

SMC HEALTHCARE REPORTS SECOND QUARTER 2025 RESULTS DEMONSTRATING REVENUE GROWTH FROM ITS SUCCESSFUL STRATEGIC SHIFT

- **Operating momentum:** Total patient visits reached 380.8 thousand in Q2 2025, with May recording an all-time record of monthly visits, supported by a 12% YoY increase in high acute inpatient services and a 20% YoY rise in outpatient services.
- **Top-line growth:** Revenue grew by 6.6% YoY to ~~£~~380.0 million in Q2 2025, driven by a 26% increase in outpatient revenue and a 5% rise in inpatient revenue.
- **Outpatient clinic expansion:** 41 of the planned 60 new clinics opened and became operational during H1 2025, with the remaining clinics to come online over the next 2 quarters.
- **Expansion trajectory:** After completing excavation and site preparation works, the Company is awaiting the issuance of final permits to begin foundation and construction works for the "SMC (3) – Northern Ring Road" hospital. The project will adhere to the Salmani architectural design codes applied across major and mega projects in the city.

Riyadh, Saudi Arabia – 29 July 2025: Specialized Medical Company (the "Company", "SMC Healthcare", or "SMC", 4019 on the Saudi Exchange), one of the leading healthcare providers in the Kingdom of Saudi Arabia, announced its financial results for the second quarter of 2025 (Q2 2025).

Bassam Chahine, Chief Executive Officer of SMC, commented:

"We are pleased to report our inaugural quarterly results as a publicly listed company, an achievement that crowns 25 years of dedication by the SMC team to build a leading private healthcare provider in Riyadh. This milestone is only the

beginning, and we are committed to sustaining our momentum and continuing to deliver best-in-class care to every patient we serve.

Our first half results demonstrate the successful execution behind SMC's strategy to reshape our service mix and elevate patient experience, as we align with the global shift to a value-based care model. During H1 2025, we opened 21 new outpatient clinics at our SMC 1 facility with an additional 20 new clinics added to the SMC 2 operations. We expanded capacity without any disruption to our services to ensure that every patient continued to receive high-quality, timely care. At the same time, we deepened our relationships with leading insurers, broadening access for a wider spectrum of insured patients and reinforcing our position as a preferred healthcare provider in Riyadh.

Looking ahead, we will execute our strategic plan to expand into northern Riyadh with three state-of-the-art hospitals, extending world-class care to the city's growing population. By delivering clinical excellence and disciplined execution, we aim to generate enduring value for patients, partners and shareholders while playing a pivotal role in advancing the Kingdom's healthcare transformation under Vision 2030."

Operational and Strategic Developments

Operational Highlights	Q2 2025	Q2 2024	Variance (YoY)
Inpatient visits*	36,688	48,592	-24.5%
Outpatient visits	344,072	286,876	+19.9%
Inpatient beds*	578	675	-14.4%
Outpatient clinics	307	269	+14.1%

*Inpatient visits and inpatient beds declined in line with the Company's strategic decision to shift away from LTC services towards acute and outpatient services (non-LTC inpatient visits rose by 12.1% vs a 78.1% decline in LTC visits).

As part of its ambitious growth strategy, SMC successfully listed on the Saudi Exchange on June 25 2025, marking a significant milestone in the Company's journey.

SMC is executing an integrated strategy to redeploy resources from long-term care (LTC) beds into high-performing acute services and outpatient clinics. By the end of September 2024, the company phased out approximately 150 LTC beds and subsequently converted two floors at SMC 1 and an inpatient ward at SMC 2 into specialized outpatient clinics targeting the fastest growing specialties. In H1 2025, 20 new clinics at SMC 2 became operational in the first quarter, and 21 new clinics at SMC 1 opened during the second quarter, bringing the network total to 307 clinics, while reducing total inpatient beds to 578. SMC expects to have opened 60 new outpatient clinics in total by the end of 2025.

In Q2 2025, SMC reduced the number of inpatient beds to 578 from 675 in Q2 2024 and witnessed 36,688 inpatient visits compared to 48,592 in Q2 2024 (down 24.5%). Despite the decline in inpatient visits, inpatient revenue increased by 5% as high margin acute services offset the revenue decline of \$43 million from the LTC bed reduction. In the same period, outpatient visits increased to 344,072 versus 286,876 in Q2 2024 (up by 19.9%), driving a 26% rise in outpatient revenue. This shift reflects the company's strategic transition away from LTC towards acute inpatient services and outpatient services. All core services remained fully

operational during clinic conversions and facility upgrades, ensuring a seamless care of delivery.

In 2024, SMC deepened its strategic partnerships with key insurers to streamline patient access and enhance payer satisfaction. In 2024, an agreement with one of our major insurance partners enabled mid-to-high tier insured patients to access routine outpatient services at SMC 2 without prior approval. Following the success of this pilot project, the initiative was extended to SMC 1 in early 2025.

