Middle East Healthcare Company "MEAHCO"

Earnings Release

1Q 2025 Financial Highlights		1Q 2025 Operational Highlights	
Revenue SAR734mn ↑ 6% y-o-y	Gross Profit SAR284mn ↑ 9% y-o-y 38.7% Margin	Inpatient Admissions 25k ↓ 2% y-o-y	Outpatient Visits 555k ↓ 0% y-o-y
EBITDA SAR159mn ↓ 6% y-o-y 21.7% Margin	Net Profit SAR160mn ↑ 264% y-o-y 21.8% Margin	Performed Surgeries 13k ↓ 6% y-o-y	Utilisation Rate* 67% ↓ 130 bps y-o-y

Jeddah, Saudi Arabia, 7 May 2025

Middle East Healthcare Company (MEHACO), Saudi Arabia's most geographically diversified healthcare player, reported today its consolidated financial results for 1Q 2025, ending 31 March 2025.

Key highlights

- **Consolidated revenue** grew by 6% y-o-y to SAR734 million in 1Q 2025
- **Total number of served patients** stood at 580k patients across the Group's network of hospitals in 1Q 2025, in line with the comparable quarter last year
- Insurance **contribution to total revenue** stood at 52%, followed by Ministry of Health at 31%, cash at 13% and others at 4%
- The Group's branches in Dammam, Makkah, and Hai Al Jamea have successfully obtained the **HIMSS accreditation** in 1Q 2025
- **EBITDA** declined 6% y-o-y to SAR159 million in 1Q 2025, implying an **EBITDA margin** of 21.7%
- **Net profit after zakat and minority interest** amounted to SAR160 million compares to a net profit of SAR44 million for restated 1Q 2024
- The Group's profitability during the quarter was boosted by **one-off capital gain of SAR114** million related to the sale of an unutilized plot of land in Riyadh
- The BoD approved the opening of an **Outpatient Clinics Complex in Al-Taawun district, Riyadh**, with a capacity of 21 clinics covering various medical specialties

** Inpatient utilisation rate based on number of operational beds*

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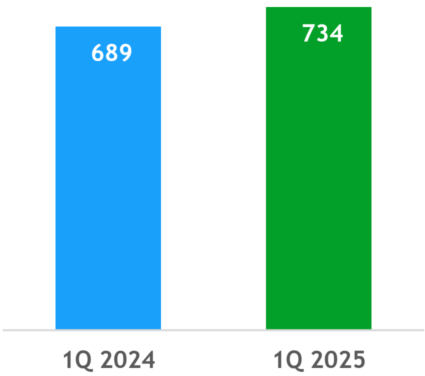
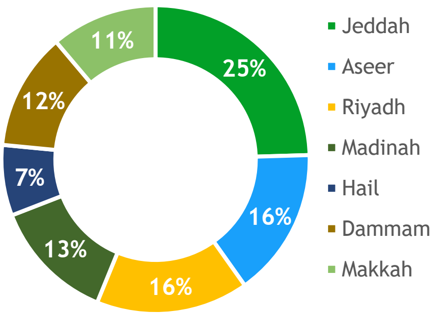
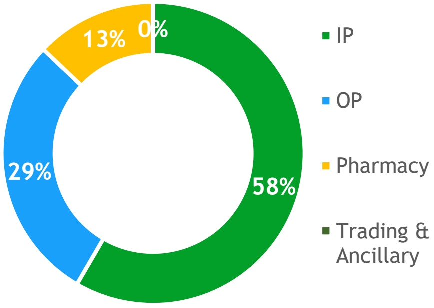
Consolidated Revenue
SAR mn



Revenue by Region*
1Q 2025



Revenue by Segment
1Q 2025



Financial Performance

(In SAR mn)	1Q 25	1Q 24 - Restated	Y-o-Y
Revenue	**734**	**689**	**6%**
CoGS	(450)	(429)	
Gross Profit	**284**	**260**	**9%**
Gross Profit Margin	*38.7%*	*37.7%*	
Operating Profit	**102**	**118**	**(14%)**
Operating Margin	*13.8%*	*17.1%*	
Net Profit	**160**	**44**	**264%**
Net Profit Margin	*21.8%*	*6.4%*	

Middle East Healthcare Company (MEAHCO) reported total revenues of SAR734 million for the first quarter of 2025, representing a solid 6% year-on-year (y-o-y) increase and underscoring strong operational execution despite seasonal headwinds.

