- If there are two or more prices with the same minimum remaining, the trading system determines the price according to the following:



- A- The highest price when the unmatched quantity is not balanced at the purchasing party only.
- B- The lowest price when the unmatched quantity is not balanced at the selling party only.
- C- The average prices of (A) and (B) when the unmatched quantity is not balanced at both ends (buying and selling). The average of the two prices is rounded to the nearest unit of price change when possible.

Share trading is from Sunday to Thursday, excluding official holidays in the Kingdom. The trading day follows the sequence of sessions specified in the following table:

**Table No 65: Sequence of sessions**

Session	Timetable
First session: open auction	09:30 AM - 10:00 AM
Second session: Market is open - execution	10:00 AM - 15:00 PM
Third Session: Closing Auction	15:00 PM - 15:10 PM
Fourth session: Trading on the closing price	15:10 PM - 15:20 PM
Fifth session: The market is closed	15:20 PM - 16:00 PM

Source: Trading and Membership Procedures – Tadawul

- Orders can be passed, amended, and canceled during the first session, second session, third session, and fourth session. Order validity can be modified and canceled during the fifth session. Unexecuted orders can be disabled during the trading day.
- Orders are displayed collectively by price at a specific price level (market bid by price) during the first session and the third session.
- Matching of orders at the end of the first session and the third session and during the second session and the fourth session.
- The end time of the first and third sessions is determined variable daily within 30 seconds according to the times specified for the two sessions in the table above.

## 8-3 Times and Circumstances where the Company's share may be Suspended

### 8-3-1 Suspension of or cancelation 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. If CMA considers it necessary for the protection of investors or the maintenance of an orderly market.
2. If 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. If 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. Upon leakage of information about the proposed transaction of reverse takeover and the issuer cannot accurately assess its financial condition and the Exchange cannot be informed accordingly.
7. If the liquidity requirements specified in Paragraph (b) of Article Forty-One of the Listing Rules are not met after the expiry of the period specified in Subparagraph (1) of Paragraph (d) of Article Forty-Three of the Listing Rules.
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 addresses 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) (14) of Article 36 of the Listing Rules.

C- The Exchange shall suspend the trading of securities of The Company 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 issuance of a resolution by issuer's Extraordinary General Assembly to reduce its capital for the two trading days following the issuance of such 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 paragraphs 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.

### 8-3-2 Voluntary Cancellation of Listing

- A- After its shares have been listed on the Exchange, an issuer may not cancel the listing of its securities without the prior approval of the CMA. To obtain CMA approval, the issuer must provide the cancellation application to the CMA along with a simultaneous notice to the Exchange. The application shall include the following:
  - 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 it 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.

### 8-3-3 Temporary Trading 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 CMA, 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.

#### **8-3-4 Lifting of Suspension**

The lifting of the trading suspension imposed in accordance with paragraph (a) of Section (8-3-1) «**Suspension of or cancellation of Listing**» shall be subject to the following considerations:

- A- Adequately addressing the conditions that led to the suspension and lack of a need for to continue the suspension to protect investors.
- B- Lifting of the suspension is likely to have no impact on the normal activity of the Exchange.
- C- The Issuer's compliance with any other conditions that the CMA may require.

In the event that the listing suspension continues for six months with no appropriate procedure made by the Issuer to correct such suspension, the CMA may cancel the Issuer's listing.

#### **8-3-5 Re-Registering and Admission of Listing of Cancelled 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 Rules on the Offer of Securities and Continuing Obligations and Listing Rules.

#### **8-3-6 Decisions and approvals under which the Shares will be offered**

Following are the decisions and approvals under which the Company Shares will be offered:

- 1- The Company's Board of Directors' decision to list the Company's shares in the Parallel Market.

The Board of Directors of the Company recommended in its meeting held on 08/10/1445H (corresponding to 17/04/2024G) the direct listing of the Company's shares in the Parallel Market.

- 2- Approval of the Ordinary General Assembly

The approval of the Ordinary General Assembly held on 23/10/1445H (corresponding to 02/05/2024G) was obtained for the direct listing of the Company's shares in the Parallel Market.



### 3- Approval of the Saudi Stock Exchange Company «**Saudi Tadawul**» for the listing

Approval was obtained from the Saudi Stock Exchange Company « **Saudi Tadawul** » for the direct listing of the Company's shares in the Parallel Market on 22/05/1446H (corresponding to 24/11/2024G).

### 4- Approval of the Capital Market Authority

The approval of the Capital Market Authority was obtained for the request for direct listing of the Company's shares in the Parallel Market. This approval was announced on the Authority's website on 06/08/1446H (corresponding to 09/12/2024G).

## 8-4 Existing arrangements to prevent disposal of certain shares

The shareholders mentioned on page (J) of this Prospectus are prohibited from disposing of their shares for a period of (12) twelve months from the date of trading of the Company's shares in the Parallel Market. Other than this Lock-up Period imposed by the Authority on Substantial Shareholders, there are no other existing arrangements that prevent disposing of certain shares.

## 8-5 Overview of the Saudi Stock Exchange (Saudi Tadawul)

The Tadawul system was established in 2001G as the successor to the Electronic Securities Information System. Electronic stock trading began in the Kingdom in 1990G. Share trading occurs on the «**Tadawul**» system through a fully integrated trading system covering the entire trading process, from execution of the trade transaction through settlement thereof. Trading occurs each business day between 10:00 am and 3:00 pm from Sunday to Thursday, during which time orders are executed. However, outside such hours, orders may be entered, amended, or cancelled from 9:30 am to 10:00 am. These times change during the month of Ramadan as announced on the official website of Tadawul.

Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders place at a price limit), provided that, if several orders are generated at the same price, they are executed according to the time of entry.

The Tadawul system distributes a comprehensive range of information through various channels, most notably the Tadawul website and Tadawul Information Link, which supplies trading data in real time to information providers such as Reuters. Exchange transactions are settled on a (T+2) basis, meaning that share ownership transfer takes place within two working days after the transaction is executed.

Listed companies are required to disclose all material decisions and information to investors through Tadawul. Tadawul is responsible for monitoring the market as it is the operator of the mechanism through which the market operates in order to ensure fair and smooth trading in Shares.



TMC HEALTH  
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# Documents Available for Inspection

# 09



## 9- Documents Available for Inspection

The following documents will be available for viewing through a virtual data room, and the Financial Advisor «**Aldukheil Financial Group**» will send the electronic link to the virtual data room to qualified investors upon request via email «[info@aldukheil.com.sa](mailto:info@aldukheil.com.sa)», during business days from Sunday 05/07/1446H (corresponding to 05/01/2025G) until Monday 13/07/1446H (corresponding to 13/01/2025G) within a period of no less than (7) seven days prior to listing:

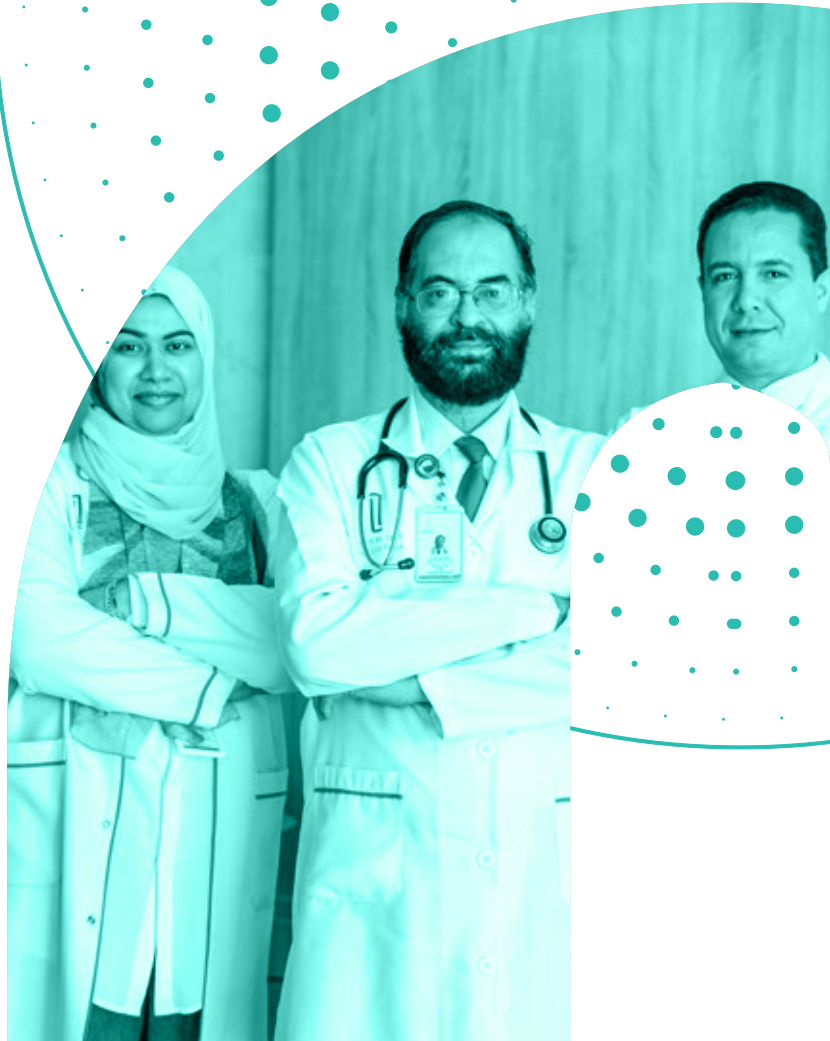
- The main Commercial Registration of the Company.
- The Company's By/Laws and the latest Articles of Association.
- The Capital Market Authority's approval to register the Company's shares in the Parallel Market as a printed copy from the Capital Market Authority's website.
- Approval of the Saudi Stock Exchange Company (Saudi Tadawul) for direct listing in the Parallel Market.
- Approval of the Board of Directors and approval of the Company's Ordinary General Assembly for the direct listing of the Company's shares in the Parallel Market.
  - A- Letters of approval to include the name, logo and statement in this Registration Document for:
    - B- The Company's Financial Advisor (Aldukheil Financial Group Company).
- The Company's Auditor (PKF Al Bassam Company – Certified Public Accountants).
- The mechanism based on which the indicative price for trading the Company's shares in the Parallel Market was determined (the Company's financial evaluation report prepared by the Financial Advisor).
- The Company's audited financial statements for the financial year ending on 31/12/2023G.
- The Company's Reviewed financial statements for the six-month period ending on 30/06/2024G.