In parallel, SMC advanced key milestones on its public-private partnership with the Ministry of Health for the new mental health facility in Riyadh, which is on track to begin operations in 2026 as previously guided.

The Company continued to advance the permitting process for its upcoming SMC 3 project, which will be developed under Salmani architectural design guidelines, underscoring the strategic significance of the development.

The Company's upcoming three hospitals in northern Riyadh, SMC 3, SMC 4 and SMC 5, are expected to become operational over the 2027 – 2029 period, with inpatient and outpatient capacity expected to nearly triple, positioning SMC at the heart of Riyadh's growing northern district.

Summary of Financial Results

¥ million	Q2 2025	Q2 2024	Variance (YoY)	6M 2025	6M 2024	Variance (YoY)
Revenue	380.0	356.3	+6.6%	748.9	719.4	+4.1%
Medical Services	317.5	303.5	+4.6%	610.9	593.6	+2.9%
Pharmacy	57.9	51.0	+13.4%	128.6	114.6	+12.2%
Food and Catering	4.6	1.8	+159.7%	9.3	11.1	-16.1%
EBITDA	74.3	87.6	-15.2%	139.9	172.4	-18.8%
EBITDA margin	19.5%	24.6%	-5.0pp	18.7%	24.0%	-5.3pp
Net Profit ¹	36.4	50.9	-28.6%	66.0	100.1	-34.1%
Net Profit margin	9.6%	14.3%	-4.7pp	8.8%	13.9%	-5.1pp
Operating Cash Flow	-43.5	29.2	n.m.	74.9	79.8	-6.2%
Capital Expenditures	27.9	26.7	+4.2%	48.1	52.1	-7.6%
Free Cash Flow	-71.4	2.4	n.m.	26.7	27.8	-3.8%
Net Debt / EBITDA ²	2.3x	3.0x	-0.7x	2.3x	3.0x	-0.7x

1: Attributable to equity holders of SMC | 2: Annualized using TTM | Numbers presented may not add up precisely to the totals provided due to rounding

Financial Summary

SMC generated revenues of ¥380.0 million in Q2 2025, an increase of 6.6% YoY. Revenue growth was broad-based, with the Medical Services segment rising 4.6%, Pharmacy advancing 13.4%, and Food and Catering revenue expanding 159.7%.

The growth in the medical services revenue was supported by an increase in both inpatient and outpatient revenues in line with SMC's strategic direction. The inpatient segment recorded a 5.0% increase in revenue, driven by a 19.7% increase in acute care and other inpatient services revenue, despite the strategic phasing out of 150 LTC beds that drove a 76% decrease in LTC revenue. Furthermore, outpatient revenue increased by 26% compared to the prior year as more clinics came online and continue to ramp up.

During the quarter, the Company continued its strategic transition away from Long Term Care (LTC) and is efficiently redeploying its resources toward expanding outpatient clinic capacity. This strategic shift was accompanied by certain one-off expenses, including pre-opening expenses related to new outpatient clinics, a corporate rebranding initiative, as well as additional governance-related costs following the Company's public listing. In addition, year-on-year, employee salaries and benefits increased as SMC retained the majority of its LTC clinical staff and hired experienced physicians to support other divisions and ensure adequate resources are ready for the expansion of outpatient services. As a result, EBITDA margin contracted to 19.5% (Q2 2024: 24.6%).

Net Profit decreased to ₪36.4 million in Q2 2025, and the margin temporarily declined to 9.6% (as compared to Q2 2024), primarily due to the aforementioned expenses. Margins are expected to improve in the coming months as these one-off costs subside, further supported by the Company's efficient resource deployment strategy and the continued ramp-up of new outpatient clinics.

During the first half of the year, net operating cash flow was ₪74.9 million, and capital expenditure totalled ₪48.1 million. The capital expenditure was directed mainly toward the fit-out of new the outpatient clinics and ongoing renovation of existing inpatient and outpatient floors, with an amount of around ₪14.6 million associated with the new upcoming expansion projects. After funding these investments, the Company reported free cash flow of ₪26.7 million, compared to ₪27.8 million in the prior-year period.

The Company's leverage improved as the Net Debt / EBITDA* ratio decreased to 2.3x as of end-Q2 2025 from 3.0x in Q2 of 2024.

