



**Al Hammadi
Holding**

Al Hammadi Holding

Investor Presentation

FY 2022



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Holding**

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About Al Hammadi Holding

Al Hammadi is an integrated healthcare company and premier hospital operator providing world-class healthcare services to hundreds of thousands of local and foreign residents...

An Integrated Healthcare Company



78%¹

Hospitals

The company currently operates two hospitals in the Saudi Arabian capital, housing more than 600 inpatient rooms and 150 outpatient clinics. In line with the company’s ambitious growth plans and Saudi Arabia’s Vision 2030 strategy, Al Hammadi is aiming to inaugurate three more facilities in Riyadh over the coming seven years, more than doubling its inpatient and outpatient capacity.



22%¹

Pharmaceuticals

Al Hammadi also offers pharmacy services through a network of physical stores (currently located within its hospitals) and a growing online presence. The Group is also active in the vaccine import segment through its subsidiary, Pharma Serve.




600

Inpatient Rooms



26

Operating Rooms



180

Outpatient Clinics



2

In-hospital Pharmacies



5

Retail and Online Stores Planned for 2024

Our Accreditations



ACCREDITATION CANADA



ACHS



CBAHI



Saudi Heart Association



QUALITY APPROVAL



ACCREDITED

13.5%

45.5%

41.0%

Ownership Structure As at 31 Dec. 2022

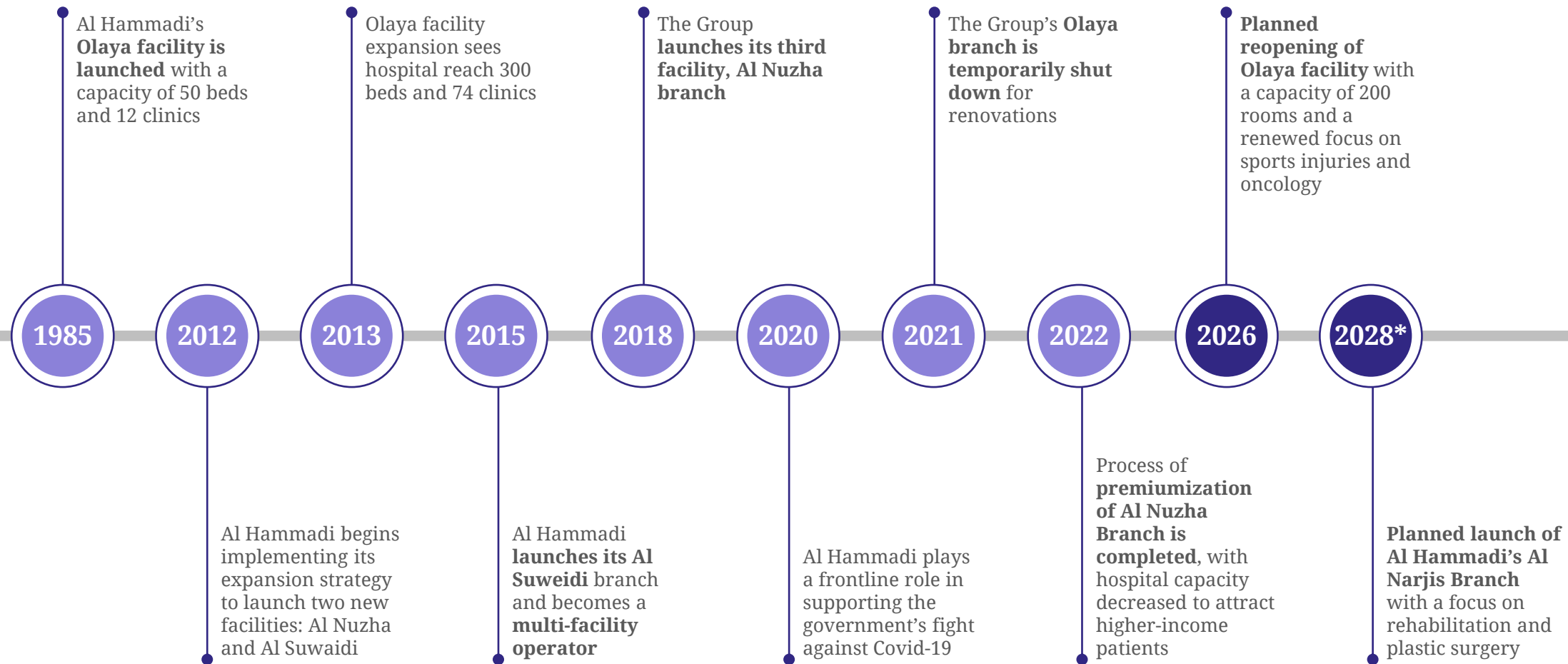
Al Hammadi Family

Institutional Investors

Individual Investors

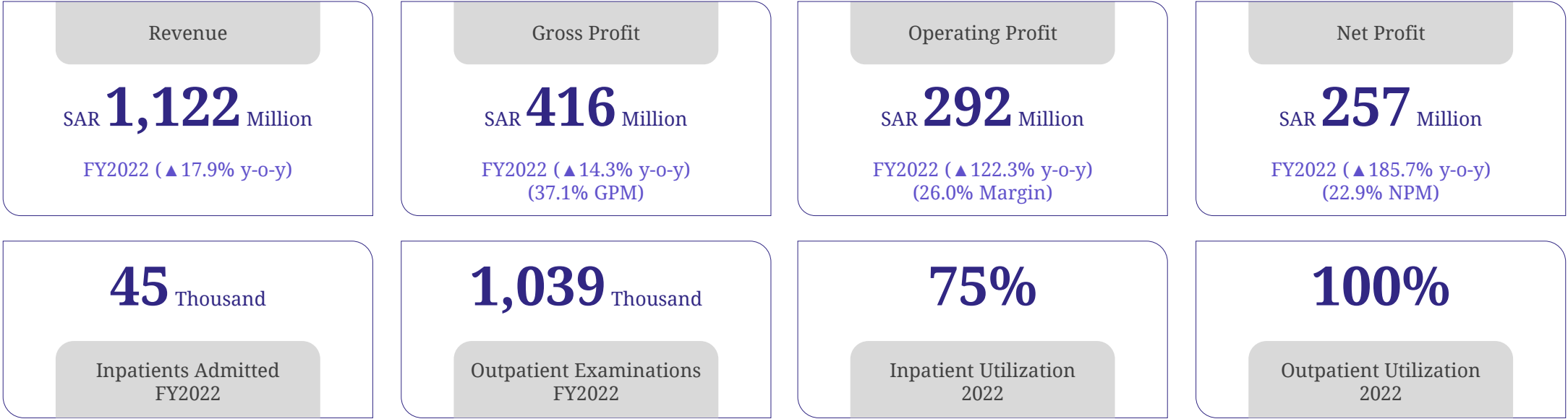
¹Share of FY 2022 consolidated revenues.