TMC HEALTH  
طوارئ الطبية

# External Auditor's Report

# 10



## **10- External Auditor's Report**

**10-1 The Audited Financial statements for the fiscal year ending on 31/12/2023G**

**TWAREAT MEDICAL CARE COMPANY  
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
WITH INDEPENDENT AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF TWAREAT MEDICAL CARE COMPANY (A SAUDI CLOSED JOINT STOCK COMPANY) KHOBAR, KINGDOM OF SAUDI ARABIA

(1/3)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Twareat Medical Care Company, a Saudi Closed Joint Stock Company ("the Company") as at 31 December 2023, 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 the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the financial statements of the Company, which comprise of the following:

- The statement of financial position as at 31 December 2023;
- The statements of profit or loss and other comprehensive income for the year then ended;
- The statement of changes in shareholders' equity for the year then ended;
- The statement of cash flows for the year then ended, and;
- The notes to the financial statements, including a summary of material accounting policies.

##### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing 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 code of professional conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's 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.

##### 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 IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's By-laws 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.

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## INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF TWAREAT MEDICAL CARE COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)  
**KHOBAR, KINGDOM OF SAUDI ARABIA**

(2/3)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 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 misstatements, 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, 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 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 risk 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 by the management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence 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 the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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; and
- 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.

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## INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF TWAREAT MEDICAL CARE COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)  
**KHOBAR, KINGDOM OF SAUDI ARABIA**

(3/3)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

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.

For Al-Bassam & Co.

Ahmed Abdulmajeed Mohandis  
Certified Public Accountant  
License No. 477

Khobar: 18 Ramadhan 1445H  
Corresponding to: 28 March 2024



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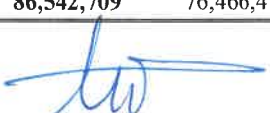
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**TWAREAT MEDICAL CARE COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

		December 31, 2023	December 31, 2022 Restated (Note 5)
	Note	SR	SR
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property and equipment	6	21,764,066	15,406,944
Right of use assets	7	2,802,640	1,350,852
Intangible assets	8	576,585	423,013
<b>Total non-current assets</b>		<b>25,143,291</b>	<b>17,180,809</b>
<b>Current assets</b>			
Accounts receivable, net	10	44,294,824	32,339,290
Prepaid expenses and other assets	11	8,885,605	8,144,218
Inventories	12	5,918,359	5,713,565
Due from a related party	19	-	27,677
Cash and cash equivalents	9	2,300,630	13,060,854
<b>Total current assets</b>		<b>61,399,418</b>	<b>59,285,604</b>
<b>TOTAL ASSETS</b>		<b>86,542,709</b>	<b>76,466,413</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	1	40,000,000	20,000,000
Statutory reserve	13	5,442,187	5,442,187
Actuarial reserve		(874,494)	(349,288)
Retained earnings		6,890,956	22,169,319
<b>Total shareholders' equity</b>		<b>51,458,649</b>	<b>47,262,218</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employee defined benefit liabilities	14	5,161,805	3,759,637
Long term borrowings – non-current portion	15.2	3,858,433	4,068,355
Lease liabilities – non-current portion	16	2,028,486	-
<b>Total non-current liabilities</b>		<b>11,048,724</b>	<b>7,827,992</b>
<b>Current liabilities</b>			
Short term borrowings	15.1	876,000	-
Long term borrowings – current portion	15.2	209,923	3,198,441
Lease liabilities – current portion	16	576,803	578,573
Accounts payable		13,163,022	10,150,197
Accrued expenses and other liabilities	17	7,889,289	5,926,082
Provision for zakat	18	1,320,299	1,522,910
<b>Total current liabilities</b>		<b>24,035,336</b>	<b>21,376,203</b>
<b>Total liabilities</b>		<b>35,084,060</b>	<b>29,204,195</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>86,542,709</b>	<b>76,466,413</b>
			
Dr. Tariq Mohammed Alhamdan Chairman		Amer Mohammed Alamer Chief Executive Officer	Mohammed Tarek Elsayed Chief Financial Officer

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2023

		December 31, 2023	December 31, 2022 Restated (Note 5)
	Note	SR	SR
Revenue	20	154,723,503	149,506,202
Cost of revenue	21	(105,598,863)	(89,817,895)
<b>Gross profit</b>		<b>49,124,640</b>	<b>59,688,307</b>
General and administrative expenses	22	(35,030,772)	(32,765,543)
<b>Operating profit for the year</b>		<b>14,093,868</b>	<b>26,922,764</b>
Finance cost	23	(725,592)	(712,079)
Other income, net	24	2,146,768	745,275
<b>Profit before zakat</b>		<b>15,515,044</b>	<b>26,955,960</b>
Zakat	18	(1,347,597)	(1,522,910)
<b>Net profit for the year</b>		<b>14,167,447</b>	<b>25,433,050</b>

**OTHER COMPREHENSIVE INCOME OR LOSS**

*Items that may not be reclassified to profit or loss:*

(Loss) / gain on re-measurement of employee defined benefit liabilities	(525,206)	321,355
Other comprehensive (loss) / income for the year	(525,206)	321,355
<b>Total comprehensive income for the year</b>	<b>13,642,241</b>	<b>25,754,405</b>



Dr. Tariq Mohammed Alhamdan  
Chairman



Amer Mohammed Alamer  
Chief Executive Officer




Mohammed Tarek Elsayed  
Chief Financial Officer


**TWAREAT MEDICAL CARE COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Share Capital	Statutory reserve	Actuarial reserve	(Accumulated losses) / retained earnings	Total Shareholders' equity
	SR	SR	SR	SR	SR
<b>January 1, 2022</b>	8,999,000	2,171,233	(670,643)	14,208,223	24,707,813
Net profit for the year -restated	-	-	-	25,433,050	25,433,050
Other comprehensive income for the year	-	-	321,355	-	321,355
Total comprehensive income – restated	-	-	321,355	25,433,050	25,754,405
Transfer to share capital	11,001,000	-	-	(11,001,000)	-
Transfer to statutory reserves	-	3,270,954	-	(3,270,954)	-
<b>Transactions with current owners in their capacity as owners:</b>					
Dividends (note 31)	-	-	-	(3,200,000)	(3,200,000)
<b>December 31, 2022 – restated</b>	<b>20,000,000</b>	<b>5,442,187</b>	<b>(349,288)</b>	<b>22,169,319</b>	<b>47,262,218</b>
<b>January 1, 2023 – restated</b>	<b>20,000,000</b>	<b>5,442,187</b>	<b>(349,288)</b>	<b>22,169,319</b>	<b>47,262,218</b>
Net profit for the year	-	-	-	14,167,447	14,167,447
Other comprehensive loss for the year	-	-	(525,206)	-	(525,206)
Total comprehensive loss	-	-	(525,206)	14,167,447	13,642,241
Transfer to share capital	20,000,000	-	-	(20,000,000)	-
<b>Transactions with current owners in their capacity as owners:</b>					
Dividends (note 31)	-	-	-	(9,445,810)	(9,445,810)
<b>December 31, 2023</b>	<b>40,000,000</b>	<b>5,442,187</b>	<b>(874,494)</b>	<b>6,890,956</b>	<b>51,458,649</b>

  
**Dr. Tariq Mohammed Alhamdan**  
Chairman

  
**Amr Mohammed Alamer**  
Chief Executive Officer

  
**Mohammed Tarek Elsayed**  
Chief Financial Officer

The accompanying notes form an integral part of these financial statements.