Revenue growth in the quarter was primarily driven by a favorable case mix, which offset a largely stable patient census. This performance is remarkable given the full impact of Ramadan falling within the quarter this year, compared to only 21 days in the same period last year.

Solid operational performance across key regions—including Makkah, Dammam, Asser, and Hail—contributed meaningfully to top-line growth, with all regions posting y-o-y revenue increases except Jeddah, which recorded a modest single-digit decline.

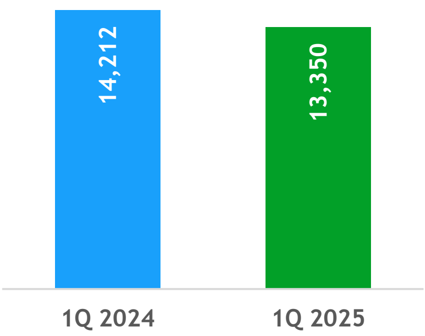
The Group’s inpatient census declined marginally by 2% y-o-y to 25k patients, while outpatient census were flat at 555k patients. However, inpatient revenues increased 9% y-o-y to SAR428 million, reflecting higher average revenue per stay on increased contribution from Ministry of Health (MoH). Outpatient revenues rose 2% y-o-y to SAR210 million, driven entirely by improved pricing dynamics and charge per visit.

MEAHCO's payer mix remained stable, with the insurance segment contributing 52% of total revenue, followed by MoH at 31%, and cash patients at 13%. Insurance revenues were flat y-o-y, maintaining their position as the Group’s primary revenue stream.

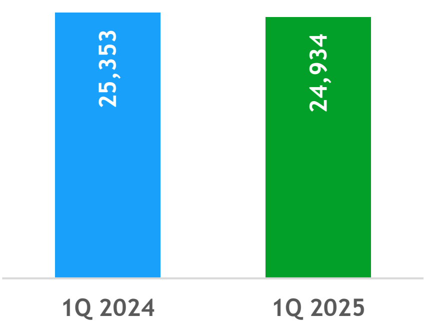
Collections from MoH and select insurance companies continued to improve significantly, enhancing overall liquidity and cash generation. The Group achieved a notable reduction in its cash conversion cycle, reaching 179 days in 1Q 2025 compared to 194 days in FY 2024.

** Jeddah includes Management Fees*

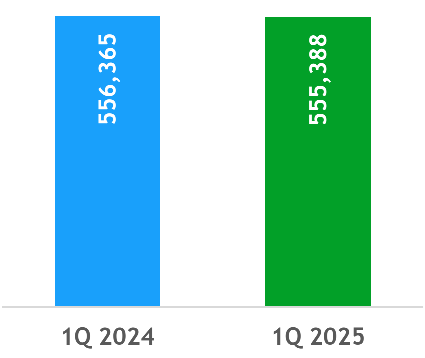
Performed Surgeries



Number of Inpatients



Number of Outpatients



Operational Performance

The Group reported another solid operational performance in 1Q 2025, demonstrating the strength of its diversified geographic footprint. Despite the seasonal softness associated with the full impact of Ramadan, patient volumes remained stable at the Group level, with strong performance in key regions offsetting underperformance in select few locations.

The total number of patients served across the Group's network of hospitals stood at 580k in the first quarter of 2025, in line with the comparable quarter last year. Meanwhile, the number of surgeries performed declined by 6% y-o-y to 13k surgeries.

Group-wide utilization remained healthy, with blended inpatient and outpatient occupancy rates at 67% and 72%, respectively, with a blended average length of stay (ALOS) of approximately 3.6 nights. The Group's current operational capacities stand at c.1.5k beds and c.600 clinics across its network.