...with a four-decade track record of sustained success and solid plans for future expansion to match fast-growing demand in Riyadh

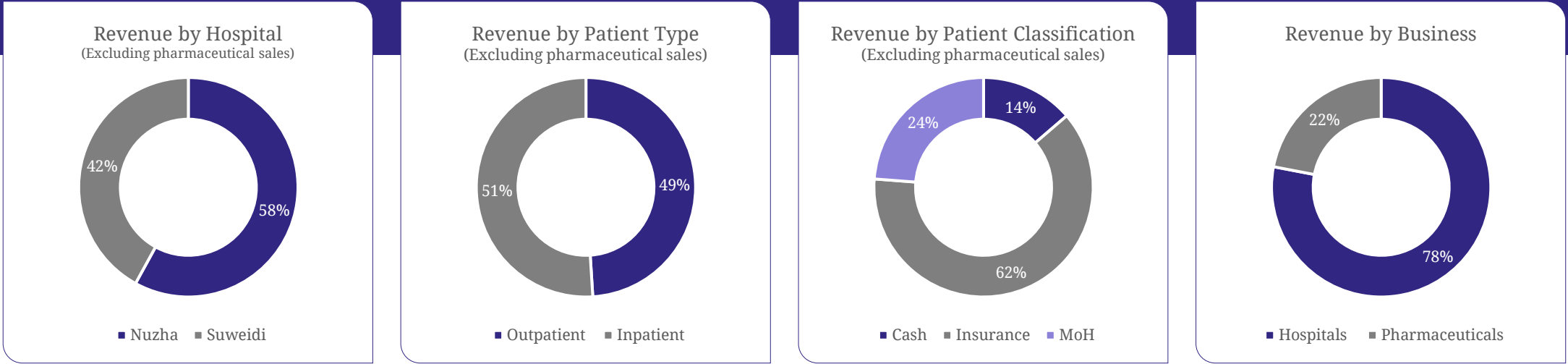


** Potential for expedited launch in 2027 depending on MoH demand*

Al Hammadi delivered strong bottom-line expansion in FY 2022 on the back of rapid revenue growth and efficient cost optimization measures