TWAREAT MEDICAL CARE COMPANY  
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022 Restated
	SR	SR
<b><u>Cash flows from operating activities:</u></b>		
Profit before zakat	15,515,044	26,955,960
<b>Adjustments for:</b>		
Depreciation on property and equipment	2,161,284	1,264,473
Depreciation on right of use assets	808,973	198,145
Amortisation of intangible assets	153,805	93,352
Gain on disposal of property and equipment	-	(4840)
Employee defined benefit liabilities	1,415,681	1,352,387
Finance cost	725,592	712,079
ECL allowance on accounts receivable	2,460,275	6,069,856
<b>Changes in working capital:</b>		
Accounts receivable, net	(14,415,809)	(2,651,837)
Prepaid expenses and other assets	(741,387)	(2,765,851)
Inventories	(204,794)	(912,667)
Due from a related party	27,677	(21,924)
Accounts payable	3,012,825	2,320,387
Accrued expenses and other liabilities	752,934	404,098
<b>Net cash generated from operations</b>	<b>11,672,100</b>	<b>33,013,618</b>
Finance cost paid	(265,144)	(545,496)
Zakat paid	(1,550,208)	(828,846)
Employees defined benefit liabilities paid	(738,944)	(585,297)
<b>Net cash generated from operating activities</b>	<b>9,117,804</b>	<b>31,053,979</b>
<b><u>Cash flows from investing activities:</u></b>		
Purchase of property and equipment	(7,640,591)	(12,515,727)
Purchase of intangible assets	(307,377)	(87,258)
Proceeds from disposals of property and equipment	-	30,760
<b>Net cash used in investing activities</b>	<b>(7,947,968)</b>	<b>(12,572,225)</b>
<b><u>Cash flows from financing activities:</u></b>		
Lease liabilities repaid	(1,372,083)	(657,428)
Long-term borrowings, net	(3,198,440)	1,539,782
Proceeds from short term loans, net	-	(4,312,454)
Short-term borrowings, net	876,000	-
Dividend paid	(8,235,537)	(3,200,000)
<b>Net cash used in financing activities</b>	<b>(11,930,060)</b>	<b>(6,630,100)</b>
<b>Net change in cash and cash equivalents</b>	<b>(10,760,224)</b>	<b>11,851,654</b>
Cash and cash equivalent at the beginning of the year	13,060,854	1,209,200
<b>Cash and cash equivalents at the end of the year</b>	<b>2,300,630</b>	<b>13,060,854</b>
<b>NON-CASH TRANSACTIONS</b>		
Additions to lease liabilities and right of use assets	3,138,576	-
Transfer from advances to suppliers to intangible asset	-	429,107

  
Dr. Tariq Mohammed Alhamdan  
Chairman

  
Amer Mohammed Alamer  
Chief Executive Officer

  
Mohammed Tarek Elsayed  
Chief Financial Officer

The accompanying notes form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. ORGANIZATION AND PRINCIPAL ACTIVITIES**

Twareat Medical Care Company (“the Company”) is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 2051054263 dated 6 Jumada’ II 1439H (February 22, 2018). The Company has obtained license from Ministry of Health under license number 3810501201210012 ending on Jumada’ I 20, 1446H.

During the period, as per the shareholders’ resolution dated April 11, 2023, the Company had increased its share capital by SR 20 million through transfer from retained earnings. The related legal formalities have been completed during the period.

The Company is engaged in General construction of residential buildings, renovation of residential and non-residential buildings, stores of medical devices and products, hospitals, medical operations of hospitals, general medical complexes, medical operations of medical complexes and one-day surgery centers, ambulance service centers, medical laboratories, home medical service centers, medical clinic mobile, telemedicine and telemedicine centers, medical operations of medical laboratories, radiology centers and supporting medical services, activities of drug stores and retail sale of medical devices, equipment and supplies.

The statutory financial year of the Company starts from January 1 and ends at December 31.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

**2.2 Accounting convention**

These financial statements have been prepared under historical cost convention using the accrual basis of accounting and the going concern basis except for where IFRS required other basis of accounting.

The preparation of financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimation are significant to the financial statements are described in note 4.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023

2. BASIS OF PREPARATION (Continued)

Amendments

The following amendments to standards relevant to the Company are effective for the annual periods beginning on or after January 1, 2023 (unless otherwise stated). The Company adopted these standards and / or amendments, however, there is no significant impact of these on the financial statements:

2.3 New amendments to standards issued and applied effective in year 2023

Amendments to standards	Description	Effective from accounting period beginning on or after	Summary of amendment
IFRS 9 (Amendments to IFRS 4)	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	January 1, 2023	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
IFRS 17	Insurance Contracts and its amendments	January 1, 2023	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements.
IAS 8	Amendment to the definition of accounting estimate	January 1, 2023	These amendments regarding the definition of accounting estimates help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023	These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences
IAS 12	International tax reform (pillar two model rules)	January 1, 2023	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**2. BASIS OF PREPARATION (Continued)**

**2.4 New standards, amendments and revised IFRS issued but not yet effective**

The Company has not applied the following new and revised IFRS Standards and amendments to IFRS that have been issued but are not yet effective:

IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**3. MATERIAL ACCOUNTING POLICIES**

**3.1 Revenue**

Revenue is recognized at the fair value of the consideration received or receivables taking in the consideration the payment terms specified in the contract with the customer excluding any tax or fees. The Company recognize revenues from contracts based on five steps model as follows:

- Identify the contract with the customer i.e. agreement with the Company which create exercisable rights and obligations.
- Identifying the performance obligation such as promises to deliver goods or services.
- Determining the transaction price based on the expected consideration receivables against the satisfaction of the performance obligation (excluding any amounts received on behalf of third parties)
- Allocate the transaction price for each performance obligation based on estimated selling price for goods and service provided to the client.
- Recognize revenue when (or as) the performance obligation is satisfied such as delivery of the contracted goods or services to the client till the client obtain the control which can be at a point of time or over time.

**(a) Sale of goods**

The sale of goods is recognized when the goods are delivered or shipped, in accordance with agreed contractual terms, when the control of the goods is transferred to the buyer and the Company has no continuing management relationship to the extent normally associated with ownership or effective control over the goods sold.

**(b) Rendering of services**

Revenue from services are recognized on the satisfaction of the related performance obligations and is classified as revenues from the main operating activities. Certain services are subject to variable considerations such as discounts and rejections. The Company calculate discounts and rejections based on its best estimates and depending on its experience and knowledge about the past and current events.

**(c) Other**

Other income is recognized on an accrual basis.

**3.2 Expenses**

*(i) Costs of revenue*

The costs incurred during the year, to produce the inventories that are sold, which includes direct and indirect cost of production, including direct labor, direct materials, depreciation and overheads are classified as cost of revenue.

*(ii) General and administrative expenses*

General and administrative expenses include costs not specifically part of selling and distribution expenses, cost of revenue, finance charges or Zakat expense. Allocations between general and administrative expenses, selling and distribution expenses and cost of revenue, when required, are made on a consistent basis.

**3.3 Foreign currency transactions**

The Company's financial statements are presented in Saudi Riyals (SR), which is also the Company's functional currency. Items included in the financial statements are measured using the functional currency of that entity.

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in profit or loss.

**3.4 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.



NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023

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3. MATERIAL ACCOUNTING POLICIES (Continued)

**3.5 Employee benefits**

The Company recognizes a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Company consumes the economic benefits arising from service provided by an employee in exchange for employee benefits. Employee benefits are short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, air tickets and sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Employee defined benefit liabilities

The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- interest expense; and
- re-measurements

The Company presents the first two components of defined benefit costs in profit or loss in relevant line items.

Retirement benefits

Retirement benefits made to funded defined contribution plans in respect of Saudi employees are expensed when incurred.

**3.6 Zakat**

The Company is subject to the regulations of the Zakat, Tax and Customs Authority (“ZATCA”) in the kingdom of Saudi Arabia. Zakat is calculated on accrual basis. Zakat is calculated on the higher of zakat base or adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

**3.7 Property and equipment**

Property and equipment, except land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses. Land and capital work-in-progress are stated at cost less impairment in value.

Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

The Company applies the following annual rates of depreciation to its property and equipment:

	<u>Year</u>
Building	45 Years
Vehicles	5 – 8 years
Furniture, fixtures and office equipment	4 – 5 years
Medical equipment	8 years
Leasehold improvements	10 years

Land and capital work-in-progress are not depreciated.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**3. MATERIAL ACCOUNTING POLICIES (Continued)**

**3.7 Property and equipment (Continued)**

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit or loss and other comprehensive income.

***Capitalization of costs***

The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that year.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Borrowing costs related to qualifying assets are capitalized as part of the cost of the qualified assets until the commencement of commercial production. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting year in which they are incurred. Maintenance and normal repairs which do not extend the estimated economic useful life of an asset or production output are charged to the statement of profit or loss and other comprehensive income as and when incurred.

**3.8 Impairment of non-financial assets**

The Company assesses at the end of each reporting period whether there is any indication that non-financial assets may be impaired.

Non-financial assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units 'CGUs'). Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management). When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Such impairment loss is recognized in the statement of profit or loss and other comprehensive income in the period it has occurred.

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill, if any, may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. Such reversal is recognized in the statement of profit or loss and other comprehensive income. Impairment losses on goodwill, if any, are not reversible.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**3. MATERIAL ACCOUNTING POLICIES (Continued)**

**3.9 Inventory**

Inventories are valued at the lower of cost and net realizable value. Cost of inventories is determined on a weighted average basis and includes costs of purchase of inventory, production or conversion costs and other costs incurred to bringing the inventories to their present location and condition. In the case of manufactured goods and work in progress, the cost includes an appropriate share of indirect production costs based on normal operating capacity.