The aggregate number of inpatients declined marginally by 2% y-o-y to 25k patients during the quarter. However, this was offset by a significant uplift in average revenue per inpatient stay, which rose 11% y-o-y, supported by improved case mix, higher contribution from Ministry of Health (MoH), and the positive pricing impact of HIMSS accreditation achieved in Dammam and Makkah.

Riyadh continued to lead the Group's inpatient growth for the third consecutive quarter, followed by strong contributions from Hail and Aseer. These gains helped mitigate volume softness in other branches.

Outpatient volumes remained stable at 555k patients, consistent with 1Q 2024, with steady contributions from all major payer segments. The average charge per outpatient visit increased slightly by 2% y-o-y, driven by service mix optimization. Makkah and Dammam recorded the highest outpatient revenue growth for the second consecutive quarter.

Notably, Saudi German Hospital Dammam secured final regulatory approval from the Ministry of Health to expand its licensed bed capacity from 150 to 300 beds. The approval aligns with the Group's strategic focus on scaling capacity in high-demand regions. The hospital had been operating near full utilization prior to the approval, reflecting strong underlying demand in the Eastern Province.

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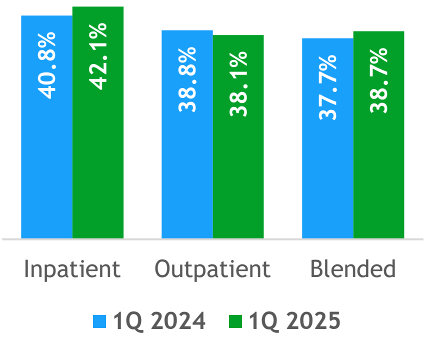
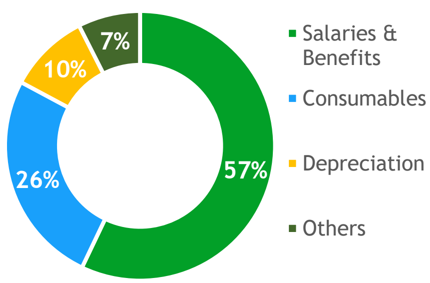
Gross Profit Margin



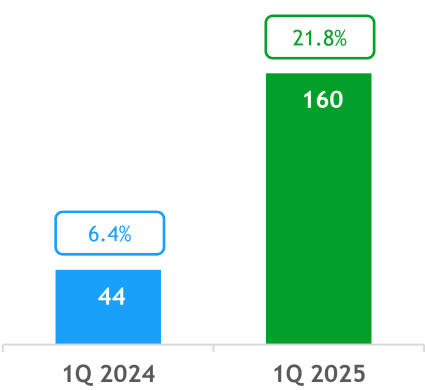
CoGS Breakdown

1Q 2025



Net Profit

(SAR mn, % margin)



Profitability

The Group recorded consolidated gross profit of SAR284 million in 1Q 2025, delivering a y-o-y increase of 9% and reflecting continued improvement in operational efficiency. Gross profit margin at 38.7% indicates a year-on-year margin expansion of c.100 basis points.

On segmental performance, IP gross margin recorded 42.1% and OP gross margin recorded 38.1% during the quarter, vs. 40.8% and 38.8% in the comparable quarter last year, respectively.

Cost of revenue remained well-managed, with salaries and benefits accounting for 57% and consumables for 26% of total cost, consistent with historical trends. The Group delivered EBITDA of SAR159 million, translating to an EBITDA margin of 21.7%. While EBITDA declined by 6% y-o-y, this was largely attributed to the seasonal impact of Ramadan and increased staffing costs associated with expanded capacity in Dammam.

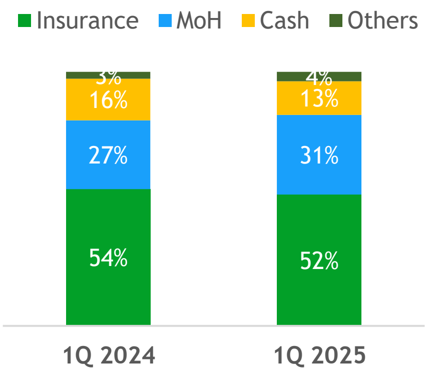
Net finance costs declined by 20% y-o-y, reflecting lower leverage, stronger working capital discipline, improved receivables collection, and a more favorable interest rate environment. Of the total finance charges during the quarter, approximately SAR5 million related to zakat and hedging losses.

