Earnings Release

Care Medical records revenue of SAR 388 million in 1Q26 amid sustained patient volume growth

- Revenue remained broadly stable year-on-year at SAR 388 million in 1Q 2026, despite the full impact of Ramadan and Eid. This was supported by sustained patient volume growth and higher contributions from the pharmaceuticals segment, which grew 9% year-on-year.
- Al Haram revenues more than doubled year-on-year to SAR 8.8 million; ReLib also delivered strong growth, recording SAR 5 million compared to SAR 2 million in 1Q 2025, reflecting the continued and efficient ramp-up of the Group's newly integrated capacity.
- Total patient count grew 9% year-on-year to 248 thousand in 1Q 2026, underscoring sustained demand across the Group's network.
- Gross profit declined 14% year-on-year on the back of higher salaries and employee benefits reflecting continued investment in our people as the Group expands its service offerings and capabilities. Gross profitability was further impacted by shifts in case mix and payor mix during Ramadan and Eid, as fewer complex procedures were performed and activity was concentrated in lower-paying segments, reducing revenue per patient.
- EBITDA decreased 25% year-on-year to SAR 92 million, with the EBITDA margin contracting to 23.6%, reflecting the impact of increased operating expenses during the quarter. It is also worth noting that 1Q 2025 benefited from a higher ECL reversal, which lowered the base of operating expenses in the prior-year period.
- Net profit declined 39% year-on-year to SAR 52 million in 1Q 2026, yielding a net margin of 13.5%. Bottom-line profitability was weighed by case mix pressures stemming from the full impact of Ramadan and Eid holidays falling within the quarter, where higher-acuity elective procedures are deferred during Ramadan and Eid, shifting the mix towards lower-paying segments, resulting in lower revenue per patient.
- Group-wide occupancy averaged 82%, slightly below 84% in 1Q 2025, reflecting lower utilization at Al Rawabi due to seasonality.

<u>Financial Highlights</u>

	1Q2026	1Q2025	YoY, %
Revenue	388	385	+1%
Gross Profit	123	143	-14%
% Margin	*31.6%*	*37.1%*	*-5.5 ppts*
EBITDA	92	123	-25%
% Margin	*23.6%*	*31.8%*	*-8.2 ppts*
Net Profit	52	85	-39%
% Margin	*13.5%*	*22.2%*	*-8.6 ppts*

Riyadh, 7 May 2026 – Care Medical, a leading healthcare provider in Saudi Arabia, reported its financial results for the first quarter of 2026. Revenue recorded SAR 388 million, supported by sustained patient volume growth, up 9% year-on-year to 248 thousand patients despite Ramadan and Eid falling entirely within the quarter. At the facility level, Al Haram and ReLib more than doubled their revenues year-on-year, reflecting the efficient ramp-up of the Group's newly integrated facilities. On the payor side, insurance revenues grew 21% year-on-year, while GOSI revenue moderated in line with typical seasonal patterns during Ramadan and Eid.

At the profitability level, gross profit declined 14% year-on-year to SAR 123 million, reflecting continued hiring of staff to expand the Group's service offerings. EBITDA decreased 25% year-on-year to SAR 92 million, with a margin of 23.6%. Net profit declined 39% year-on-year to SAR 52 million, yielding a net margin of 13.5%. Profitability was weighed by the impact of case mix and payor mix shifts during Ramadan and Eid, where fewer complex procedures were performed and activity concentrated in lower-paying segments, reducing revenue per patient.

Capacity Expansions

As part of its ongoing expansion strategy, Care Medical has made meaningful progress on the development of Al Narjis Hospital in Northern Riyadh, a 400-bed greenfield facility targeting the premium segment, with a total planned investment of approximately SAR 1.4 billion. During 1Q 2026, the Group deployed approximately SAR 36 million in capital expenditure on Al Narjis, bringing cumulative investment on the project to approximately SAR 126 million, marking a key milestone in its development and underscoring continued execution against its expansion pipeline. The facility will be developed in multiple phases, enabling a phased ramp-up of capacity in line with demand.

This progress reflects the Group's broader approach to capacity expansion, which remains focused on disciplined growth in high-demand locations. Care Medical is targeting the addition of 5 to 8 new facilities, including hospitals and clinics, by 2032, through a combination of selective greenfield developments and capital-efficient clinical rollouts. This strategy is designed to enhance service capabilities, expand geographic reach, and support the Group's long-term ambition to scale efficiently across its core markets.