Net realizable value (NRV) is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**3.10 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**3.11 Dividends**

Dividends are recorded in the financial statements in the year in which they are declared and approved by the shareholders of the Company.

**3.12 Leases**

Leases are recognized as a right-of-use asset and a corresponding liability, at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

**(a) Right of use asset**

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Refundable security deposits are not included in the initial measurement of a right-of-use asset. However, the difference between the nominal amount of the refundable security deposits and its fair value at the commencement of the lease represents an additional lease payment which is prepaid and accordingly added to the initial carrying amount of the right-of-use asset and released to the statement of profit or loss and other comprehensive income over the lease term as part of the depreciation of that asset.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of lease liabilities.

**(b) Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees; and
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**3. MATERIAL ACCOUNTING POLICIES (Continued)**

**3.12 Leases (Continued)**

**(b) Lease liabilities (Continued)**

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Short-term and low value leases

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office equipment.

**3.13 Financial instruments**

*a) Initial recognition and measurement of financial instruments*

The Company initially recognizes financial assets and financial liabilities when it becomes party to the contractual provisions of the financial instrument.

Where the trade receivables do not have a significant financing component, initial measurement is at their transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Except for trade receivables that do not have a significant financing component, initial measurement of the financial instrument is at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss and other comprehensive income.

***Business model assessment***

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**3. MATERIAL ACCOUNTING POLICIES (Continued)**

**3.13 Financial instruments (Continued)**

*a) Initial recognition and measurement of financial instruments (Continued)*

***Business model assessment (Continued)***

- How managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

*b) Financial assets - subsequent classification and measurement*

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. There are two criteria used to determine how financial assets should be classified and measured:

- (i) the Company's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial asset.

Key management personnel have determined that the Company's financial assets are held within a business model whose objective is to hold financial assets in order to collect cash flows.

A financial asset is measured at amortized cost if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Otherwise, a financial asset is measured at fair value through profit or loss (FVTPL).

Investments in equity instruments are measured at fair value, and the Company did not elect to present in other comprehensive income subsequent changes in the fair value of such investment in an equity instrument.

Financial assets are only reclassified between measurement categories, when and only when, the Company's business model for managing them changes, which is expected to be uncommon.

The Company derecognizes a financial asset when the rights to the cash flows from the financial asset have expired or where the Company has transferred substantially all risks and rewards associated with the financial asset and does not retain control of the financial asset.

*c) Impairment of financial assets*

The Company assesses, on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost.

As required by IFRS 9, the Company applies the simplified approach for trade receivables and contract assets. The Company uses a provision matrix in the calculation of the expected credit losses on trade receivables and contract assets to estimate the lifetime expected credit losses, applying certain provision rates to respective aging buckets.

*d) Write-off policy*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**3. MATERIAL ACCOUNTING POLICIES (Continued)**

**3.13 Financial instruments (Continued)**

*e) Financial liabilities - subsequent classification and measurement*

Financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period to the net carrying amount on initial recognition.

The Company derecognizes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

*f) Cash and cash equivalents*

For the purposes of the statements of financial positions and cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks, all of which are available for use by the Company unless otherwise stated and have maturities of three months or less, which are subject to insignificant risk of change in values.

*g) Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the recognized amounts and intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**4.1 Critical judgements in applying accounting policies**

The following are the critical judgements, that have most significant effects on the amounts recorded in the financial statements.

**(a) Rejections and discounts**

The Company calculate discounts and rejections based on its best estimates and depending on its experience and knowledge about the past and current events.

**(b) Revenue recognition**

Revenue is recorded at point in time in accordance with the requirements of IFRS-15 as per policy mentioned in note 3.1.

**4.2 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

**(a) Useful lives and residual values of property, plant and equipment and intangible assets**

The Company's management estimates the useful lives of its property, plant and equipment and intangible assets for the purpose of calculating depreciation and amortization respectively. These estimates are determined after considering the expected usage of the asset or physical wear and tear for useful lives. Residual values are based on experience and observable data where available. These are disclosed in note 3 of these financial statements.

**(b) Impairment of trade and other receivables**

The Company measures the loss allowance for trade receivables at an amount equal to lifetime Expected Credit losses (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Trade accounts receivable are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis (note 10).

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY  
(Continued)

4.2 Key sources of estimation uncertainty (Continued)

(c) Employee end of service benefits

Employee defined benefit liabilities are determined using an actuarial valuation which requires estimates to be made of the various inputs such as discount rates, rate of salary increase, mortality rates and employment turnover. Changes in key assumptions can have a significant impact on the projected benefit liabilities and/or periodic employee defined benefit costs incurred (note 14).

(d) Impairment of inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete or subject to technological changes, an estimate is made of their net realizable value. Factors considered in determination of markdowns include current and anticipated demand, customer preferences and age of inventories as well as seasonal trends. For individually significant amounts this estimation is performed on an individual basis. Items which are not individually significant, but which are old or obsolete, are assessed collectively and a markdown provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices (note 12).

(e) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events (note 25).

5. RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENT

During the year ended December 31, 2023, the Company has restated its revenue for the comparative year due to misstatement in revenue recognized for the year 2022. The misstatement relates to the reversal of revenue recognized and its corresponding receivables based on the rejected claims received during the year 2023. The correction of this misstatement has a material impact on the previously reported financial result for the year ended December 31, 2022 and now corrected under requirements of International Financial Reporting Standard (IFRSs).

The following have been made on the account of prior period errors in the financial statement.

Impact of financial position as at December 31, 2022	As previously	Adjustment	As restated
	reported		
	SR	SR	SR
Accounts receivable, net	40,572,322	(8,233,032)	32,339,290
Prepaid expenses and other assets	7,865,979	278,239	8,144,218
Retained earnings	29,445,810	(7,276,491)	22,169,319
Accrued expenses and other liabilities	6,604,384	(678,302)	5,926,082
<b>Impact of Profit or loss and other comprehensive income for the period ended December 31, 2022</b>	<b>As previously reported</b>	<b>Adjustment</b>	<b>As restated</b>
	SR	SR	SR
Revenue	156,782,693	(7,276,491)	149,506,202

**TWAREAT MEDICAL CARE COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**6. PROPERTY AND EQUIPMENT**

	Land		Building		Vehicles		Furniture, fixture and office equipment		Medical equipment		Leasehold improvements		Total	
	SR		SR		SR		SR		SR		SR		SR	
<b>Year ended December 31, 2023</b>														
<b>Cost</b>														
January 1, 2023	3,846,655		5,689,333		4,262,982		1,562,783		3,541,279		1,336,709		20,239,741	
Additions	-		-		2,295,552		1,771,305		1,502,844		2,070,890		7,640,591	
Transfer	-		-		1,202,087		-		-		-		1,202,087	
December 31, 2023	3,846,655		5,689,333		7,760,621		3,334,088		5,044,123		3,407,599		29,082,419	
<b>Accumulated depreciation</b>														
January 1, 2023	-		121,986		2,392,400		381,686		1,065,084		871,641		4,832,797	
Charge for the year	-		123,065		756,799		589,757		463,089		228,574		2,161,284	
Transfer	-		-		324,272		-		-		-		324,272	
December 31, 2023	-		245,051		3,473,471		971,443		1,528,173		1,100,215		7,318,353	
<b>Net book value at</b>														
December 31, 2023	3,846,655		5,444,282		4,287,150		2,362,645		3,515,950		2,307,384		21,764,066	
<b>Year ended December 31, 2022</b>														
<b>Cost</b>														
January 1, 2022	-		-		3,369,109		720,025		2,540,337		1,174,054		7,803,525	
Additions	3,846,655		5,689,333		955,473		842,758		1,018,853		162,655		12,515,727	
Disposals	-		-		(61,600)		-		(17,911)		-		(79,511)	
December 31, 2022	3,846,655		5,689,333		4,262,982		1,562,783		3,541,279		1,336,709		20,239,741	
<b>Accumulated depreciation</b>														
January 1, 2022	-		-		2,001,861		214,321		654,162		751,571		3,621,915	
Charge for the year	-		121,986		440,119		167,365		414,933		120,070		1,264,473	
Disposals	-		-		(49,580)		-		(4,011)		-		(53,591)	
December 31, 2022	-		121,986		2,392,400		381,686		1,065,084		871,641		4,832,797	
<b>Net book value at</b>														
December 31, 2022	3,846,655		5,567,347		1,870,582		1,181,097		2,476,195		465,068		15,406,944	



NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023

6. PROPERTY AND EQUIPMENT (Continued)

6.1 Allocation of Depreciation

	December 31, 2023	December 31, 2022
	SR	SR
Cost of revenue (note 21)	1,468,955	905,514
General and administrative expenses (note 22)	692,329	358,959
	<u>2,161,284</u>	<u>1,264,473</u>

7. RIGHT OF USE ASSETS

	December 31, 2023	December 31, 2022
	SR	SR
<b>Cost</b>		
January 1	1,590,607	1,590,607
Additions	3,138,576	-
Transfer to property and equipment	(1,202,087)	-
December 31	<u>3,527,096</u>	<u>1,590,607</u>
<b>Accumulated depreciation</b>		
January 1	239,755	41,610
Charge for the year (note 21)	808,973	198,145
Transfer to property and equipment	(324,272)	-
December 31	<u>724,456</u>	<u>239,755</u>
<b>Net Book Value</b>		
December 31, 2023	<u>2,802,640</u>	<u>1,350,852</u>

8. INTANGIBLE ASSETS

	December 31, 2023	December 31, 2022
	SR	SR
<b>Cost</b>		
January 1	516,365	-
Additions	307,377	87,258
Transfer from advances	-	429,107
December 31	<u>823,742</u>	<u>516,365</u>
<b>Accumulated amortization</b>		
January 1	93,352	-
Amotisation (note 22)	153,805	93,352
December 31	<u>247,157</u>	<u>93,352</u>
<b>Net Book Value</b>		
December 31, 2023	<u>576,585</u>	<u>423,013</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**9. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash, demand deposits and highly liquid investments with original maturities of three months or less.