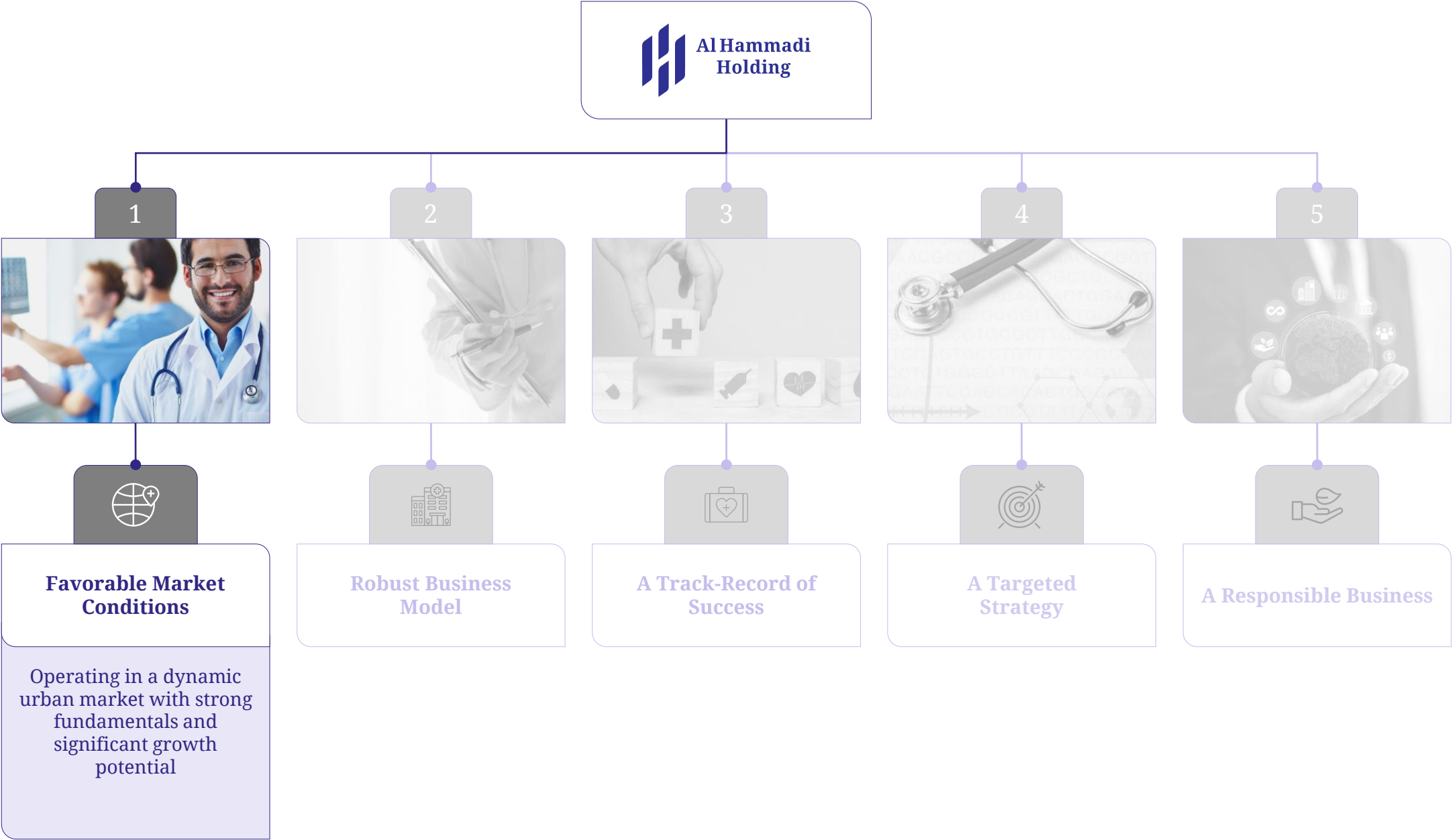
Revenue Contribution Breakup



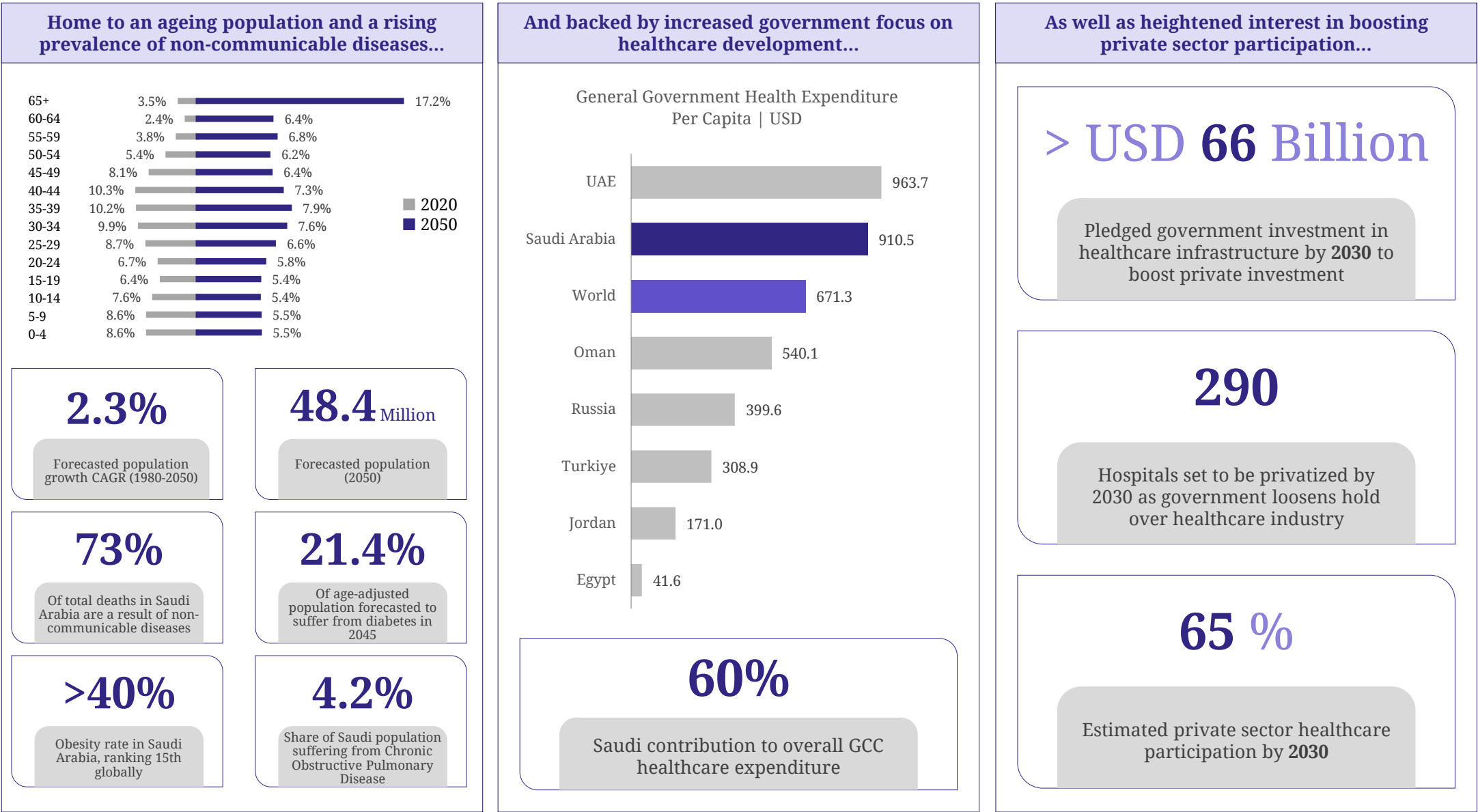


Investment Highlights

Investment Highlights



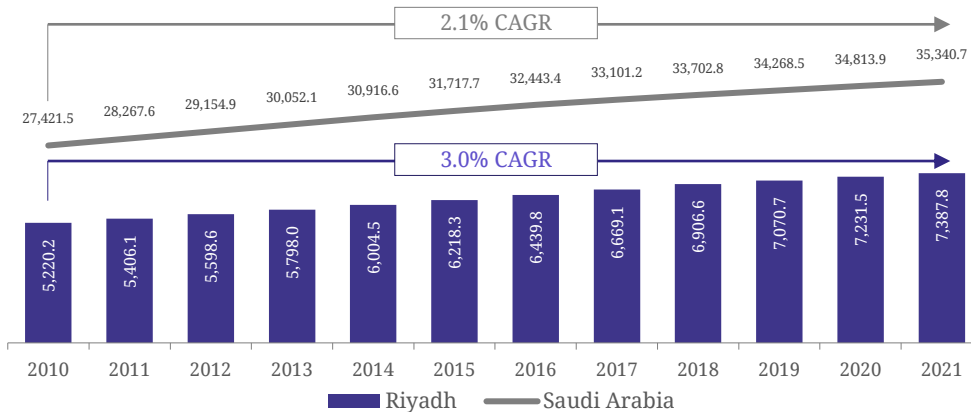
Operating in a dynamic urban market with strong fundamentals and a supportive regulatory environment...



The Group's hospitals are strategically located in Saudi Arabia's capital, Riyadh, an attractive city increasingly at the heart of the country's growth story...

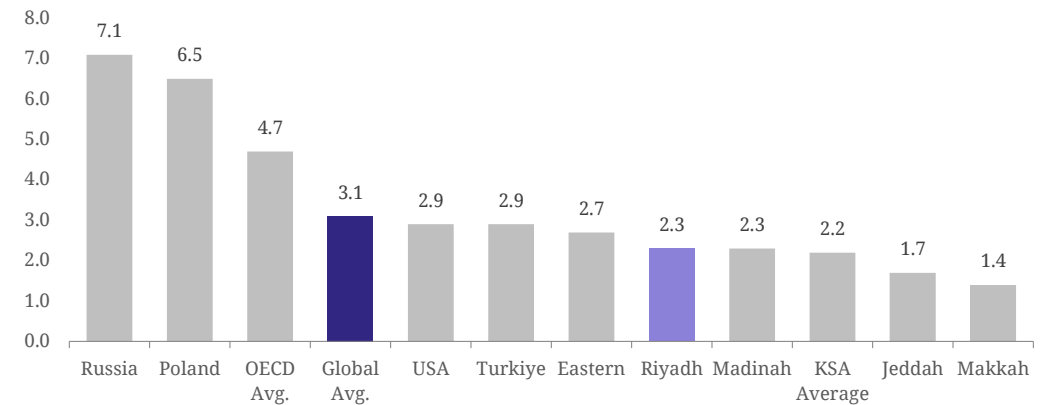
While Riyadh is growing at a faster rate than the entire Kingdom...

Riyadh versus KSA Population | '000



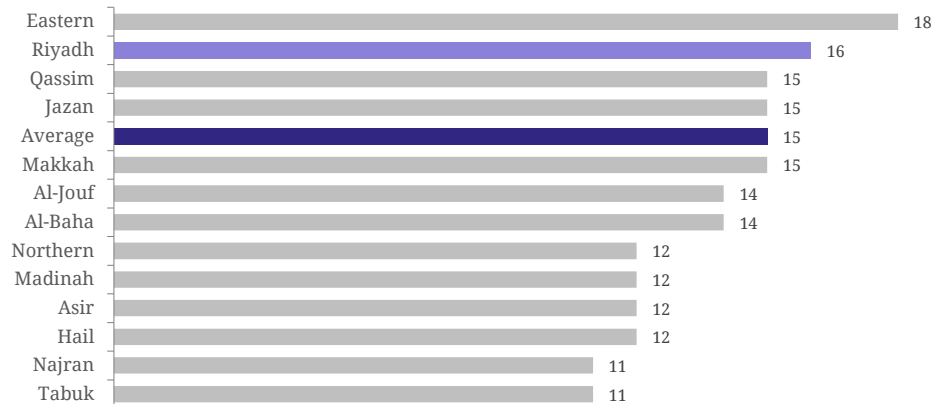
...the city's healthcare offering lags behind international averages...