In 2024, MEAHCO reached a long-term settlement agreement with the Zakat, Tax and Customs Authority (ZATCA) to resolve historical zakat and withholding tax differences for the years 2015–2020. The agreement allows for repayment over 12 years in 48 equal installments. As a result, a SAR45 million gain was recognized in Q4 2024, following the fair value remeasurement of the liability. This gain will be amortized over the payment period as part of finance charges.

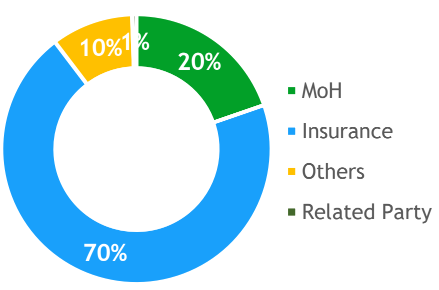
Net profit after zakat and minority interest totaled SAR160 million in 1Q 2025, primarily driven by a one-time capital gain of SAR114 million from the sale of a non-core land asset in Riyadh. This translated into a net profit margin of 21.8%, compared to SAR44 million in the prior-year quarter, following restatement.

Excluding the capital gain, normalized net profit stood at SAR46 million, reflecting a 5% y-o-y increase and a normalized net margin of 6.3%. This underlying performance highlights continued margin resilience and cost discipline despite a softer seasonal backdrop.

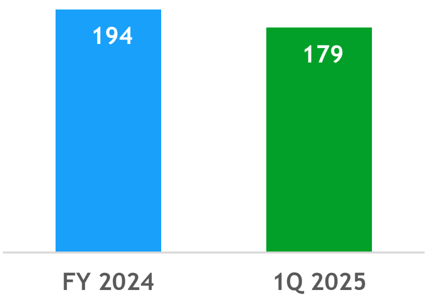
Revenue by Clientele



Receivables by Clientele
1Q 2025



Cash Conversion Cycle
Days on Hand (DoH)



Cash Management

As of March 2025, MEAHCO's outstanding receivables stood at SAR1.8 billion, reflecting a significant 8% reduction compared to December 2024, despite ongoing business growth. This improvement was driven by sustained momentum in collection efforts, particularly from the Ministry of Health (MoH) and selected insurance clients, building on strong performance seen in the second half of 2024.

The Group's cash conversion cycle improved meaningfully, reaching 179 days in 1Q 2025 compared to 194 days for FY 2024, largely due to better receivables turnover. Notably, MoH-related receivables decreased as a proportion of total receivables to 20%, down from 27% at year-end 2024 and 43% in the prior year, while the insurance segment now accounts for approximately 70% of the total.

This enhanced receivables position underscores management's continued focus on improving balance sheet quality through optimized payer mix and ongoing refinement of revenue cycle management.

From a revenue composition standpoint, the insurance segment remained the Group's largest contributor at 52% of total revenue, showing a modest 2% increase year-on-year. MoH-related revenue posted strong growth of 24% y-o-y, increasing its share to 31%, while the cash segment declined slightly to represent approximately 13% of revenue.

Improved operational efficiencies and stronger cash collections enabled further deleveraging. Net debt, including Sukuk, declined by 13% to SAR2.0 billion as of March 2025, with the Group's net debt-to-equity ratio improving to 1.1x, down from 1.4x at year-end 2024.

Capital expenditures during the quarter totaled SAR56 million, directed mainly toward the new medical tower in Jeddah and renovation work across the Group. MEAHCO is progressing with a major SAR400 million brownfield expansion at Saudi German Hospital Jeddah. Construction is already underway, with plans to add a new medical tower that will add 194 new beds and 22 outpatient clinics, nearly doubling the capacity of the Group's flagship facility, which has been in operation since 1988.

