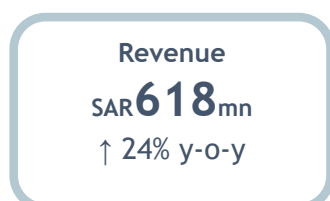




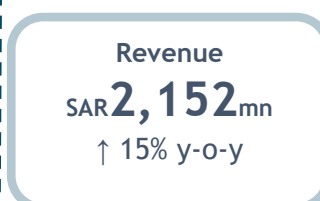
## Middle East Healthcare Company “MEAHCO”

### Earnings Release

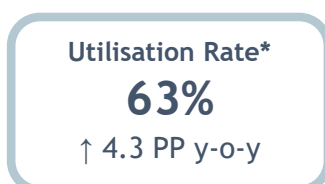
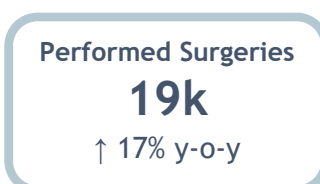
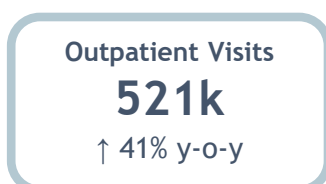
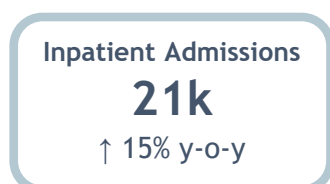
#### 4Q 2022 Financial Highlights



#### FY 2022 Financial Highlights



#### 4Q 2022 Operational Highlights



Jeddah, Saudi Arabia, 26 February 2023

Middle East Healthcare Company (MEHACO), Saudi Arabia’s most geographically diversified healthcare player, reported today its consolidated financial results for 4Q 2022, ending 31 December 2022.

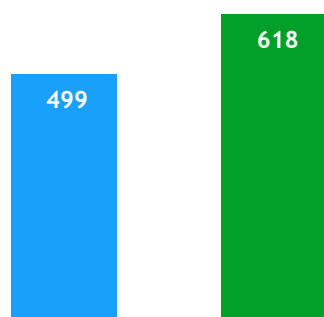
### Key highlights

- **Consolidated revenue** grew by 24% y-o-y to SAR618 million in 4Q 2022
- **Total number of served patients** reached 541,887 patients across the Group’s network of hospitals in 4Q 2022, with an increase of 39% vs. 4Q 2021
- **Insurance contribution to total revenue** stood at 49%, followed by Ministry of Health at 29%, cash at 19% and others at 3%
- **SGH Dammam** successfully passed **JCI** and **AABB** surveys in December 2022 and expects to obtain the accreditation certificate in 1Q 2023
- **EBITDA** grew by c3x y-o-y to SAR98 million in 4Q 2022, implying an **EBITDA margin** of 15.8%
- **Net profit after minority interest** recorded SAR33 million in 4Q 2022 vs. a net loss of SAR 18mn in 4Q 2021. **SGH Dammam turned profitable** for the first quarter since the hospital started operations in 1Q 2020