Hospital beds per 1,000 people



Meanwhile, its higher-than-average salaries are increasingly translating into higher healthcare spending...

Average Income | SAR '000 Monthly



And with the government's clear vision for the city's future transformation the patient pool is set to grow further in the coming decade

20-30 Million

Targeted population of Riyadh by 2030

64 Universities

By 2030 attracting youth from around the world

"We also aim to have Riyadh become among the world's most prominent cities in terms of quality of life, tourism, and services in one way or another,"
– Crown Prince of Saudi Arabia on his vision for Riyadh in 2030

...and well positioned to cater to the rising demand from an increasingly insured population

The Council of Health Insurance organized several events to encourage increased participation in private health insurance...

4

Conferences & Awareness Seminars¹

68

Workshops¹

75

External Visits¹

1: 2021

Efforts to increase participation in private insurance for both Saudi and non-Saudi citizens is set to **specifically impact middle-upper class patient healthcare demand, for which Al Hammadi is a market leader** (20% share in Riyadh). Moreover, the increase in privately insured individuals is expected to be **largely concentrated in Riyadh**.

...and is set to further increase initiatives over coming years

Supporting strategic partnerships

Supporting initiatives targeting increased insurance coverage

Supporting digital transformation initiatives

Implementing ranking and accreditation programs for insurance companies

Government target to double Riyadh's population by 2030 to grow insurance pool

Drive increased participation of locals in private workforce and hence private insurance

The government plans to decrease public health insurance and place a larger emphasis on private insurance

Insured Individuals | mn

Year	Publicly Insured (mn)	Privately Insured (mn)
2021	24.4	9.8
2030e	17.0	21.7

2%

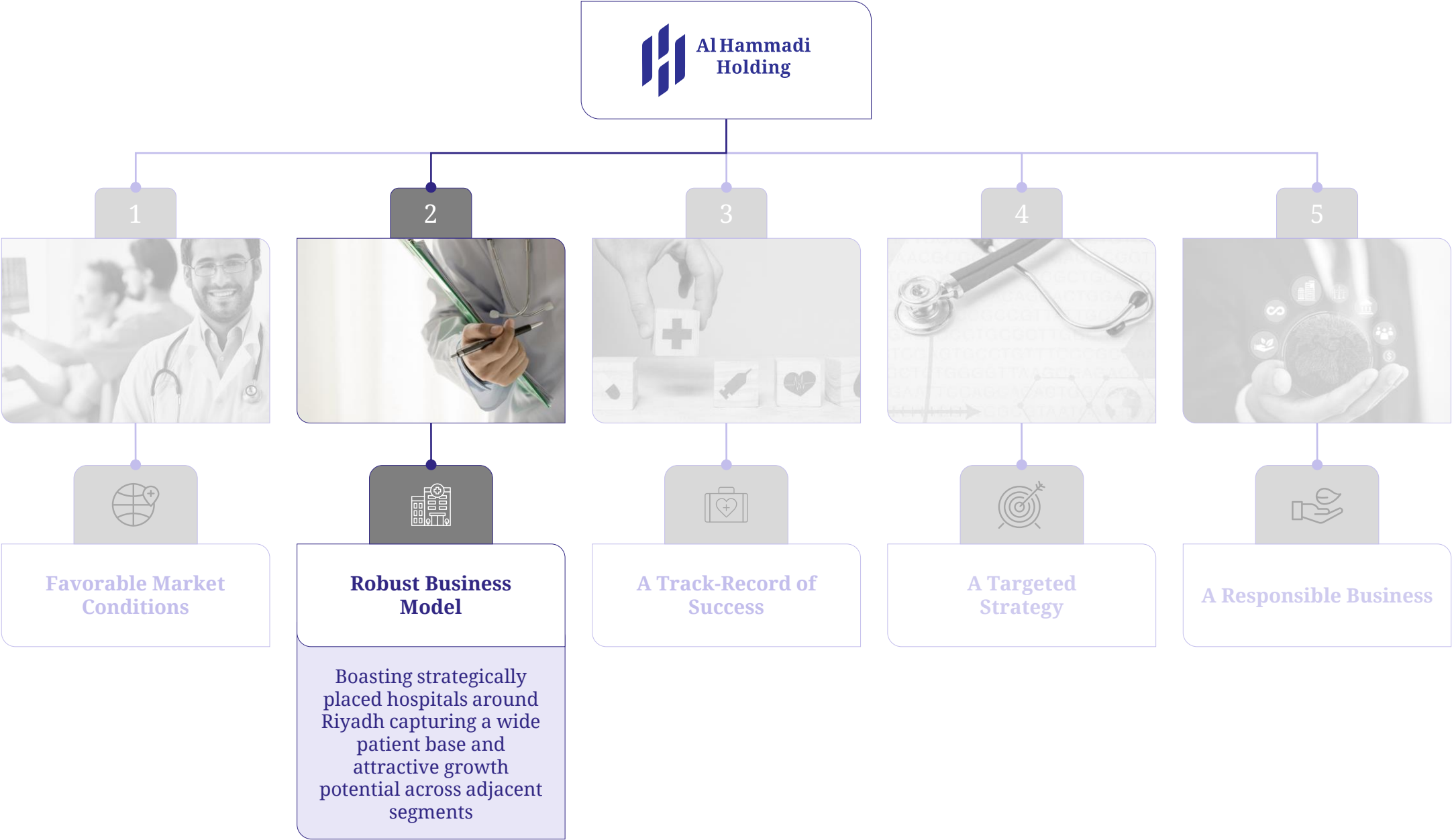
Medical insurance contribution to 2030e GDP (up from 0.8% in 2021)

SAR 60 Billion

Total insurance revenue 2030e (up from SAR 25 billion in 2021)

Sources: World Bank, Saudi Vision 2030, Internal Company Data

Investment Highlights



The Group's proven business model has enabled it to remain a step ahead of the competition and build the Al Hammadi brand into an industry leader in Riyadh...



Leading Hospital Operator

Al Hammadi operates two premier hospitals in Riyadh, with 600 inpatient rooms and ample room for expansion



Growing Presence in Adjacent Segments

Diversifying its revenue mix and providing a one-stop-shop experience for patients to boost loyalty and retention



Attractive Exposure to Patient Classes

Hammadi boasts the largest market share amongst middle-upper class patients (20% share in Riyadh) and is actively tapping into the class A/VIP and cash patient pools.