Dr. Abdulaziz bin Saleh Alobaid, Chief Executive Officer of Care Medical, said: "Care Medical's first quarter performance reflects the underlying strength of our platform and the resilience of demand across our network, with patient volumes continuing to grow despite a slower quarter., Alongside the full overlap of Ramadan and Eid within the quarter, created temporary headwinds that impacted activity levels, adding pressure on the Group's case mix.

Despite these factors, we continued to execute on our strategic priorities, advancing key development projects, scaling our newer facilities, and strengthening our presence in high-demand and specialized care segments. The sustained growth in volumes reinforces our confidence in the Group's long-term positioning, and we remain focused on building a scalable, integrated healthcare platform that delivers high-quality care and long-term value for our patients and stakeholders."

Jahanzeb Ahmed Khan, Chief Financial Officer of Care Medical, added: "In 1Q 2026, we delivered broadly stable revenue of SAR 388 million, supported by a 9% increase in total patient volumes, underscoring the resilience of demand across our network despite seasonal dynamics during the period. The full impact of Ramadan and Eid falling entirely within the quarter drove a significant case mix shift, with higher-acuity elective procedures deferred and activity concentrated in lower-paying segments, which weighed on revenue per patient case and tempered profitability at all levels of the income statement.

We view the margin compression in the quarter as largely seasonal and transitory. Looking ahead, we expect a progressive normalization in case mix and payor activity, which, alongside sustained volume growth, ramp-up in newer facilities, and continued focus on cost discipline and operational efficiency, should support a recovery in margins over the coming quarters."

Operational and Financial Review

Operating Indicator Highlights

	1Q2026	1Q2025	YoY, %
Inpatient Admissions	7,866	6,782	+16%
Outpatient Visits	240,358	220,440	+9%
Total Patients	248,224	227,222	+9%
Inpatient Days	87,317	85,290	+2%
Bed Capacity	1,185	1,128	+5%
Bed Occupancy Rate (%)	82%	84%	-2.4 ppts
ALOS, Total (days)*	9.1	10.3	-11%
Number of surgeries	6,125	5,925	+3%

Notes:
* "ALOS, Total" represents the total average length of stay for inpatients at Care Medical's facilities, excluding Al Balad branch, the Group's long-term acute care facility

Care Medical recorded a 9% year-on-year increase in total patient count to 248,224 patients in 1Q 2026, with outpatient visits rising 9% to 240,358 and inpatient admissions increasing 16% to 7,866. Volume growth was achieved despite the full impact of Ramadan and Eid falling within the quarter, underscoring sustained demand across the network and continued ramp-up of newer facilities.

Outpatient visit growth was primarily driven by Al Malaz, where visits increased 22% year-on-year to 80,577, alongside strong contributions from Al Salam Hospital, which recorded 45,778 outpatient visits, up 13% year-on-year. Al Haram also delivered solid growth of 19% year-on-year. Al Rawabi's outpatient volumes remained broadly stable. It is important to note that the Ramadan and Eid periods typically have an impact on GOSI referrals due to reduced working hours and extended public holidays, which result in fewer working days, and consequently, lower referral volumes.

Inpatient admissions increased 16% year-on-year, supported by higher activity across key facilities, particularly Al Malaz and Al Salam, as well as the continued ramp-up of newer capacity. Growth in admissions was recorded despite seasonal headwinds, highlighting the resilience of underlying demand and the Group's ability to sustain patient inflows across its network.

Surgical procedures increased 3% year-on-year in 1Q 2026 to 6,125, broadly tracking the growth in inpatient admissions across the network. Performance was supported by solid activity at legacy facilities, particularly Rawabi and Malaz. However, the pace of growth remained modest, as the full impact of Ramadan and Eid led to the deferral of higher-acuity elective procedures, resulting in a greater concentration of lower-complexity interventions performed during the quarter.

The average length of stay (ALOS), excluding Al Balad which operates under a distinct long-term care model, declined to 9.1 days in 1Q 2026 from 10.3 days in 1Q 2025. At the Rawabi and Malaz branches, ALOS decreased to 10.5 days from 11.4 days in the prior-year quarter. The reduction reflects a shift in case mix towards shorter-stay treatments during Ramadan and Eid, as fewer complex procedures were performed, resulting in a lower average duration of stay across the network.