\* Inpatient utilisation rate based on operational beds



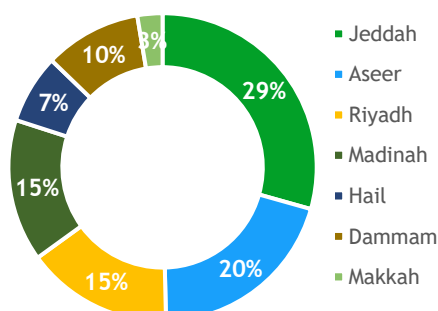
Consolidated Revenue  
SAR mn



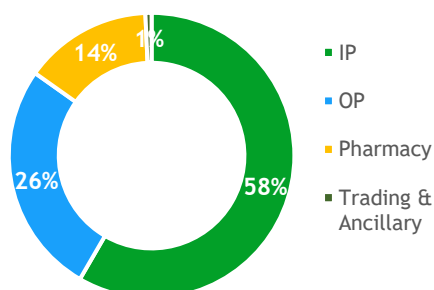
4Q 2021

4Q 2022

Revenue by Hospital\*  
4Q 2022



Revenue by Segment  
4Q 2022



## Financial Performance

(In SAR mn)	4Q22	4Q21	y-o-y	FY22	FY21	y-o-y
Revenue	618	499	24%	2,152	1,873	15%
CoGS	(414)	(339)		(1,472)	(1,264)	
Gross Profit	204	160	27%	680	608	12%
Gross Profit Margin	33.0%	32.1%		31.6%	32.5%	
Operating Profit	56	(6)	NM	140	54	159%
Operating Margin	9.1%	NM		6.5%	2.9%	
Net Profit	33	(18)	NM	75	17	337%
Net Profit Margin	5.4%	NM		3.5%	0.9%	

Middle East Healthcare Company (MEAHCO) consolidated revenues for 4Q 2022 was up an outstanding 24% y-o-y to SAR618 million. The solid performance for the quarter was driven by notable improvement across the Group's entire network of hospitals on increased census and optimized case mix.

Healthy start of operations in Makkah, along side ongoing ramp-up of SGH Dammam with the signing of Aramco contract in late 3Q 2022, further boosted revenue growth, with both entities combined driving c.38% of the top-line growth achieved during the quarter.

On a Group level, total number of inpatients increased by 15% y-o-y to 21k patients, while total number of outpatients surged 41% y-o-y to 521k patients. Inpatient revenues were up 27% y-o-y to record SAR361 million, bolstered by improved MoH pricing, which constitutes c.50% of inpatient revenue, on obtained accreditations. Meanwhile, outpatient revenues grew by 21% y-o-y to SAR163 million, predominately on higher census driven by the insurance business.

Out of MEHACO's network of hospitals, SGH Dammam delivered the highest growth in revenues, driven by ramp-up of operations, followed by SGH Asser. Dammam Hospital recorded revenue of SAR47 million during the quarter, marking a growth of 86% y-o-y and contributing 10% to the Group's top-line. SGH Makkah was off to a solid and promising start, with the Group's latest greenfield expansion generating revenues of SAR16 million during the quarter.

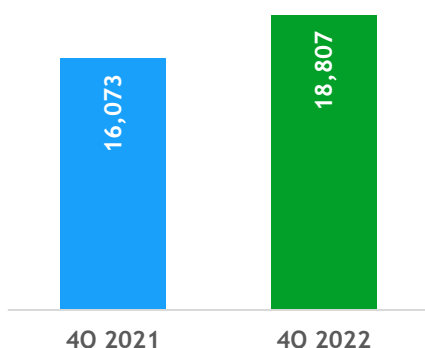
Insurance business remains the most contributor to top line with 49% contribution, followed by MoH at 29% and cash at 19%. Total insurance revenues increased by 19% y-o-y in 4Q 2022.

\* Jeddah includes SGH Jeddah, Hai Al Jamea Hospital, Beverly Clinics, AJ Sons, and Management Fees



### Operational Performance

Performed Surgeries



The Group reported a very solid set of results in 4Q 2022, with notable growth in number of served patients, primarily driven by the insurance business, and to a lesser extent MoH referrals. Meanwhile, blended revenue generated per offered service was mixed.

Total number of served patients across the Group’s network of hospitals reached 541,887 patients in 4Q 2022, marking an increase of 39% y-o-y, while number of performed surgeries was up 17% y-o-y to 18,807 surgery during the quarter.

Aggregate number of inpatients was up by 15% y-o-y to 21k patients in 4Q 2022, mostly driven by higher utilization in SGH Dammam and moderate growth in MoH referral cases in select branches. IP average revenue per stay was up 10% y-o-y during the quarter, on mix of improved pricing across select lines of business and upward revision of MoH pricing on obtained accreditations.