	<b>December 31, 2023</b>	December 31, 2022
	<b>SR</b>	SR
Cash at bank	<b>2,216,600</b>	13,018,967
Cash in hand	<b>84,030</b>	41,887
	<b>2,300,630</b>	13,060,854

**10. ACCOUNTS RECEIVABLE, NET**

	<b>December 31, 2023</b>	December 31, 2022
	<b>SR</b>	Restated SR
Accounts receivable, gross	<b>56,607,187</b>	36,460,380
Revenue in excess of billing	-	5,730,998
ECL allowance on accounts receivable	<b>(12,312,363)</b>	(9,852,088)
Accounts receivable, net	<b>44,294,824</b>	32,339,290

The following table shows the movement in lifetime ECL that been recognized for accounts receivable in accordance with the simplified approach set out in IFRS 9:

	<b>2023</b>	2022
	<b>SR</b>	SR
January 1,	<b>9,852,088</b>	3,782,232
Charge for the year	<b>2,460,275</b>	6,069,856
December 31,	<b>12,312,363</b>	9,852,088

The following table shows the ECL by gross trade receivables aging:

	<b>Current</b>	<b>31-180</b>	<b>181-365</b>	<b>&gt; 365</b>	<b>Total</b>
<b>2023</b>					
Gross trade receivables	<b>16,281,117</b>	<b>25,648,618</b>	<b>4,001,876</b>	<b>10,675,576</b>	<b>56,607,187</b>
Less: ECL allowance	-	<b>(1,707,444)</b>	<b>(944,352)</b>	<b>(9,660,567)</b>	<b>(12,312,363)</b>
Net trade receivables	<b>16,281,117</b>	<b>23,941,174</b>	<b>3,057,524</b>	<b>1,015,009</b>	<b>44,294,824</b>
<b>Average loss rates (%)</b>	<b>0.00</b>	<b>6.66</b>	<b>23.6</b>	<b>90.49</b>	<b>21.75</b>
<b>2022 – Restated</b>					
Gross trade receivables	18,503,332	10,936,864	5,850,924	6,900,258	42,191,378
Less: ECL allowance	-	(819,775)	(2,132,055)	(6,900,258)	(9,852,088)
Net trade receivables	18,503,332	10,117,089	3,718,869	-	32,339,290
<b>Average loss rates (%)</b>	<b>0.00</b>	<b>7.5</b>	<b>36.44</b>	<b>100.00</b>	<b>23.35</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**11. PREPAID EXPENSES AND OTHER ASSETS**

	<b>December 31, 2023</b>	December 31, 2022 Restated
	SR	SR
Prepaid expenses	<b>5,250,854</b>	3,992,923
Advances to suppliers	<b>2,677,941</b>	3,038,078
Refundable deposit	<b>694,138</b>	560,908
Advance to employees	<b>262,672</b>	274,070
VAT Claimable	-	278,239
	<b>8,885,605</b>	<b>8,144,218</b>

**12. INVENTORIES**

	<b>December 31, 2023</b>	December 31, 2022
	SR	SR
Consumables	<b>1,696,519</b>	2,999,870
Medicines	<b>1,397,490</b>	2,427,007
Medical supplies	<b>2,824,350</b>	286,688
	<b>5,918,359</b>	<b>5,713,565</b>

**13. STATUTORY RESERVE**

The company did not reserve any additional amounts from the net profit of the year for the statutory reserve, in line with the requirements of the companies' law and the company's bylaws. This reserve is not available for distribution to shareholders.

**14. EMPLOYEES DEFINED BENEFITS LIABILITIES**

	<b>December 31, 2023</b>	December 31, 2022
	SR	SR
January 1,	<b>3,759,637</b>	3,248,328
Current service cost	<b>1,415,681</b>	1,352,387
Interest cost (note 23)	<b>200,225</b>	65,574
Loss / (gain) on re-measurements	<b>525,206</b>	(321,355)
Paid during the year	<b>(738,944)</b>	(585,297)
December 31,	<b>5,161,805</b>	<b>3,759,637</b>

Expenses charged to statement of profit or loss during the year:

	<b>December 31, 2023</b>	December 31, 2022
	SR	SR
Current service cost	<b>1,415,681</b>	1,352,387
Interest cost	<b>200,225</b>	65,574
Cost recognized in profit and loss	<b>1,615,906</b>	<b>1,417,961</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023

14. EMPLOYEES DEFINED BENEFITS LIABILITIES (Continued)

	December 31, 2023	December 31, 2022
	SR	SR
<b>Principal actuarial assumptions</b>		
Discount factor used	3.9%	3.9%
Salary increase rate	3%	3%
Mortality rates	WHO-SA 19	WHO-SA 19
Rates of employees turnover	Low	Low
Weighted average duration	7.9	7.87

Sensitivity analysis on present value of defined benefit obligations plan are as below:

	December 31, 2023		December 31, 2022	
	Percentage	SR	Percentage	SR
<b>Discount rate</b>				
Increase	1%	4,891,693	1%	3,554,637
Decrease	1%	5,462,046	1%	3,988,637
<b>Expected rate of salary</b>				
Increase	1%	5,439,021	1%	3,971,637
Decrease	1%	4,908,452	1%	3,565,637

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employees end-of-service benefits recognized within the statement of financial position.

15. BORROWINGS

15.1 Short term borrowings

The Company has obtained Bai ajel facility from local bank ("the Facility") which comprise of letter of credit. As per the agreement, the facility is repayable in 3 months. The facility carries financing charges at 10%. As per facility agreement, the company may obtain fresh facility after repaying the amount.

15.2 Long term borrowings

The Company has obtained a long term Murabaha facility from a local financial institution amounted to SR 7 million to finance working capital which has been withdrawn in full during the year 2020. As per the agreement, the facility is guaranteed by personal guarantee from shareholders of Company. The outstanding balance is repayable in 30 equal monthly installments of SR 261,333 each commencing from July 1, 2021. The loan carries financing charges at 9.35% per annum. The loan has settled in December, 2023.

During 2022, the Company has obtained a land and building on loan from Ministry of Finance. The Ministry had previously provided this land and building on finance to a third party. During 2022, the ownership of the land and building is transferred from the third party to the Company. The Company paid SR 4 million to the third party on transfer. Total loan is amounting to SR 6.1 million which is repayable by the company in 18 equal annual installments of SR 0.3 million each, commencing from July 28, 2022. The loan is presented in the statement of financial position as follows;

	December 31, 2023	December 31, 2022
	SR	SR
Total long term borrowings	4,068,356	7,266,796
Less : Non-current portion	(3,858,433)	(4,068,355)
Current portion	209,923	3,198,441

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**15. BORROWINGS (Continued)**

**15.2 Long term borrowings (Continued)**

Maturity profile of the long term borrowings is as follows;

	<b>December 31,</b> <b>2023</b>	December 31, 2022
	SR	SR
Year 1	<b>209,923</b>	3,198,441
2 to 5 years	<b>893,505</b>	871,712
More than 5 years	<b>2,964,928</b>	3,196,643
	<b>4,068,356</b>	7,266,796

**16. LEASES**

The Company has lease liabilities related to the vehicles and head office. With the exception of short-term leases, each lease is presented as a lease liability on the statement of financial position. The right of use of assets are classified in property and equipment. Movement in the lease liabilities during the year is as follows:

	<b>December 31,</b> <b>2023</b>	December 31, 2022
	SR	SR
Opening balance	<b>578,573</b>	1,134,992
Additions	<b>3,138,576</b>	-
Finance cost	<b>260,223</b>	101,009
Settlements	<b>(1,372,083)</b>	(657,428)
	<b>2,605,289</b>	578,573
Less : Non-current portion	<b>(2,028,486)</b>	-
Current portion	<b>576,803</b>	578,573

Lease payments and finance charges related to lease liabilities are as follows:

	<b>December 31,</b> <b>2023</b>	December 31, 2022
	SR	SR
Year 1	<b>744,150</b>	604,425
Year 2 to 5	<b>2,232,450</b>	-
Minimum lease payments	<b>2,976,600</b>	604,425
Finance charges	<b>(371,311)</b>	(25,852)
Net minimum lease payments	<b>2,605,289</b>	578,573

**17. ACCRUED EXPENSES AND OTHER LIABILITIES**

	<b>December 31,</b> <b>2023</b>	December 31, 2022
	SR	Restated SR
Employees short term benefits	<b>2,723,888</b>	2,669,416
Salaries payable	<b>465,207</b>	1,886,684
VAT payable	<b>1,340,821</b>	-
Accrued expenses	<b>302,085</b>	315,806
Credit cards	<b>29,276</b>	22,186
Advances from customers	<b>659,409</b>	24,253
Commission	<b>787,974</b>	-
Dividend payable	<b>1,210,273</b>	-
Others	<b>370,356</b>	1,007,737
	<b>7,889,289</b>	5,926,082

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023

18. ZAKAT

The important elements of zakat base are as follows:

	December 31, 2023	December 31, 2022 Restated
	SR	SR
Non-current assets	25,143,291	17,180,809
Non-current liabilities	11,048,724	7,827,992
Opening shareholders' equity	47,262,218	24,707,813
Net profit before zakat	15,515,044	26,955,960

Some of these amounts are adjusted to reach the zakat base for the year.