Care Medical continues to expand its capacity across the network, with total bed capacity up 5% year-on-year to 1,185 beds, driven by additions at Al Rawabi and the ReLib platform, the majority of which were implemented post 1Q 2025. Group-wide occupancy averaged 82%, compared to 84% in 1Q 2025, reflecting slightly lower utilization during the quarter.

Income Statement Highlights

SAR million	1Q2026	1Q2025	YoY, %
Revenue	388	385	+1%
Cost of revenue	(265)	(242)	9%
Gross profit	123	143	-14%
Selling & marketing	(3)	(3)	0%
General & administrative	(51)	(47)	8%
Provisions & other	(6)	4	N/A
Total operating expenses	(60)	(46)	30%
Operating profit (EBIT)	63	97	-35%
EBITDA	92	123	-25%
Net profit	52	85	-39%
Gross profit Margin	31.6%	37.1%	-5.5 ppts
EBIT Margin	16.2%	25.2%	-9.0 ppts
EBITDA Margin	23.6%	31.8%	-8.2 ppts
Net profit Margin	13.5%	22.2%	-8.6 ppts
ROAE*	11.2%	20.5%	-9.3 ppts
ROAA*	7.2%	13.5%	-6.2 ppts

Notes:
* ROAE and ROAA are calculated based on 1Q 2026 net profit annualised, and are therefore not directly comparable to full-year return metrics

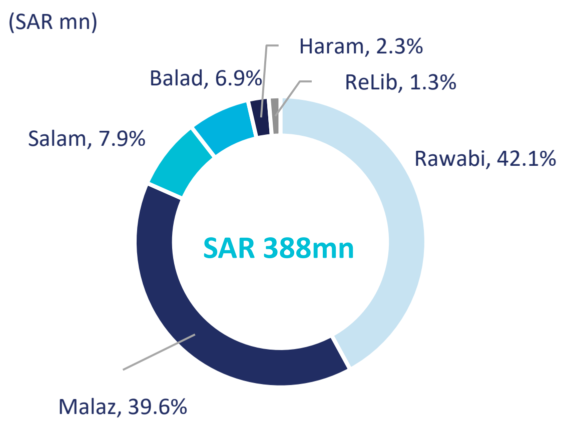
Care Medical's revenue remained stable year-on-year at SAR 388 million in 1Q 2026, supported by sustained patient volume growth and higher contributions from the pharmaceuticals segment, which grew 9% year-on-year to SAR 47 million. While the 9% increase in total patient volumes provided a positive top-line impulse, revenue growth was tempered by the full impact of Ramadan and Eid holidays falling entirely within the quarter, which drove a temporary shift in case mix towards lower-acuity segments, compressing revenue per patient case across the network.

Cost of revenue increased by 9% year-on-year to SAR 265 million, primarily driven by higher staff costs following hiring of additional medical staff to support the Group's expanding service offerings, as well as increased spending on pharmaceuticals and consumables in line with higher activity levels. The quarter also saw a rise in shipment-related costs. With revenue remaining broadly flat due to case and payor mix effects, cost of revenue rose as a proportion of total revenue to 68.4%, compared to 62.9% in the prior-year quarter. This resulted in gross profit declining by 14% year-on-year to SAR 123 million, with gross margin contracting to 31.6%.

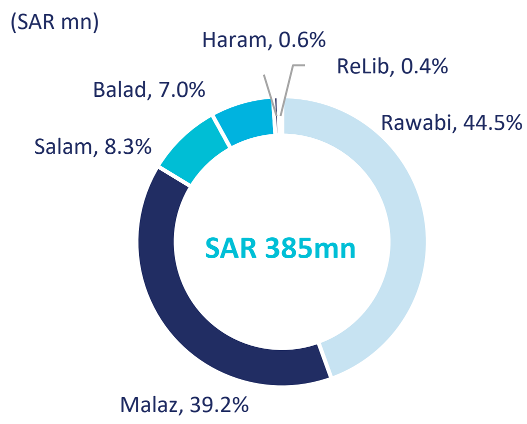
Operating expenses increased 30% year-on-year to SAR 60 million in 1Q 2026, primarily driven by higher general and administrative expenses of SAR 51 million, up 8% year-on-year, reflecting the Group's expanded operations. The quarter also included an ECL reversal of SAR 8.5 million, compared to a reversal of SAR 16.5 million in 1Q 2025, representing a SAR 8.0 million year-on-year headwind on this line which further weighed on operating profitability. Trends observed across gross profitability filtered through to the EBITDA line, with EBITDA declining 25% year-on-year to SAR 92 million in 1Q 2026, delivering an EBITDA margin of 23.6%.