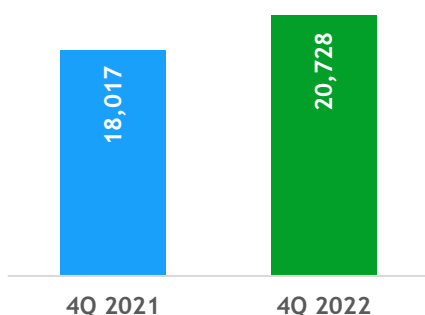
Total number of outpatients increased by a sweeping 41% y-o-y to 521k patients, with solid growth across the majority of the Group’s network of hospitals, boosted by the insurance business. SGH Asser was the star performer during the quarter on successful turnaround of operations with the appointment of new management team. OP average revenue per visit declined 14% y-o-y during the quarter vs. 4Q 2021.

With the launch of SGH Makkah, the Group increased operational bed and clinic capacities to 1.2k beds and 503 clinics, respectively. On a Group level, blended inpatient and outpatient utilisation rates recorded 63% and 73% in 4Q 2022, respectively, with blended average length of stay (ALOS) of c3.6 nights.

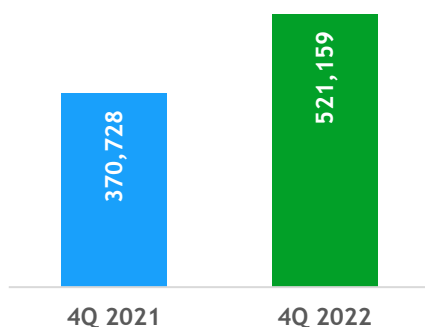
Traffic at SGH Dammam continued to grow on firm footing with number of inpatients and outpatients up 68% y-o-y and 96% y-o-y, contributing c.10% and c.11% of the Group’s census during the quarter, respectively.

The Group has commenced commercial operations of SGH Makkah in late September 2022. The hospital, which currently operates 100 beds and 33 clinics, has already signed with the majority of the key insurance players in the Kingdom and is accepting MoH referral as well.

Number of Inpatients

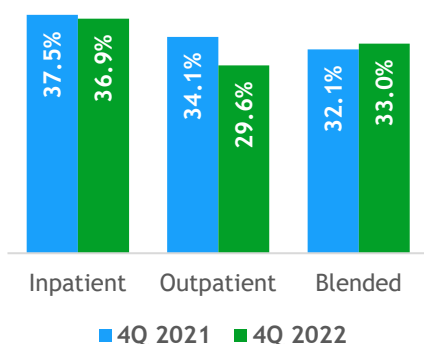


Number of Outpatients

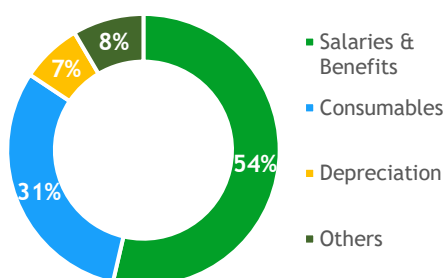




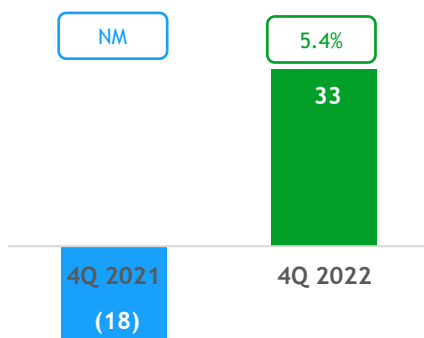
### Gross Profit Margin



### CoGS Breakdown 4Q 2022



### Net Profit (Loss) (SAR mn, % margin)



## Profitability

The Group recorded consolidated gross profit of SAR204 million in 4Q 2022, 24% ahead of the comparable quarter last year. Reported gross profit margin improved to reach 33.0% in 4Q 2022 on economies of scale vs. 32.1% in 4Q 2021. Initial running cost at Hai Al Jamea, Abha clinics and Makkah weighed down on blended margins despite overall higher utilization rate and enhanced pricing.