Latest Developments

During the first quarter of 2025, MEAHCO achieved several strategic and operational milestones across core pillars, further enhancing service quality, strengthening brand equity under the Saudi German Health banner, and supporting long-term customer retention.

Key operational achievements included the successful attainment of Healthcare Information and Management Systems Society (HIMSS) accreditation for branches in Dammam, Makkah, and Hai Al Jamea. This milestone not only affirms MEAHCO’s commitment to digital transformation and clinical excellence but also positively impacted Ministry of Health (MoH) pricing for these facilities, which collectively generate approximately 10–25% of their revenues from MoH contracts.

In line with evolving market dynamics and MEAHCO’s disciplined capital allocation strategy, the Board of Directors approved several important resolutions in 1Q 2025:

- **Sukuk Buyback Program:** The Board approved a phased or partial repurchase of the company’s previously issued Sukuk, leveraging improved cash flow performance to reduce financing costs and optimize the Group’s capital structure.
- **New Clinic Investment:** The Board sanctioned the development of a new outpatient clinics complex in Riyadh’s Al-Taawun district. The facility will feature 21 multi-specialty clinics, with a total estimated capital expenditure of SAR22 million, inclusive of medical equipment, furnishings, and supplies.
- **Asset Monetization:** The Group completed the sale of an unused 4,000 sqm land parcel in Riyadh for SAR122 million (exclusive of real estate transaction tax), resulting in a capital gain of SAR114 million. This transaction further supports liquidity enhancement and asset optimization efforts.

Additionally, the Board of Directors recommended a cash dividend distribution for FY 2024 totaling SAR46 million, equating to a payout ratio of approximately 16% and a dividend of SAR0.50 per share. The dividend remains subject to approval by the Ordinary General Assembly, with the eligibility date to be announced in due course.

Financial Statements

Income Statement

(In SAR mn)	1Q 2025	1Q 2024 Restated	Y-o-Y
Revenue	734	689	6%
Cost of Revenue	(450)	(429)	
Gross Profit	284	260	9%
Gross Profit Margin	*38.7%*	*37.7%*	
Selling & marketing Expenses	(18)	(18)	
General & Admin Expenses	(164)	(125)	
Operating Profit	102	118	(14%)
Operating Profit Margin	*13.8%*	*17.1%*	
Share of Loss from Associate	(0)	-	
Other Income	120	(0)	
Finance Cost	(53)	(66)	
Profit before Zakat	168	51	228%
Zakat	(5)	(7)	
Net Profit	163	44	270%
Net Profit Margin	*22.2%*	*6.4%*	
Distributed as:			
Parent Company	160	44	264%
Non-Controlling Interest	3	0	

Financial Statements

Balance Sheet

(In SAR mn)	Mar 2025	Dec 2024
Property and Equipment	2,764	2,767
Right of Use Assets	77	80
Intangible Assets	42	44
Investment in Subsidiary / Associated Company	60	60
Total Non-Current Assets	**2,943**	**2,952**
Inventories	71	66
Account Receivable	1,788	1,946
Prepayments and Others	134	108
Cash and Bank Balances	282	52
Total Current Assets	**2,275**	**2,173**
Total Assets	**5,218**	**5,125**
Share Capital	920	920
Statutory & FX Reserves	227	228
Retained Earnings	638	478
Equity Attributable to Shareholders	**1,786**	**1,626**
Non-Controlling Interests	51	48
Total Equity	1,837	**1,674**
Term Loans	840	753
Lease Obligations	69	71
Sukuk	990	989
Other Financial Liability	96	98
Derivative Financial Instruments	26	26
Deferred Income	7	8
Employees' End of Service Benefits	251	244
Total Non-Current Liabilities	**2,279**	**2,189**
Short-Term Borrowings	481	640
Other Non-Current Liabilities	6	6
Lease Obligations	11	12
Accounts Payable	300	322
Accrued Expenses and Others	273	256
Zakat Payable	32	26
Total Current Liabilities	**1,102**	**1,262**
Total Liabilities	**3,381**	**3,451**
Total Liabilities and Equity	**5,218**	**5,125**