Net profit declined 39% year-on-year to SAR 52 million in 1Q 2026, delivering a net profit margin of 13.5%. The decline reflects the impact of the seasonal case mix shift on revenues, higher operating costs, and a more modest ECL reversal relative to the prior-year quarter, which further weighed on profitability.

Total Revenue by Hospital, 1Q 2026

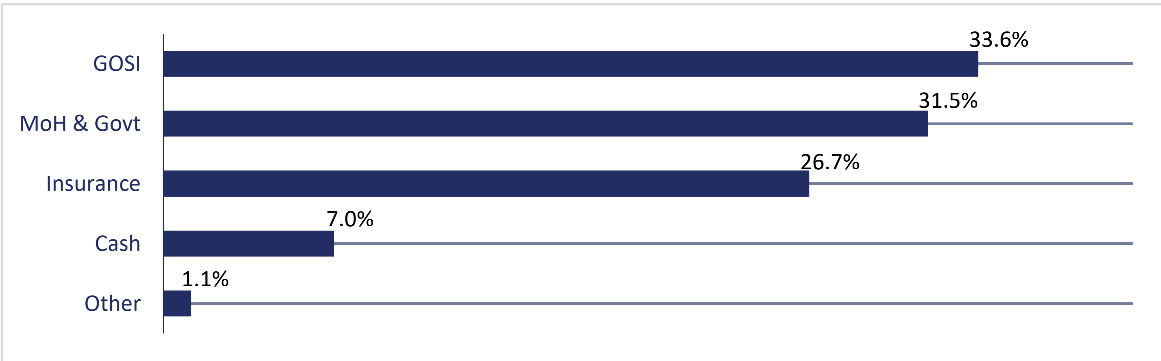


Total Revenue by Hospital, 1Q 2025

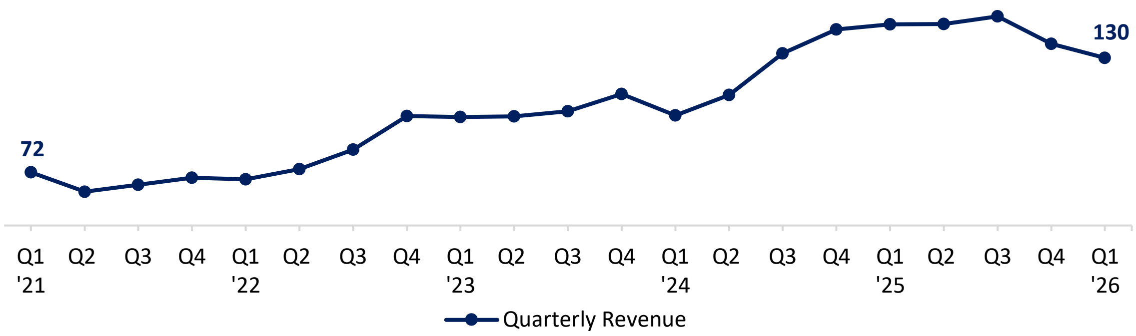


At the facility level, Al Rawabi and Al Malaz remained the Group's largest contributors at approximately 42% and 40% of total revenue, respectively. Al Malaz delivered stable revenue growth of 2% year-on-year to SAR 154 million, while Al Rawabi declined 5% year-on-year to SAR 163 million, reflecting the temporary slowdown in GOSI-related activity associated with Ramadan and Eid seasonality due to shorter working hours and more vacations. Al Salam Hospital accounted for approximately 8% of total revenue, reflecting its continued steady integration within the network. Newly integrated and recently launched facilities continued to scale efficiently, with Al Haram's revenues more than doubling year-on-year to SAR 8.8 million, and ReLib's revenues expanding to SAR 5 million versus SAR 2 million in 1Q 2025.

Total Revenue by Payer, 1Q 2026



GOSI Revenue Growth Trajectory



	2021	2022	2023	2024	2025
Total GOSI Revenues	269,557	326,769	416,349	490,669	584,763
CAGR			*16.8%*		

On a payor level, GOSI remained the Group's primary payor; however, its contribution declined 12% year-on-year to SAR 130 million, reflecting the temporary slowdown in activity during 1Q2026. This should be viewed within the context of a predictable cyclical pattern, with GOSI revenue reporting consistently lowest in Q1 before rebounding in subsequent quarters, and 1Q 2026 further weighed by the full timing of Ramadan and Eid. This is further supported by GOSI's strong upward annual trajectory, confirming the quarterly dip is purely seasonal.