Salaries & benefits and consumables remains the key cost components for the business, representing 54% and 31% of total cost of revenue, respectively. Total salaries and benefits increased by 20% y-o-y, reflecting the typical annual merit increase and new hires. The Group's total number of staff increased to 7.1k staff as of December 2022, up from 6.0k in FY 2021.

On segmental performance, IP gross margin recorded 36.9% and OP gross margin recorded 29.6% during the quarter, vs. 37.5% and 34.1% in the comparable quarter, respectively. Higher headcount on new hires in Dammam, Hai Al Jamea, Makkah and Aseer, along with the hiring of select prominent doctors across the Group, elevated people cost, which was offset by higher pharmacy margins on scale.

EBITDA for the quarter recorded SAR98 million, up by nearly three folds y-o-y and implying an EBTIDA margin of 15.8% vs. 6.3% in the comparable quarter last year. It worth to note that 4Q 2021 was negatively impacted by several non-recurring one-off items, mainly rebranding costs and consultancy expenses.

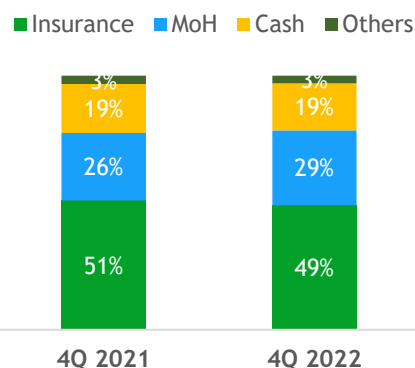
The Group reported a net profit after zakat and minority interest of SAR33 million in 4Q 2022, despite increased financing cost on higher leverage and rising interest rates, along with higher depreciation, vs. a net loss of SAR18 million in 4Q 2021.

SGH Dammam turned profitable at the bottom-line level for the first quarter since the hospital started operations in 1Q 2020 vs. a net loss of SAR23 million in 4Q 2021.

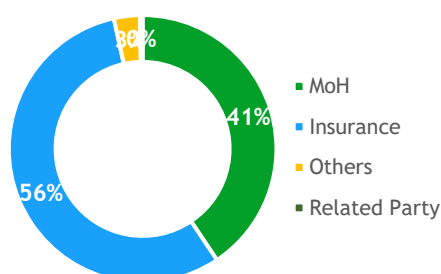
Meanwhile, recently launched Hai Al Jamea, Makkah hospital, and Abha clinics were loss making on typical initial running cost, generating a combined net losses of SAR28 million during the quarter.



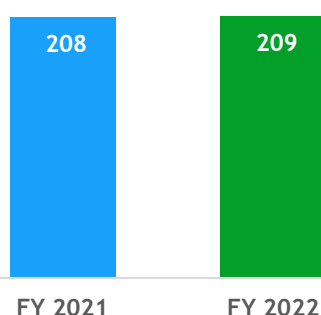
### Revenue by Clientele



### Receivables by Clientele FY 2022



### Cash Conversion Cycle Days on Hand (DoH)



## Cash Management

Outstanding receivables remained unchanged at SAR1.6 billion as of December 2022, of which 56% are related to insurance, 41% to MoH, and 3% to related parties. Cash conversion cycle continued to improve sequentially to reach 209 in FY 2022, down from 215 days in 9M 2022, and 220 days in 1H 2022, and was inline with the 209 days recorded in FY 2021.

Collection from insurance companies witnessed gradual improvement towards the end of the quarter following initial technical issues encountered with the launch of the National Platform for Health and Insurance Exchange Services “NPHIES”. NPHIES is an electronic services platform launched in early 2022 to manage relationship between insurance players and healthcare providers.

Insurance contributed the lion’s share of the Group’s business in 4Q 2022, with 49% contribution to revenue. Meanwhile, MoH contribution to revenue during the quarter increased to 29% from 26% in 4Q 2021, primarily bolstered by improved pricing on obtained accreditations while MoH referrals cases increased y-o-y by high single-digit. Cash business contribution remained unchanged at 19%.

As issues with NPHIES is now resolved, cash flow from insurance companies is expected to further improve starting 1Q 2023 onwards. Management remains focused on enhancing balance sheet quality through reaching a more optimized sales mix and continuously working on enhancing revenue cycle management.