Financial Statements

Cash Flow

(In SAR mn)	1Q 2025	1Q 2024
Cash Flows From Operating Activities		
Profit before Zakat	**168**	**51**
Depreciation	51	45
Amortization of Intangible Assets	3	2
Depreciation of Right of Use Assets	4	4
Allowance for Expected Credit Losses	(2)	(33)
Unwinding Impact of Other Financial Liabilities	2	0
Provisions for Slow Moving and Obsolete Inventories	1	1
Amortization of Deferred Income	(1)	(1)
Finance Charges Related to Lease Obligations	2	1
Finance Charges Related to Borrowings	51	63
(Gain)/Loss On Derivative Financial Instruments	(0)	8
(Gain)/Loss on Investment in Subsidiary/Associates	0	0
(Gain)/Loss on Disposal of Property & Equipment	(114)	0
Provisions for Employees' End of Service Benefits	12	12
Operating Cash before Changes in Working Capital	***176***	***153***
Accounts Receivable	161	217
Inventories	(5)	(2)
Prepayments & Other Current Assets	(26)	(6)
Accounts Payable	(21)	(116)
Accrued Expenses & Other Current Liabilities	14	(38)
Other Financial Liabilities	(3)	(3)
Cash Flow from Operating Activities	**295**	**204**
Employees' End of Service Paid	(5)	(6)
Zakat Paid	0	0
Net Cash Flow from Operating Activities	290	198
Cash Flow from Investing Activities		
Additions to Property & Equipment & Intangible Assets, Net	(56)	(38)
Proceeds from Disposal of Property & Equipment	122	0
Net Cash Flow from Investing Activities	66	(38)
Cash Flow from Financing Activities		
Lease Obligations, Net	(5)	(6)
Loans and Borrowings, Net	(72)	(114)
Financial Charges Paid	(48)	(63)
Net Cash Flow from Financing Activities	(126)	(183)
Net Change in Cash and Cash Equivalent	**230**	**(23)**
Cash and Cash Equivalent at the Beginning of the Period	52	44
Cash and Cash Equivalent at the End of the Period	**282**	**22**

Middle East Healthcare Company (MEAHCO)

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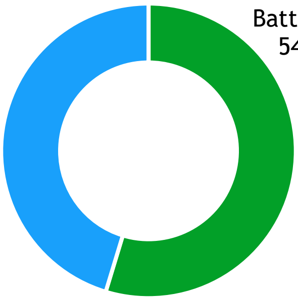
Shareholder Structure



Share Information

Reuters / Bloomberg
2009.SE / MEH AB

Shares Outstanding
92,040,000

Free Float
45.3%

About Middle East Healthcare Company

Middle East Healthcare Company, publicly known as Saudi German Health, is a leading healthcare provider in Saudi Arabia with operations spanning across seven cities in the Kingdom. Building on a long family legacy as medical pioneers in the Kingdom, Saudi German Health was founded by the Batterjee family c.35 years ago to relieve people's suffering and have a positive impact on their health.

In 1988, Eng. Sobhi Batterjee, Chairman of Saudi German Health, and Dr. Khalid Batterjee, Vice President of Saudi German Health, established the first hospital in Jeddah and collaborated with German University Hospitals to bring advanced German healthcare standards and expertise to the local community for the first time in the Kingdom of Saudi Arabia. These associations inspired the 'German' in our name.

Since then, MEAHCO has been expanding and growing its presence organically on firm footing. MEHACO is the most geographically diverse healthcare player in Saudi Arabia with a comprehensive network of 8 full-fledged hospitals in Jeddah, Aseer, Riyadh, Madinah, Hail, Dammam, and Makkah, enabling it to access ~90% of the Kingdom's population.

The Group has a total licensed capacity of c.1.8k beds and operational capacity of c.1.5k beds.

Learn more at: www.saudigermanhealth.com

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Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “aims”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of the Company’s management (“Management”) on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Company’s actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Company’s business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.