Meanwhile, insurance emerged as the fastest-growing segment, rising 21% year-on-year to represent 27% of total revenue, up from 22% in 1Q 2025.

Cost Trends

SAR million	1Q2026	1Q2025	YoY, %
Salaries and benefits	167	149	+12%
Medicines and consumables	71	68	+5%
D&A	20	18	+14%
Repairs and maintenance	4	4	-9%
Rent, utilities and other	4	4	+9%
Total Cost of revenues	265	242	+9%
Selling & marketing	3	3	0%
General & administrative	51	47	+8%
Provisions for ECL	6	(4)	N/A
Other	0.3	(0.6)	N/A
Total Operating Expenses	60	**46**	+30%
Total Expenses	325	288	+13%

In 1Q 2026, Care Medical's total expenses increased 13% year-on-year to SAR 325 million, driven by a 9% increase in cost of revenue to SAR 265 million. The rise was primarily attributable to higher salaries and employee benefits, up 12% year-on-year, reflecting continued investment in hiring additional medical staff throughout 2025 and into 2026, to support the Group's expanding network and service offerings, alongside a 5% increase in medicines and consumables in line with higher patient volumes across the network.

Operating expenses increased 30% year-on-year to SAR 60 million, driven by higher general and administrative expenses, which rose by SAR 4 million year-on-year, primarily reflecting increased salaries and consultant costs to support the Group’s expanded operations. The year-on-year comparison was further impacted by the ECL line, where a charge of SAR 6 million was recorded in 1Q 2026 compared to a reversal of SAR 4 million in 1Q 2025. It is worth noting that the prior-year quarter benefited from a higher ECL reversal of SAR 16.5 million versus the SAR 8.5 million reversal booked this quarter, reflecting slower payor settlement activity during the quarter owing to the full impact of Ramadan and Eid, which further contributed to the year-on-year increase in operating expenses.

EBITDA and Net Profit

SAR million	1Q2026	1Q2025	YoY, %
EBITDA	92	123	-25%
Depreciation & amortization	(29)	(25)	+12%
Finance income / (cost)	(4)	(2)	+97%
Zakat expense	(6)	(10)	-36%
Net Profit	52	**85**	-39%

Care Medical's EBITDA declined 25% year-on-year to SAR 92 million in 1Q 2026, reflecting the case mix-driven compression in gross profitability resulting from seasonal factors during the quarter.

The Group's net profit declined 39% year-on-year to SAR 52 million in 1Q 2026, yielding a net profit margin of 13.5% versus 22.2% in 1Q 2025. The 8.6 percentage point margin contraction reflects the seasonal case mix and payor mix shifts, which tempered revenue growth despite strong volume performance; higher cost of revenue and operating expenses following annual compensation adjustments; and a more modest ECL reversal of SAR 8.5 million compared to SAR 16.5 million in the prior-year quarter, which further weighed on net profitability.

Cash Flow Highlights

SAR million	1Q2026	1Q2025	YoY, %
Net Profit before zakat	59	95	-38%
Non-cash adjustments	48	31	+56%
Working capital changes	(129)	33	N/a
Zakat, finance income, and end-of-service benefits	(6)	(2)	257%
Net cash, operations	(28)	157	N/a
Capex	(52)	(23)	130%
Net cash, investing activities	(1)	205	N/a
Net cash, financing activities	55	(24)	N/a
Net changes in cash	25	338	-93%

Care Medical recorded a net cash outflow from operating activities of SAR 28 million in 1Q 2026, compared to an inflow of SAR 157 million in 1Q 2025. The year-on-year change was primarily driven by a significant increase in working capital requirements, with working capital changes representing an outflow of SAR 129 million compared to an inflow of SAR 33 million in the prior-year quarter. This reflects a substantial buildup in trade receivables during the period, driven by slower settlement cycles— a pattern consistent with the seasonal moderation in collections observed during Ramadan and Eid. The Group is actively managing its receivables cycle and expects collections to improve as activity normalizes.