Movement in provision for zakat is as follows:

	December 31, 2023	December 31, 2022
	SR	SR
Opening balance	1,522,910	828,846
Charge for the year	1,320,299	1,522,910
Prior year charge	27,298	-
Paid during the year	(1,550,208)	(828,846)
Closing balance	1,320,299	1,522,910

**Zakat status**

The Company submitted its zakat returns up to 2022, settled zakat as per the returns and obtained required certificates and official receipts.

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the year, the Company transacted with the related parties in normal course of its business. Transactions and balances with related parties as at December 31, 2023 and 2022 are as follows;

**Detail of significant transactions with related parties:**

Related party	Relationship	Nature of transaction	December 31, 2023	December 31, 2022
			SR	SR
Amer Mohammed Alamer	Shareholder	Expenses	-	27,677

**Remuneration of key management personnel**

	December 31, 2023	December 31, 2022
	SR	SR
Short term employee benefits	5,671,977	4,719,970
Long term employee benefits	243,750	221,375

**Due from a related party:**

	December 31, 2023	December 31, 2022
	SR	SR
Amer Mohammed Alamer	-	27,677
	-	27,677

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**20. REVENUE**

	<b>2023</b>	<b>2022</b>
	<b>SR</b>	<b>SR</b>
Service revenue	<b>138,664,334</b>	135,485,393
Revenue from supplies	<b>16,059,169</b>	14,020,809
	<b>154,723,503</b>	149,506,202

**20.1 Sector wise revenue**

	<b>2023</b>	<b>2022</b>
	<b>SR</b>	<b>SR</b>
Revenue from government and semi government sector	<b>58,413,224</b>	56,928,398
Revenue from private sector	<b>96,310,279</b>	92,577,804
	<b>154,723,503</b>	149,506,202

**21. COST OF REVENUE**

	<b>2023</b>	<b>2022</b>
	<b>SR</b>	<b>SR</b>
Employee related costs	<b>58,508,423</b>	47,965,422
Materials consumed	<b>37,357,671</b>	33,807,130
Subcontractors	<b>4,159,480</b>	4,764,183
Commission	<b>1,680,477</b>	863,409
Depreciation (note 6.1)	<b>1,468,955</b>	905,514
Depreciation right of use assets (note 7)	<b>808,973</b>	198,145
Others	<b>1,614,884</b>	1,314,092
	<b>105,598,863</b>	89,817,895

**22. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>SR</b>	<b>SR</b>
Employee related costs	<b>19,453,760</b>	17,782,396
Allowance for impairment of account receivables	<b>2,460,275</b>	6,069,856
Insurance	<b>2,846,345</b>	2,410,253
Legal and professional expenses	<b>2,917,943</b>	1,621,972
Short term leases	<b>1,750,183</b>	1,084,600
Travelling	<b>1,412,865</b>	1,181,189
Repairs and maintenance	<b>1,477,355</b>	1,113,447
Utilities	<b>857,794</b>	537,821
Depreciation (note 6.1)	<b>692,329</b>	358,959
Amortisation expense (note 8)	<b>153,805</b>	93,352
Bank charges	<b>25,952</b>	15,917
Others	<b>982,166</b>	495,781
	<b>35,030,772</b>	32,765,543

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023

23. FINANCE COST

	2023	2022
	SR	SR
Lease liabilities (note 16)	260,223	101,009
Finance cost on employees defined benefits liabilities (note 14)	200,225	65,574
Short term borrowings	18,256	38,648
Long term borrowings	246,888	506,848
	<u>725,592</u>	<u>712,079</u>

24. OTHER INCOME - NET

	2023	2022
	SR	SR
Compensation from government	1,892,170	635,528
Gain from disposal of property and equipment	-	86,947
Others	254,598	22,800
	<u>2,146,768</u>	<u>745,275</u>

25. CONTINGENCIES AND COMMITMENTS

As at December 31, 2023 and 2022, the Company has following contingencies and commitments:

	2023	2022
	SR	SR
Letter of guarantees	39,780	-

26. FINANCIAL RISK MANAGEMENT

Financial instruments carried on the statement of financial position include cash and cash equivalents, accounts receivables and other debit balances, accounts payables and other credit balances, short term loans, due to and due from related parties and certain other assets and liabilities.

**Credit risk** is the risk that one party may fail to discharge an obligation and can cause the other party to incur a financial loss. The Company has no significant concentration of credit risks. Cash and cash equivalents are placed with national banks with sound banking reputation. Trade receivables are mainly due from local customers and are stated at their estimated realizable values.

**Currency risk** is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyal, United States Dollar and Euro. Management monitors the fluctuation in currencies exchange rates and believe that currencies risk is not significant.

**Liquidity risk** is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to realize the values of financial assets at an amount close to its fair value. Further, management also monitors on a regular basis that sufficient funds are available to meet the Company's future commitments.

The Company's current liabilities approximate to its current assets. The management believes that this is not expected to significantly impact the Company's ability to meet its obligation as the Company manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available throughout the year.



NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2023

26. FINANCIAL RISK MANAGEMENT (Continued)

Maturity profile of financial liabilities (undiscounted basis)

	Interest Rate (%)	Within 1 year	1 to 5 years	Over 5 years	Total
<b>2023</b>					
Lease liabilities	4 - 10	744,150	2,232,450	-	2,976,600
Long-term borrowings	2.5-9.35	209,923	893,505	2,964,928	4,068,356
Short-term borrowings	10	876,000			876,000
Accounts payables and other liabilities	Interest free	19,052,081	-	-	19,052,081
		<b>20,882,154</b>	<b>3,125,955</b>	<b>2,964,928</b>	<b>26,973,037</b>
	Interest Rate (%)	Within 1 year	1 to 5 years	Over 5 years	Total
<b>2022</b>					
Lease liabilities	10	604,425	-	-	604,425
Long-term borrowings	2.5-9.35	3,440,032	1,216,128	3,648,369	8,304,529
Accounts payables and other liabilities	Interest free	16,052,026	-	-	16,052,026
		<b>20,096,483</b>	<b>1,216,128</b>	<b>3,648,369</b>	<b>24,960,980</b>

The following table combines information about classes of financial instruments based on their nature and characteristics and the carrying amounts of financial instruments:

	December 31, 2023	December 31, 2022 Restated
	SR	SR
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	2,300,630	13,060,854
Accounts and other receivables	44,988,962	32,900,198
Due from a related party	-	27,677
<b>Total financial assets measured at amortised cost</b>	<b>47,289,592</b>	<b>45,988,729</b>
<b>Financial liabilities measured at amortised cost:</b>		
Accounts payable and other liabilities	19,052,081	16,052,026
Lease liabilities	2,605,289	578,573
Short term borrowings	876,000	-
Long term borrowings	4,068,356	7,266,796
<b>Total financial liabilities measured at amortised cost</b>	<b>26,601,726</b>	<b>23,897,395</b>

27. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. For capital management purposes, capital was considered as equal to the total equity of the Company.

Company's gearing ratio as of December 31, 2023, measured as total borrowings less cash and cash equivalents over total capital employed, was 0.03 (December 31, 2022: nil). No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023 and 2022.

28. FAIR VALUE

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. As these financial statements are prepared under the historical cost method, differences may arise between the book values and the fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**29. SUBSEQUENT EVENT**

There were no significant subsequent events, adjusting or non-adjusting, since December 31, 2023 that would have a material impact on the financial position or financial performance of the Company as reflected in these financial statements.

**30. RECLASSIFICATIONS**

Certain prior year figures have been reclassified to correspond to the current year classification.

**31. DIVIDEND**

Dividends of SR 0.24 per share (2022: SR 1.60), totaling SR 9.45 million (2022: SR 3.20 million) were declared during the year ended December 31, 2023. Dividends paid during the year to ordinary shareholders amounted to SR 8.24 million (December 31, 2022: 3.20 million).

**32. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Directors for issuance on Ramadan 16, 1445H corresponding March 26, 2024.