Geographically-Focused

Allowing efficient resource management and capitalizing on Riyadh's significant growth potential



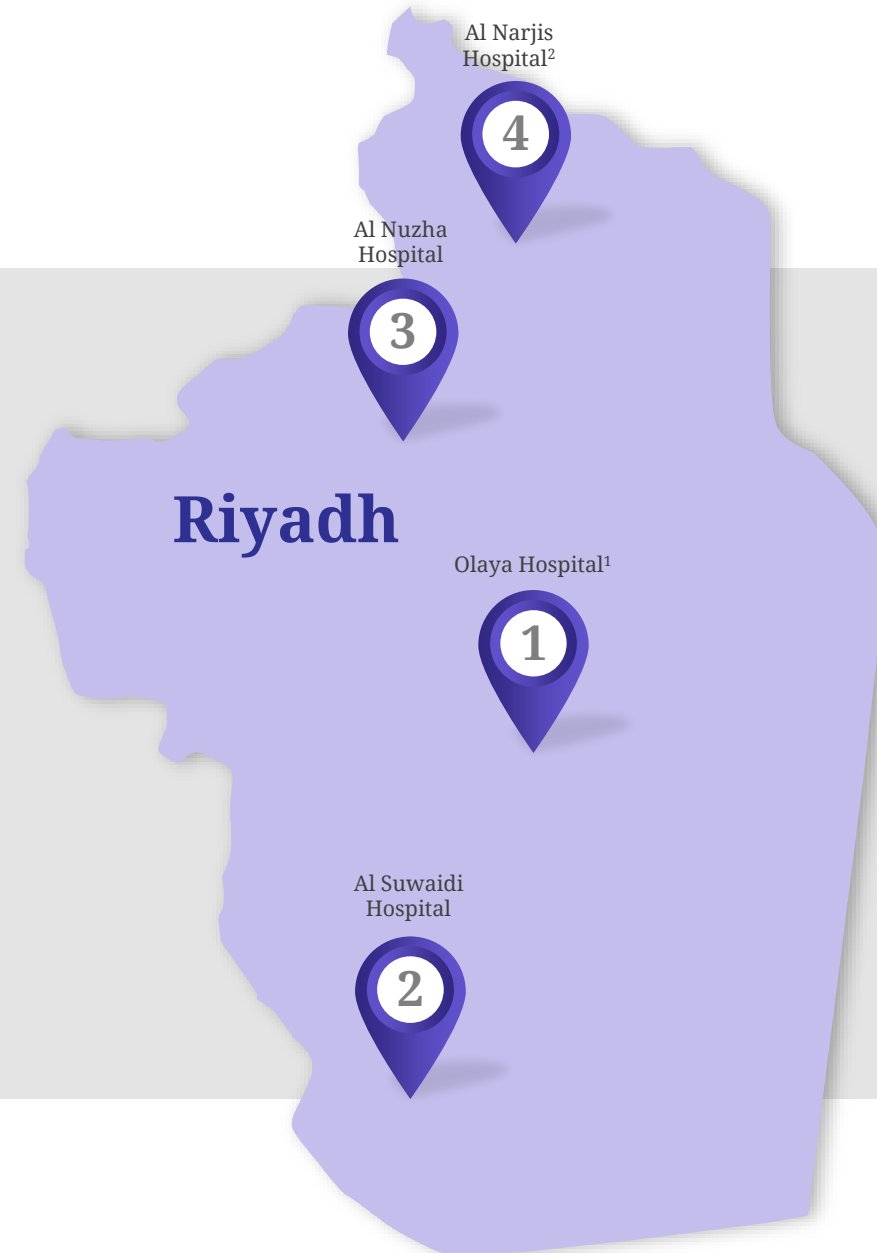
Robust Centralized Backoffice Functions

Enabling efficient procurement, strong collection rates, and effective recruitment

...and enjoys widespread coverage spanning the entire Saudi capital

Al Hammadi boasts two operational state-of-the-art facilities, Al Nuzha and Al Suwaidi hospitals, strategically located in the heart of Riyadh, with a third hospital, Olaya hospital, temporarily closed for renovations and with a planned reopening date of 2026.

In line with the Group's strategy to increase presence across Riyadh, and in response to the growing medical demand in the city, Al Hammadi plans to launch its fourth medical facility, Al Narjis Hospital, in 2028 to serve a largely underpenetrated area



1. Temporarily closed for renovations and planned to reopen in 2026
2. Planned launch in 2028

Al Hammadi operates two premier hospitals in the heart of Riyadh providing a wide range of world-class services to thousands of patients

Al Nuzha Hospital			Patient Class Mix 2022										
<p>Located in the northeast neighborhood of Riyadh, Al Nuzha Hospital was inaugurated in 2018. The hospital was originally established to cater to middle-upper class patients, with an overall capacity of 600 rooms and 100 outpatient clinics. In 2022, the hospital was converted into 300 rooms as it implemented a premiumization strategy and is equipped to handle a wide range of medical cases because of its state-of-the-art technology and world-class staff.</p>			<table><tr><td>B</td><td>15%</td></tr><tr><td>B+</td><td>51%</td></tr><tr><td>A</td><td>25%</td></tr><tr><td>VIP</td><td>9%</td></tr></table>			B	15%	B+	51%	A	25%	VIP	9%
B	15%												
B+	51%												
A	25%												
VIP	9%												
300	100	13											
Inpatient Rooms	Outpatient Clinics	Operating Rooms											
Specializations		Additional Services											
Cardiology	Endocrinology	In-house pharmacy services											
Orthopedics	Bariatric Surgery	139.2 k Mobile Services Users in 2022 (+ 153% y-o-y)											

Al Suwaidi Hospital			Patient Class Mix 2022										
<p>Launched in 2015 and located in southwest Riyadh, Al Suwaidi Hospital boasts 428 rooms and 80 outpatient clinics. Only 200 rooms of the hospital’s total capacity are operational, leaving ample room for strategic expansion within the hospital. Al Hammadi plans to leverage this extra capacity to attract more middle-upper class patients who currently opt for cheaper alternatives by introducing discount packages. The hospital is renowned for its stellar service and highly trained medical professionals.</p>			<table><tr><td>B</td><td>20%</td></tr><tr><td>B+</td><td>50%</td></tr><tr><td>A</td><td>20%</td></tr><tr><td>VIP</td><td>10%</td></tr></table>			B	20%	B+	50%	A	20%	VIP	10%
B	20%												
B+	50%												
A	20%												
VIP	10%												
300	80	13											
Inpatient Rooms	Outpatient Clinics	Operating Rooms											
Specializations		Additional Services											
Cardiology	Dermatology	In-house pharmacy services											
Pediatrics	Obstetrics and Gynecology	47.0 k Mobile Services Users in 2022 (+ 177% y-o-y)											

The Group is focused on expanding its presence in adjacent segments to provide holistic care for its patients and diversify its revenue mix

Pharmacy Services

In-House Pharmacies
(Operational)

Online Services
(To be launched - 2023)

Retail Network
(To be launched - 2023)

Providing a one-stop-shop for patient care building long-term loyalty and relationships

Immediate access to medication leading to improved patient experience

Improved tracking of patient records and medication history

Revenue | SAR mn

Year	Revenue (SAR mn)
2018	113.8
2019	161.4
2020	162.4
2021	157.3
2022	189.0

Vaccine Distribution

Al Hammadi has investments in pharmaceutical company, Pharma Serve, a pioneer in the procurement and distribution of essential immunizations and vaccines. This is directly in line with the Saudi government’s vision of medical self-sufficiency.