*LTM EBITDA

Outlook

Looking ahead, SMC remains firmly committed to executing its multi-year expansion strategy, aimed at scaling operations to meet the rising demand for high-quality, patient-centred healthcare in Riyadh, Saudi Arabia. SMC plans to add three state-of-the-art hospitals to its network in the northern region of Riyadh by the end of 2029, as it seeks to capitalize on the city's shift northward in light of major developments and transformative projects which will cement northern Riyadh as the Kingdom's new urban core. The Company's northern Riyadh cluster project is progressing well, with structural milestones achieved in Q2 2025. This expansion is projected to nearly triple SMC's total inpatient and outpatient capacity, significantly enhancing its footprint and service reach in alignment with national healthcare priorities. The Company is expected to bring 19 additional clinics online by the end of 2025, which will drive sustainable growth in the short to medium term. Additionally, SMC is making steady progress on the 150-bed mental health facility under the Ministry of Health's PPP program, with the project remaining on schedule to begin operations in 2026. SMC continues to explore strategic partnerships, including additional public-private collaborations aligned with Vision 2030.

Status of Upcoming Projects

Project	Location	Capacity	Status	Completion
SMC 3	Northern Ring Road	Clinics: 200 Beds: 296	Under construction	2027
SMC 4	Khuzam Suburb	Clinics: 120 Beds: 201	Location secured and under design	2028
SMC 5	Al Malqa District	Clinics: 120 Beds: 201	Location identified	2029

About SMC Healthcare

SMC Healthcare is a Riyadh-based healthcare group founded in 1999. With a focus on high-quality inpatient and outpatient care, SMC operates two main hospitals in Riyadh (SMC1 on King Fahd Road and SMC2 on King Abdullah Road), together offering 578 inpatient beds and 307 outpatient clinics. SMC provides comprehensive healthcare services covering the entire value chain and operates centres of excellence in nephrology, cardiology, IVF and fertility medicine, oncology, ophthalmology, general and specialized surgery, laboratory services, and urology services. SMC boasts a strong team of medical professionals comprising 476 doctors and 1,078 nurses. With an expanding footprint and a strong focus on clinical outcomes and patient satisfaction, SMC remains a key contributor to the Kingdom's healthcare transformation under Vision 2030.

Contact

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Glossary of Terms

Term	Definition
Outpatients	Individuals who receive medical care, diagnosis, or treatment at the Outpatient Clinics without being admitted.
Outpatient visits	The number of distinct chargeable visits for outpatient related services including consultations, diagnostics, treatment, or other services. Each appearance by a patient to the outpatient clinics is counted individually as an outpatient visit, regardless of the number of diagnostic and/or therapeutic treatments received. The number of outpatient visits excludes follow up or return visits.
Clinics	Designated outpatient consultation rooms located within the hospital, where medical assessments, follow-ups, and diagnostic reviews are provided for patients not requiring admission. This definition excludes vital signs stations and procedure rooms, which are considered support services rather than standalone clinic visits.
Inpatients	Patients who are admitted to a hospital and utilize an inpatient bed to receive medical care, monitoring, or treatment.
Inpatient beds	The total number of beds available in the hospital for admitting inpatients, typically excluding emergency, observation, and outpatient beds. This reflects the hospital's capacity for overnight stays.
Long Term Care	Long Term Care (LTC) patients are disabled patients and/or helpless patients who require hospitalization but with minimal medical & nursing & supportive & dietary care. Those patients should not be suffering from any acute medical condition that requires tertiary care, or from any communicable disease.
Acute Patient care	A level of health care in which a patient is treated for a brief but severe episode of illness, for conditions that are the result of disease or trauma, and during recovery from surgery. Acute care often requires immediate attention and a high level of medical expertise and is generally provided in a hospital by a variety of clinical personnel using technical equipment, pharmaceuticals, and medical supplies.
Other in-patient services	Medical services provided to admitted patients beyond standard room and board, core medical treatments, or specialized care already itemized. This might include rehabilitation services, palliative care, or specific diagnostic procedures performed during an inpatient stay that are not classified under primary specialty revenue.
SMC 1 Hospital	The first operational facility in the SMC network, was strategically located and established in the heart of Riyadh on King Fahad Road. It consists of three interconnected towers and 3 outpatient clinics buildings. Renowned for its commitment

	to clinical excellence, patient-centred care and innovation, SMC 1 provides comprehensive range of specialized medical services. The centre brings together top tier medical professionals, advanced technologies, modern Infrastructure and a holistic approach to healthcare to ensure exceptional outcomes.
SMC 2 Hospital	The second hospital in the SMC network, located on King Abdullah Branch Road, designed to complement and extend the services provided by SMC 1. SMC 2 features specialized units and differentiated capabilities, focusing on advanced diagnostics, select acute specialties, and integrated support services to meet growing demand and enhance system-wide capacity.
EBITDA	Calculated by adding back depreciation of property and equipment, depreciation of right of use assets and amortization of intangible assets as shown in the Statement of Cash Flows, and other revenue as shown in the Statement of Profit or Loss to the sum of operating profit as shown in the Statement of Profit or Loss. Includes Interest on lease liabilities.
Net Debt	The sum of current and non-current loans and lease liabilities less cash and cash equivalents, as shown in the Statement of Financial Position.