**10-2 The Reviewed Financial statements for the 6 months period ending on  
30/06/2024G**

**TWAREAT MEDICAL CARE COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**

**REISSUED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**  
**WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE REISSUED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**TO THE SHAREHOLDERS OF TWAREAT MEDICAL CARE COMPANY**

(A SAUDI CLOSED JOINT STOCK COMPANY)

(1/1)

**KHOBAR, KINGDOM OF SAUDI ARABIA**

**INTRODUCTION**

We have reviewed the accompanying reissued interim statement of financial position of Twareat Medical Care Company (the "Company") as at 30 June 2024 and the related reissued interim statement of profit or loss and other comprehensive income for the six months period then ended, and the reissued interim statements of changes in equity and cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these reissued condensed interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these reissued condensed interim financial statements based on our review.

**SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", that is endorsed in the Kingdom of Saudi Arabia. A review of reissued condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**EMPHASIS OF MATTER**

We draw attention to the following matters:

- Note 1 which states that the reissued condensed interim financial statements replace the condensed interim financial statements for the period ended June 30, 2024 previously issued by the Company on August 1, 2024 (corresponding 26 Muharram 1446H).
- Note 13 to the accompanying reissued condensed interim financial statements which describes certain revisions made to related party disclosures by management and directors subsequent to the issuance on August 1, 2024 (corresponding 26 Muharram 1446H).

**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying reissued condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

**For PKF Al Bassam  
Chartered Accountants**



Ahmed Abdulmajeed Mohandis  
Certified Public Accountant  
License No. 477  
Khobar: 30 Rabi I 1446H  
Corresponding to: October 3, 2024




**TWAREAT MEDICAL CARE COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)


**REISSUED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	Note	June 30, 2024 SR (Unaudited)	December 31, 2023 SR (Audited)
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property and equipment, net	4	22,062,050	21,764,066
Right of use assets	5	2,464,499	2,802,640
Intangible assets		487,942	576,585
<b>Total non-current assets</b>		<b>25,014,491</b>	<b>25,143,291</b>
<b>Current assets</b>			
Cash and cash equivalents		2,716,538	2,300,630
Accounts receivable, net	6	59,712,477	44,294,824
Due from related parties	9	111,153	-
Prepaid expenses and other assets		11,523,817	8,885,605
Inventories		5,998,203	5,918,359
<b>Total current assets</b>		<b>80,062,188</b>	<b>61,399,418</b>
<b>TOTAL ASSETS</b>		<b>105,076,679</b>	<b>86,542,709</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	40,000,000	40,000,000
Statutory reserve	11	-	5,442,187
Actuarial reserve		(874,494)	(874,494)
Retained earnings		21,569,568	6,890,956
<b>Total equity</b>		<b>60,695,074</b>	<b>51,458,649</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term borrowings – non-current portion	7	3,858,433	3,858,433
Lease liabilities – non-current portion		1,722,668	2,028,486
Employees’ end of service benefits		6,296,089	5,161,805
<b>Total non-current liabilities</b>		<b>11,877,190</b>	<b>11,048,724</b>
<b>Current liabilities</b>			
Short term borrowings		3,021,612	876,000
Long term borrowings - current portion	7	209,923	209,923
Lease liabilities – current portion		599,875	576,803
Accounts payable		13,429,443	15,163,022
Accrued expenses and other liabilities		13,759,879	7,889,289
Provision for zakat	8	1,483,683	1,320,299
<b>Total current liabilities</b>		<b>32,504,415</b>	<b>24,035,336</b>
<b>Total liabilities</b>		<b>44,381,605</b>	<b>35,084,060</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>105,076,679</b>	<b>86,542,709</b>

**CONTINGENCIES AND COMMITMENTS**

  
\_\_\_\_\_  
**Dr. Tariq Mohammed Alhamdan**  
Chairman

  
\_\_\_\_\_  
**Amer Mohammed Alamer**  
Chief Executive Officer

  
\_\_\_\_\_  
**Mohammed Tarek Elsayed**  
Chief Financial Officer

The accompanying notes form an integral part of these reissued condensed interim financial statements.

**TWAREAT MEDICAL CARE COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)

**REISSUED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

	<u>Note</u>	<u>June 30, 2024</u> SR (Unaudited)	<u>June 30, 2023</u> SR (Unaudited)
Revenue		92,229,755	71,701,580
Cost of revenue		(57,027,187)	(48,126,846)
<b>Gross profit</b>		<u>35,202,568</u>	<u>23,574,734</u>
General and administrative expenses		(19,323,858)	(16,958,291)
<b>Operating profit for the period</b>		<u>15,878,710</u>	<u>6,616,443</u>
Finance cost		(263,145)	(255,122)
Other income, net		939,259	827,442
<b>Net profit before zakat</b>		<u>16,554,824</u>	<u>7,188,763</u>
Zakat	8	(427,443)	(660,150)
<b>Net profit for the period</b>		<u>16,127,381</u>	<u>6,528,613</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>16,127,381</u>	<u>6,528,613</u>



**Dr. Tariq Mohammed Alhamdan**  
Chairman



**Amer Mohammed Alamer**  
Chief Executive Officer



**Mohammed Tarek Elsayed**  
Chief Financial Officer

**TWAREAT MEDICAL CARE COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)

**REISSUED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

	Share capital		Statutory reserve		Actuarial reserve		Retained earnings		Total equity	
	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR
Balance as at December 31, 2022 (audited) / (restated)	20,000,000	5,442,187	(349,288)	22,169,319	47,262,218					
Net profit for the period	-	-	-	6,528,613	6,528,613					
Other comprehensive income for the period	-	-	-	-	-					
Total comprehensive income for the period (unaudited)	-	-	-	6,528,613	6,528,613					
Transfer from retained earnings (note 1)	20,000,000	-	-	(20,000,000)	-					
Dividends for the period (note 12)	-	-	-	(9,445,810)	(9,445,810)					
Balance as at June 30, 2023 (unaudited)	40,000,000	5,442,187	(349,288)	(747,878)	44,345,021					
Balance as at December 31, 2023 (audited)	40,000,000	5,442,187	(874,494)	6,890,956	51,458,649					
Net profit for the period	-	-	-	16,127,381	16,127,381					
Other comprehensive income for the period	-	-	-	-	-					
Total comprehensive income for the period (unaudited)	-	-	-	16,127,381	16,127,381					
Transfer to retained earnings (note 11)	-	(5,442,187)	-	5,442,187	-					
Dividends for the period (note 12)	-	-	-	(6,890,956)	(6,890,956)					
Balance as at June 30, 2024 (unaudited)	40,000,000	-	(874,494)	21,569,568	60,695,074					



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Chairman



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Chief Executive Officer



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Chief Financial Officer

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**TWAREAT MEDICAL CARE COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)

**REISSUED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

	June 30, 2024	June 30, 2023
	SR	SR
	(Unaudited)	(Unaudited)
<b><u>Cash flows from operating activities:</u></b>		
Net profit for the period before zakat	16,554,824	7,188,763
<b><u>Adjustments for:</u></b>		
Depreciation on property and equipment, net	1,746,903	1,338,358
Amortization of intangible assets	104,406	64,548
Employees' end of service benefits	1,520,608	1,310,310
Finance cost	263,145	255,122
Provision for impairment of accounts receivables	224,233	850,000
<b><u>Changes in:</u></b>		
Accounts receivables, net	(15,641,886)	(14,492,814)
Due from a related party	(111,153)	-
Prepaid expenses and other assets	(2,638,212)	(2,172,214)
Inventories	(79,844)	496,045
Accounts payable	266,421	2,051,836
Accrued expenses and other liabilities	1,540,410	258,784
<b>Cash generated / (used in) operations</b>	<b>3,749,855</b>	<b>(2,851,262)</b>
Finance cost paid	(93,151)	(144,462)
Zakat paid	(264,059)	(1,522,910)
Employees end of service benefits paid	(386,324)	(216,373)
<b>Net cash generated / (used in) operating activities</b>	<b>3,006,321</b>	<b>(4,735,007)</b>
<b><u>Cash flows from investing activities:</u></b>		
Purchase of property and equipment, net	(1,706,746)	(3,330,643)
Purchase of intangible assets	(15,763)	-
Proceeds from disposals of property and equipment, net	-	-
<b>Net cash used in investing activities</b>	<b>(1,722,509)</b>	<b>(3,330,643)</b>
<b><u>Cash flows from financing activities:</u></b>		
Repayment of lease liabilities	(372,075)	(950,648)
Long term loans, net	-	(1,463,838)
Short term loans, net	2,145,612	-
Dividend paid	(2,641,441)	-
<b>Net cash used in financing activities</b>	<b>(867,904)</b>	<b>(2,414,486)</b>
<b>Net change in cash and cash equivalents</b>	<b>415,908</b>	<b>(10,480,136)</b>
Cash and cash equivalent at the beginning of the period	2,300,630	13,060,854
<b>Cash and cash equivalents at the end of the period</b>	<b>2,716,538</b>	<b>2,580,718</b>
<b>Non-cash transaction:</b>		
Right of use asset and lease liabilities recognised	-	3,138,576



**Dr. Tariq Mohammed Alhamdan**  
Chairman



**Amer Mohammed Alamer**  
Chief Executive Officer



**Mohammed Tarek Elsayed**  
Chief Financial Officer

The accompanying notes form an integral part of these reissued condensed interim financial statements.