Relying on first mover advantage to gain traction in a growing field

In line with government initiatives

Revenue | SAR mn

Year	Revenue (SAR mn)
2018	199.7
2019	187.8
2020	68.9
2021	56.7
2022	62.3

Facility Management

In addition to its pharmaceutical services, Al Hammadi is also in the process of launching its facility management services. Relying on a successful track record of nearly four decades, the Group leverages its unparalleled expertise to provide stellar hospital management and operation services to its growing client base.

Patient Experience Management

Staff Affairs

Supply Chain & Logistics

Financial Account Management

The Group’s administrative operations are conducted through a centralized back office, enabling efficient procurement, strong collection rates, and effective recruitment

Efficient Procurement System



Creating long-lasting relationships with key equipment manufacturers



Employing centralized procurement methods to increase bulk purchases and provide additional bargaining power



Relying on extensive negotiations with multiple vendors to get a clear view of all available bids and achieve improved negotiation results



Leveraging Al Hammadi’s strong brand equity to negotiate tailored deals



A Robust Collection Framework

In an effort to improve collection rates, Al Hammadi completed a full restructuring of its revenue cycle framework in 2021

Employing an end-to-end cycle covering the entire revenue collection process from claim management until collection and reconciliation

Consolidation of collection framework across both Al Hammadi hospitals through one back office

Plans for expanding collection operations across all hospitals and adjacent operations to be launched by the Group

Positive results with credit losses normalizing in 2022

Top-Tier Recruitment Team

A centralized recruitment team overseeing all Al Hammadi’s employment efforts and allocating personnel effectively between hospitals

Efficient management of staffing needs across hospitals

Comprehensive interview process ensuring world-class medical professionals

The Group employs experienced medical professionals and offers a range of training programs to maintain stellar service and superior medical outcomes



New Employee Training Methods



Comprehensive onboarding providing smooth employee integration



Mentorship programs facilitating acclimation and providing a contact point to resolve any potential issues new staff may face



Detailed introductory courses ensuring up-to-date medical knowledge of all staff members



Existing Employee Professional Development



Scheduled training programs in all areas of medical and professional practices

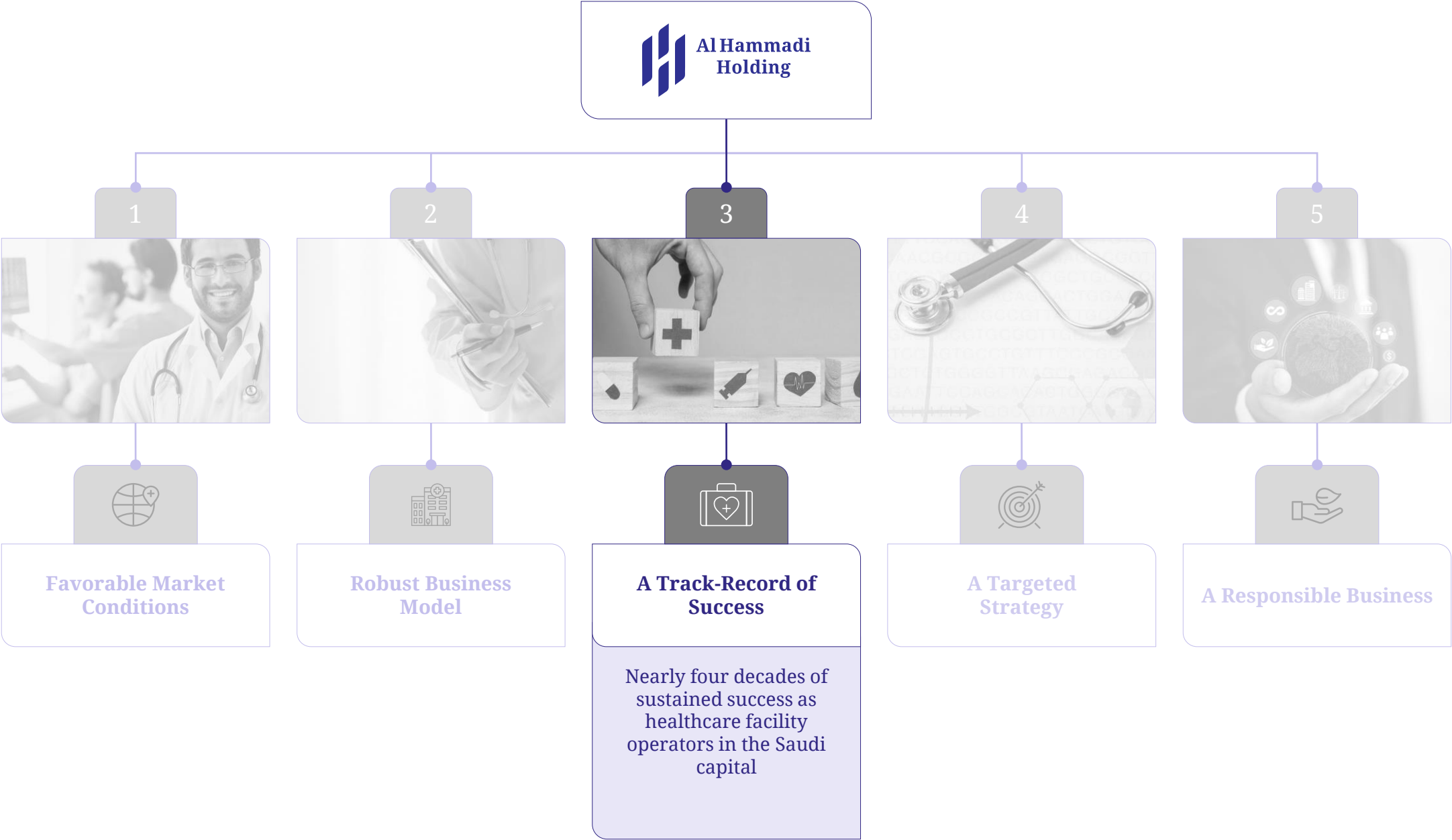


Active monitoring of the latest medical research to update staff on latest medical developments