Net investing outflow of SAR 1 million reflects SAR 52 million in capital expenditure, substantially offset by the maturity of term deposits during the quarter, compared to an inflow of SAR 205 million in 1Q 2025, which had benefited from the return of time deposits. Capital expenditure increased to SAR 52 million from SAR 23 million in the prior-year quarter, primarily reflecting progress on the development of Al Narjis Hospital. Net cash from financing activities was an inflow of SAR 55 million, compared to an outflow of SAR 24 million in 1Q 2025, reflecting drawdowns on credit facilities during the quarter.

As a result, Care Medical recorded a net increase in cash of SAR 25 million in 1Q 2026. As of 31 March 2026, the Group's cash reserves stood at SAR 505 million, positioning Care Medical well to support its ongoing operational requirements and strategic expansion initiatives.

Balance Sheet Highlights

SAR million	1Q2026	4Q2025	YtD, %
Total Non-Current Assets	1,473	1,291	+14%
Total Current Assets	1,549	1,480	+5%
Total Assets	3,022	2,771	**+9%**
Total Equity	**1,902**	**1,849**	**+3%**
Total Non-Current Liabilities	819	577	+42%
Total Current Liabilities	300	344	-13%
Total Liabilities	**1,119**	**922**	**+21%**
Cash, equiv. & time deposits	505	531	-5%
Net Debt[1]	225	(15)	N/a
Days Sales Outstanding[2]	199	158	+26%
Days Payable Outstanding[2]	82	95	-14%
Days Inventory Outstanding[2]	77	71	+9%
Cash Conversion Cycle[2]	194	134	+45%

As of 31 March 2026, Care Medical's total assets increased 9% year-to-date to SAR 3.0 billion, primarily driven by the increase in trade receivables, which rose 10% year-to-date to SAR 973 million. The increase reflects a seasonal slowdown in collections during Ramadan and Eid, where governmental payment cycles are typically suspended towards year-end and resume post-Eid. Cash and cash equivalents remained healthy at SAR 505 million, broadly in line with year-end levels.

Total liabilities increased 21% year-to-date to SAR 1.1 billion, driven by a 42% increase in non-current liabilities, reflecting drawdowns on long-term credit facilities during the quarter to support the Group's ongoing capital expenditure on Al Narjis Hospital. Current liabilities declined 13% year-to-date to SAR 300 million, reflecting lower short-term obligations. The Group's net debt position stood at SAR 225 million as of 31 March 2026, compared to a net cash position of SAR 15 million at year-end 2025. The SAR 240 million movement reflects a SAR 74 million increase in borrowings drawn down to fund Al Narjis development, a SAR 139 million increase in lease liabilities primarily relating to the long-term IFRS 16 radiology equipment agreement with Siemens, and a reduction in net cash driven by seasonal working capital outflows and capital expenditure during the quarter.

Working capital metrics reflected the seasonal pressure on collections during the quarter. Days sales outstanding increased to 199 days from 158 days at year-end 2025. Days payable outstanding declined to 82 days from 95 days, reflecting faster supplier payments. Overall, the cash conversion cycle lengthened to 194 days from 134 days at year-end 2025, consistent with the seasonal pattern of slower collections during Ramadan and Eid. The Group expects receivables and the cash conversion cycle to normalize as payor settlements resume their regular cycle in subsequent quarters.

[1] Including time deposits
[2] Based on YTD indicators. DPO, DSO, and DIO are calculated based on Care methodology

Earnings Call

The company is hosting an earnings call to discuss 1Q 2026 financial results with analysts and investors on Thursday, 7 May 2026, at 16:00 Riyadh time (14:00 London, 17:00 Dubai, 09:00 New York).

Webcast link: Care Medical 1Q 2026 webcast

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About Care

Care Medical (Care, Tadawul: 4005) is a leading healthcare provider based in Riyadh, Kingdom of Saudi Arabia. The company operates multiple facilities, including two full-service hospitals in Riyadh – Rawabi and Malaz – as well as Haram branch, an emergency department in Mecca's Grand Mosque area. Its network also includes Al Balad branch in Jeddah, specializing in long-term nursing, hospice, and palliative care, and the recently acquired Al Salam general hospital in Riyadh. In 2024, Care Medical expanded its service offerings with the launch of the ReLib mental health platform.

With a team of more than 4,300 healthcare practitioners, administrators, and support staff, Care Medical treated over 900 thousand patients and performed over 24 thousand surgeries in FY 2025. The company reported revenue of SAR 1.6 billion (+24% year-on-year), an EBITDA of SAR 465 million (29.1% margin), and a net profit of SAR 318 million (19.9% margin).

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