**NOTES TO THE REISSUED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

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**1. ORGANIZATION AND PRINCIPAL ACTIVITIES**

Twareat Medical Care Company (“the Company”) is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 2051054263 dated 6 Jumada’ II 1439H (February 22, 2018). The Company has obtained license from Ministry of Health under license number 3810501201210012 ending on Jumada’ I 20, 1446H.

During 2023, as per the shareholders’ resolution dated April 11, 2023, the Company had increased its share capital by SR 20 million through transfer from retained earnings. The related legal formalities have been completed during the period.

The Company’s registered office is located on Prince Turki Bin Abdul Aziz Road, Kinan Al-Sharq Tower, 4th Floor, Al Khobar, Kingdom of Saudi Arabia. (P.O. 31952, Zip Code: 79566).

The Company is engaged in General construction of residential buildings, renovations of residential and non-residential buildings, stores of medical devices and products, hospitals, medical operation of hospitals, general medical complexes, medical operation of medical complexes and one-day surgery centers, ambulance services centers, medical laboratories, home medical services centers, medical clinics Mobile, telemedicine and telemedicine centers, medical operation of medical laboratories, radiology centers and supporting medical services, activities of drug stores and retail sale of medical devices, equipment and supplies.

The statutory financial year of the Company starts from January 1 and ends on December 31.

These reissued condensed interim financial statements replace the condensed interim financial statements for the period ended June 30, 2024 previously approved by the Board of Directors of the Company on August 1, 2024 (corresponding 26 Muharram 1446H. Note 13 sets out details of the nature of and reasons for the changes made in the reissued financial statements.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements for the six months’ period ended June 30, 2024 have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and hence should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2023.

**2.2 Accounting convention**

These condensed interim financial statements have been prepared under the historical cost convention except where International Financial Reporting Standards (IFRSs) require other measurement basis.

These condensed interim financial statements are presented in Saudi Riyals which represent the Company's functional currency.

The preparation of condensed interim financial statements in conformity with IFRSs required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the condensed interim financial statements. These critical accounting judgements and key sources of estimations were the same as those described in the last annual audited financial statements.

**New standards, amendments to standards and interpretations effective from January 1, 2024**

There are no new standards issued, however, there are a number of amendments to the Standards effective from January 1, 2024, which had no material impact on the Company's condensed interim financial statements. These new amendments to the standards have been explained in the Company’s annual audited financial statements.

**3. MATERIAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of condensed interim financial statements are consistent with those of the previous financial year and the respective comparative interim reporting period.

**NOTES TO THE REISSUED CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

**4. PROPERTY AND EQUIPMENT, NET**

4.1 During the period ended June 30, 2024, the Company purchased items of property and equipment amounting to SR 1.71 million (period ended June 30, 2023: SR 3.33 million).

**5. RIGHT OF USE ASSETS**

5.1 During the period ended June 30, 2024, the Company has not purchased any items of right of use asset (period ended June 30, 2023: SR 3.14 million).

**6. ACCOUNTS RECEIVABLE, NET**

	<b>June 30, 2024</b>	December 31, 2023
	<b>SR</b>	SR
	<b>(Unaudited)</b>	(Audited)
Accounts receivable, gross	<b>53,807,039</b>	56,607,187
Unbilled revenue	<b>18,442,034</b>	-
Less: provision for impairment of accounts receivable	<b>(12,536,596)</b>	(12,312,363)
Accounts receivable, net	<b>59,712,477</b>	44,294,824

The following table shows the movement in lifetime ECL that has been recognized against account receivables during the period/year:

	<b>June 30, 2024</b>	December 31, 2023
	<b>SR</b>	SR
	<b>(Unaudited)</b>	(Audited)
As at beginning of the period / year	<b>12,312,363</b>	9,852,088
ECL allowance for the period / year	<b>224,233</b>	2,460,275
As at end of the period / year	<b>12,536,596</b>	12,312,363

**7. BORROWINGS**

**7.1 Short term borrowings**

The Company has obtained three Bai ajel facility from local bank (“the Facility”) which comprise of letter of credit. As per the agreement, the facility is repayable in 3 months. The facility carries financing charges at 10%. As per facility agreement, the company may obtain fresh facility after repaying the amount.

**7.2 Long term borrowings**

During 2022, the Company has obtained a land and building on loan from Ministry of Finance. The Ministry had previously provided this land and building on finance to a third party. During 2022, the ownership of the land and building is transferred from the third party to the Company. The Company paid SR 4 million to the third party on transfer. Total loan is amounting to SR 6.1 million which is repayable by the company in 18 equal annual installments of SR 0.3 million each, commencing from July 28,2022.

	<b>June 30, 2024</b>	December 31, 2023
	<b>SR</b>	SR
	<b>(Unaudited)</b>	(Audited)
Total long term borrowings	<b>4,068,356</b>	4,068,356
Less : Non-current portion	<b>(3,858,433)</b>	(3,858,433)
Current portion	<b>209,923</b>	209,923

**NOTES TO THE REISSUED CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

**8. ZAKAT**

Movement in provision for zakat is as follows:

	<b>June 30, 2024</b>	December 31, 2023
	SR	SR
	<b>(Unaudited)</b>	(Audited)
Opening balance	<b>1,320,299</b>	1,522,910
Charge for the period / year	<b>427,443</b>	1,320,299
Prior year charge	-	27,298
Paid during the period / year	<b>(264,059)</b>	(1,550,208)
Closing balance	<b>1,483,683</b>	1,320,299

**Zakat status**

The Company has submitted its zakat returns up to 2023, settled zakat as per the returns and obtained required certificates and official receipts.

**9. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

During the period, the Company transacted with the related parties in normal course of its business. Transactions with related parties as at June 30 are as follows;

**Detail of significant transactions with related parties:**

<b>Related parties</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>For the period ended June 30, 2024</b>	For the period ended June 30, 2023
			SR	SR
			<b>(Unaudited)</b>	(Unaudited) (Restated)
Amer bin Mohammed bin Amer Al Amer	Shareholder	Expenses incurred by Company	<b>104,172</b>	-
Dr. Tariq Mohammed Alhamdan	Shareholder	Expenses incurred by Company	<b>6,981</b>	-
Kinan Al Shareq Business Company for Real Estate Development (note 13)	Related Party to Board Member	Rent	<b>372,075</b>	20,671
Key management personnel		Remuneration and benefits	<b>3,104,029</b>	1,970,570

**Due from related parties:**

	<b>June 30, 2024</b>	December 31, 2023
	SR	SR
	<b>(Unaudited)</b>	(Audited)
Amer bin Mohammed bin Amer Al Amer	<b>104,172</b>	-
Dr. Tariq Mohammed Alhamdan	<b>6,981</b>	-
	<b>111,153</b>	-

**NOTES TO THE REISSUED CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

**10. CONTINGENCIES AND COMMITMENTS**

As at June 30, 2024 and December 31, 2023, the Company has following capital contingencies and commitments:

	<b>June 30, 2024</b>	December 31, 2023
	<b>SR</b>	SR
	<b>(Unaudited)</b>	(Audited)
Letter of guarantees	<b>238,374</b>	39,780

**11. STATUTORY RESERVE**

As per the Companies' regulations and Company's By- Laws, the company has not created the statutory reserve from net profits during the period. This reserve is not available for distribution to shareholders. On April 17, 2024 the Company has transferred all of its statutory reserve to retained earnings with Board approval as per Company's latest By- Laws.

**12. DIVIDENDS**

During the period, the Company announced dividends of SR 6.89 million (June 30, 2023: 9.45 million) to the shareholders of the Company.

**13. REISSUANCE / RESTATEMENT PERTAINING TO PREVIOUSLY ISSUED CONDENSED INTERIM FINANCIAL STATEMENTS**

Effective January 1, 2023, the Company entered into a 5-year lease agreement for a building as a lessee from Kinan Al Shareq Business Company for Real Estate Development, with semi-annual payments amounting to SR 0.38 million. Right-of-use assets and lease liabilities were properly accounted for and disclosed in the previously issued financial statements. On June 21, 2023, Mr. Saleh Al-Mulhim (Board member - Vice Chairman of Kinan Al Shareq Business Company for Real Estate Development) was appointed as a board member of Twareat Medical Care Company. Comparative period related party transaction was not presented previously relating to this transaction which has been updated as follows.

<b>Related parties</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>Transaction reported in previously issued financial statements for the period ended June 30, 2023</b>	<b>Adjustment</b>	<b>Transaction after adjustment</b>
			SR (Unaudited)	SR (Unaudited)	SR (Unaudited)
Kinan Al Shareq Business Company for Real Estate Development	Related Party to Board Member	Rent	-	20,671	20,671

**14. SUBSEQUENT EVENTS**

There were no significant subsequent events, adjusting or non-adjusting, since June 30, 2024 that would have a material impact on the financial position or financial performance of the Company as reflected in these condensed interim financial statements.

**15. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS**

These reissued condensed interim financial statements were approved by the Board of Directors for issuance on 30 Rabi I, 1446H corresponding to October 3, 2024.



**TMC HEALTH**  
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