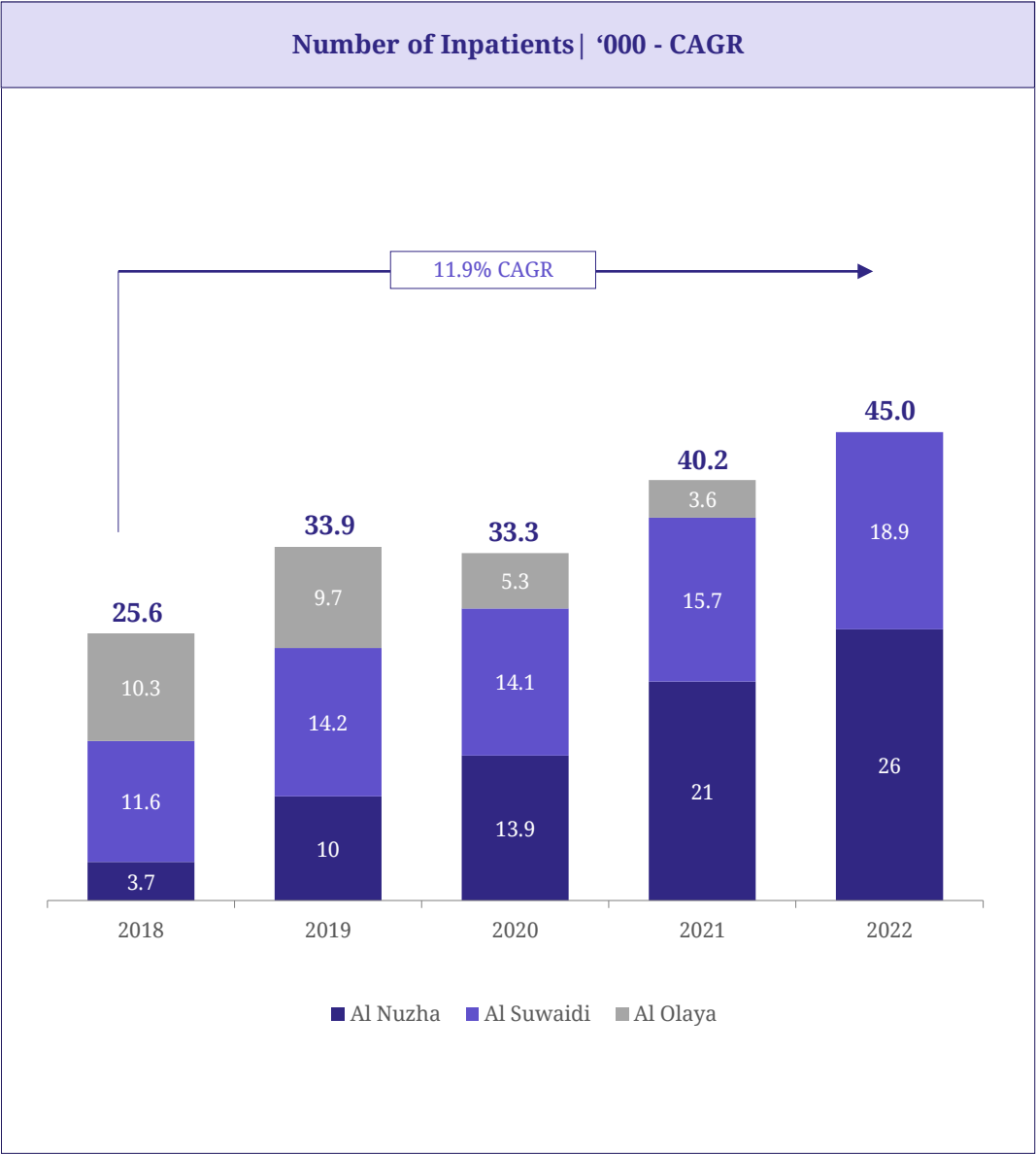
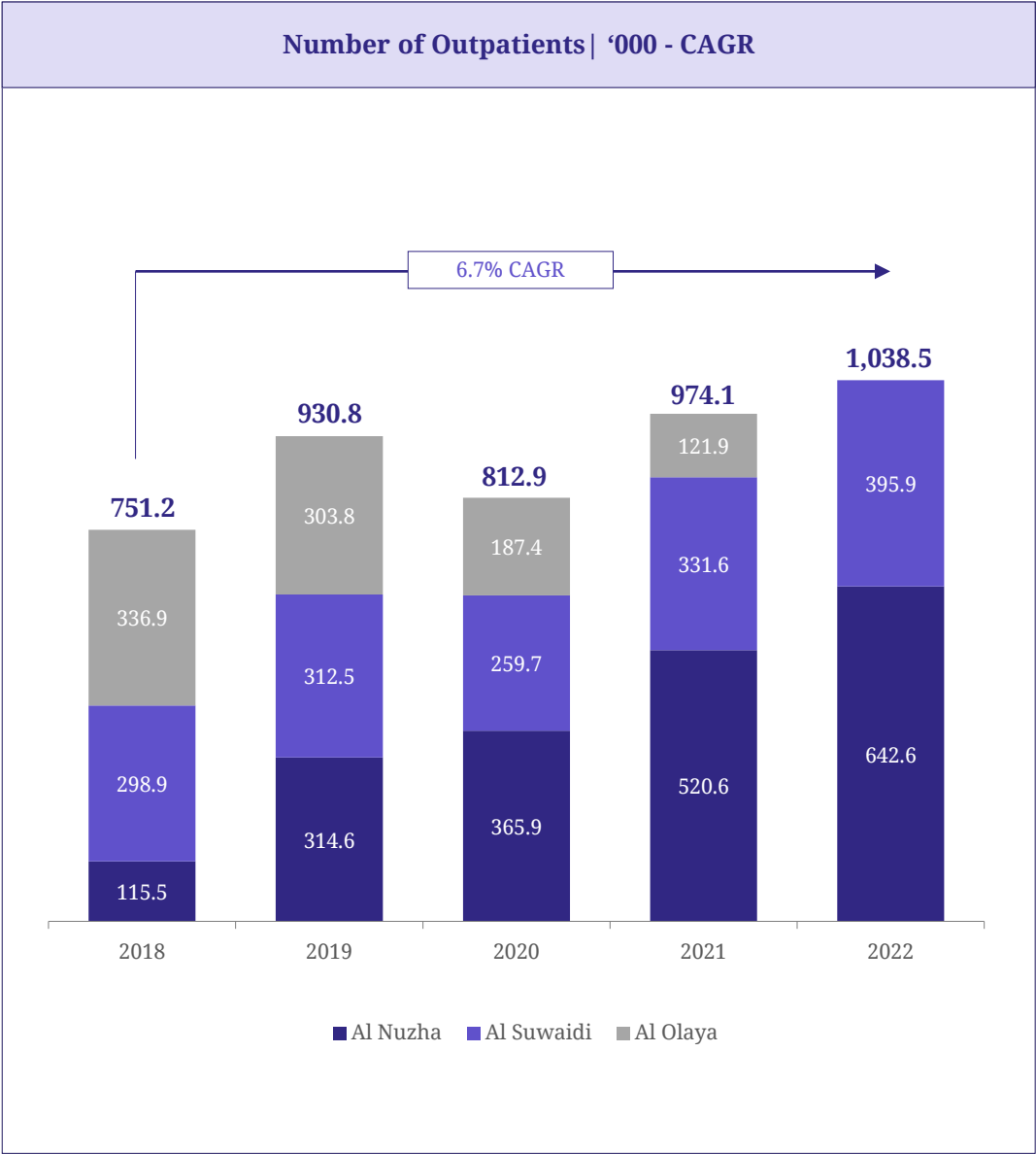