Total capex spent during the year 2022 amounted to SAR250 million as construction work moved on firm footing across all expansion projects. Several milestone projects took place during the year, including the inauguration of SGH Makkah Hospital, Hai Al Jamea Hospital, and Abha Clinics.

Riyadh Outpatient Tower and beds expansion, Staff Housing in Dammam and Staff Housing Makkah are now 100% completed as well.

Going into 2023, the company is planning a SAR400 million brownfield expansion and renovation work in SGH Jeddah that will add 194 beds and 22 clinics. The planned expansion will nearly double the number of beds of Group’s flagship hospital, which started operations in 1988. SGH Jeddah is currently running at full utilisation rate for IP and is the highest revenue generating hospital within the Group.



### Latest Developments



2022 has been another fruitful year for the Group, delivering on key milestones that helped enhance the level of offered services and improve the customers' experience and affiliation with the Saudi German Health brand.

The Group further solidified its presence in the Kingdom with the introduction of SGH Makkah, with licensed capacity of 300 beds, affirming the Group's market leading position as the most widely diversified healthcare provider. The hospital has already signed with the majority of the key insurance players in the Kingdom and ongoing discussions are taking place with the remaining ones.



The opening of Saudi German Clinics Complex in the city of Abha, Aseer, replicating the successful model of Beverly Hills polyclinics in Jeddah, has played a vital role as a secondary catchment area in Aseer and referral unit to the Group's main hospital in Asser. The complex currently operates 30 clinics that serve outpatients, while inpatients are referred to SGH Aseer.



In pursuit of continuously enhancing patient satisfaction, the Group successfully obtained the Planetree accreditation in Jeddah, Assir, Madinah, and Hail branches during the year 2022. Planetree is an international accreditation for patient & staff experience and person-centered care.



The Group also obtained the Australian Council for Healthcare Standards International (ACHSI) accreditation across its entire network of hospitals, including recently launched SGH Makkah. Additionally, SGH Dammam successfully completed the JCI and AABB surveys in 4Q 2022 and is expected to obtain the accreditation certificates in 1Q 2023.





### Financial Statements

#### Income Statement

(In SAR mn)	4Q 2022	4Q 2021	Change	FY 2022	FY 2021	Change
Revenue	618	499	24%	2,152	1,873	15%
Cost of Revenue	(414)	(339)		(1,472)	(1,264)	
Gross Profit	204	160	27%	680	608	12%
<i>Gross Profit Margin</i>	<i>33.0%</i>	<i>32.1%</i>		<i>31.6%</i>	<i>32.5%</i>	
Selling & marketing Expenses	(10)	(25)		(30)	(46)	
General & Admin Expenses	(138)	(141)		(509)	(508)	
Operating Profit	56	(6)	NM	140	54	159%
<i>Operating Profit Margin</i>	<i>9.1%</i>	<i>-1.2%</i>		<i>6.5%</i>	<i>2.9%</i>	
Other Income	(2)	2		10	12	
Finance Cost	(21)	(13)		(69)	(47)	
Profit before Zakat	34	(17)	NM	81	19	322%
Zakat	(0)	(3)		(10)	(8)	
Net Profit	34	(20)	NM	72	12	510%
<i>Net Profit Margin</i>	<i>5.5%</i>	<i>-4.0%</i>		<i>3.3%</i>	<i>0.6%</i>	
<i>Distributed as:</i>						
Parent Company	33	(18)	NM	75	17	337%
Non-Controlling Interest	1	(2)		(4)	(5)	



### Financial Statements

#### Balance Sheet

(In SAR mn)

	Dec 2022	Dec 2021
Property and Equipment	2,471	2,357
Right of Use Assets	63	33
Intangible Assets	7	7
<b>Total Non-Current Assets</b>	<b>2,542</b>	<b>2,397</b>
Inventories	149	156
Account Receivable	1,635	1,282
Prepayments and Others	157	112
Cash and Bank Balances	16	28
<b>Total Current Assets</b>	<b>1,957</b>	<b>1,578</b>
<b>Total Assets</b>	<b>4,499</b>	<b>3,975</b>
Share Capital	920	920
Statutory Reserve	202	194
Retained Earnings	243	144
<b>Equity Attributable to Shareholders</b>	<b>1,365</b>	<b>1,258</b>
Non-Controlling Interests	43	38
<b>Total Equity</b>	<b>1,408</b>	<b>1,295</b>
Term Loans	1,181	1,028
Lease Obligations	57	27
Other Non-Current Liabilities	7	11
Deferred Income	11	12
Employees' End of Service Benefits	205	231
<b>Total Non-Current Liabilities</b>	<b>1,460</b>	<b>1,310</b>
Short-Term Borrowings	991	904
Other Non-Current Liabilities	5	7
Lease Obligations	12	7
Accounts Payable	426	302
Accrued Expenses and Others	188	140
Zakat Payable	9	10
<b>Total Current Liabilities</b>	<b>1,631</b>	<b>1,370</b>
<b>Total Liabilities</b>	<b>3,091</b>	<b>2,680</b>
<b>Total Liabilities and Equity</b>	<b>4,499</b>	<b>3,975</b>





### Financial Statements

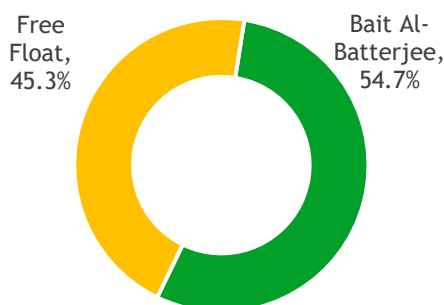
#### Cash Flow

(In SAR mn)

	FY 2022	FY 2021
<b>Cash Flows From Operating Activities</b>		
Profit before Zakat	81	19
<i>Adjustments for:</i>		
Depreciation	130	131
Amortization of Intangible Assets	2	1
Amortization of Right of Use Assets	15	9
Charge/(Reversal) of Expected Credit Loss	2	(14)
Provisions for Slow Moving and Obsolete Inventories	1	1
Amortization of Deferred Income	(1)	(2)
Finance Charges Related to Lease Obligations	3	2
Finance Charges Related to Borrowings	67	47
Loss on Disposal of Property & Equipment	2	2
Provisions for Employees' End of Service Benefits	46	43
<b>Operating Cash before Changes in Working Capital</b>	<b>346</b>	<b>241</b>
Accounts Receivable	(354)	(33)
Inventories	6	(1)
Prepayments & Other Current Assets	(46)	(25)
Accounts Payable	124	(60)
Accrued Expenses & Other Current Liabilities	48	5
Other Financial Liabilities	(7)	(7)
<b>Cash Flow from Operating Activities</b>	<b>118</b>	<b>120</b>
Employees' End of Service Paid	(31)	(39)
Zakat Paid	(10)	(4)
<b>Net Cash Flow from Operating Activities</b>	<b>76</b>	<b>77</b>
<b>Cash Flow from Investing Activities</b>		
Additions to Property & Equipment & Intangible Assets	(250)	(418)
Proceeds from Disposal of Property & Equipment	0	0
<b>Net Cash Flow from Investing Activities</b>	<b>(249)</b>	<b>(417)</b>
<b>Cash Flow from Financing Activities</b>		
Lease Obligations, Net	(14)	(10)
Proceeds of Loans and Borrowings	1,182	1,105
Repayment of Loans and Borrowings	(1,007)	(743)
<b>Net Cash Flow from Financing Activities</b>	<b>161</b>	<b>352</b>
<b>Net Change in Cash and Cash Equivalent</b>	<b>(13)</b>	<b>11</b>
Cash and Cash Equivalent at the Beginning of the Period	28	17
<b>Cash and Cash Equivalent at the End of the Period</b>	<b>16</b>	<b>28</b>



### 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 33 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 1,517 beds and operational capacity of ~1k beds.

Learn more at: [www.saudigermanhealth.com](http://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.