Clear milestone objectives and transparent hierarchy encourages outstanding performance and career growth

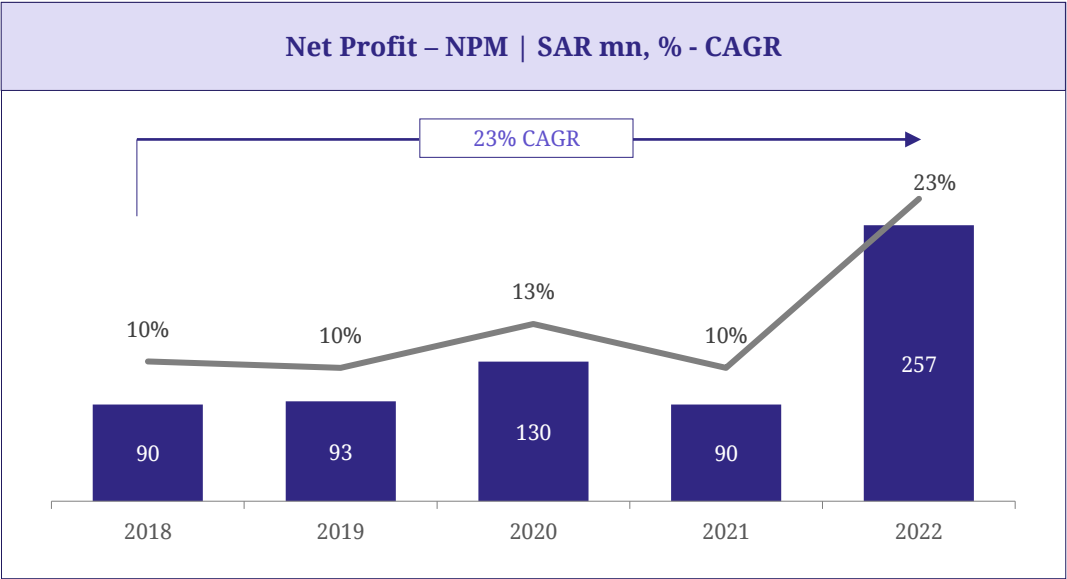
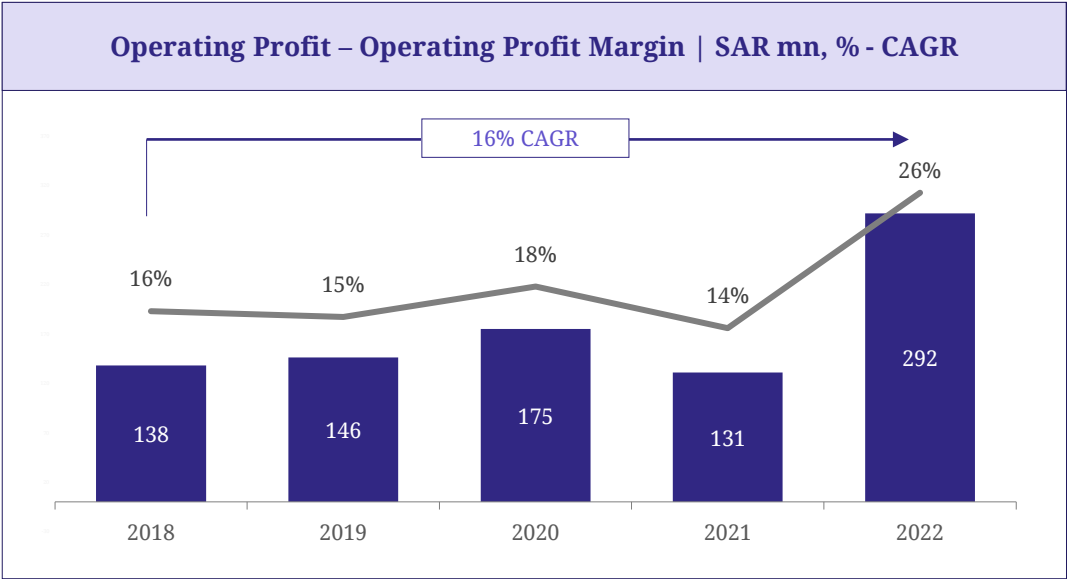
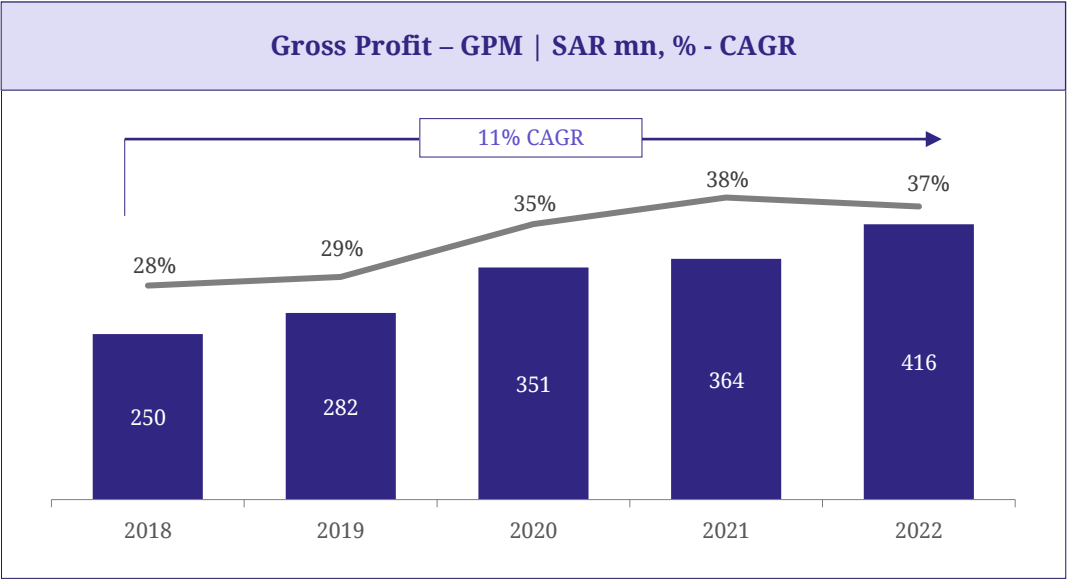
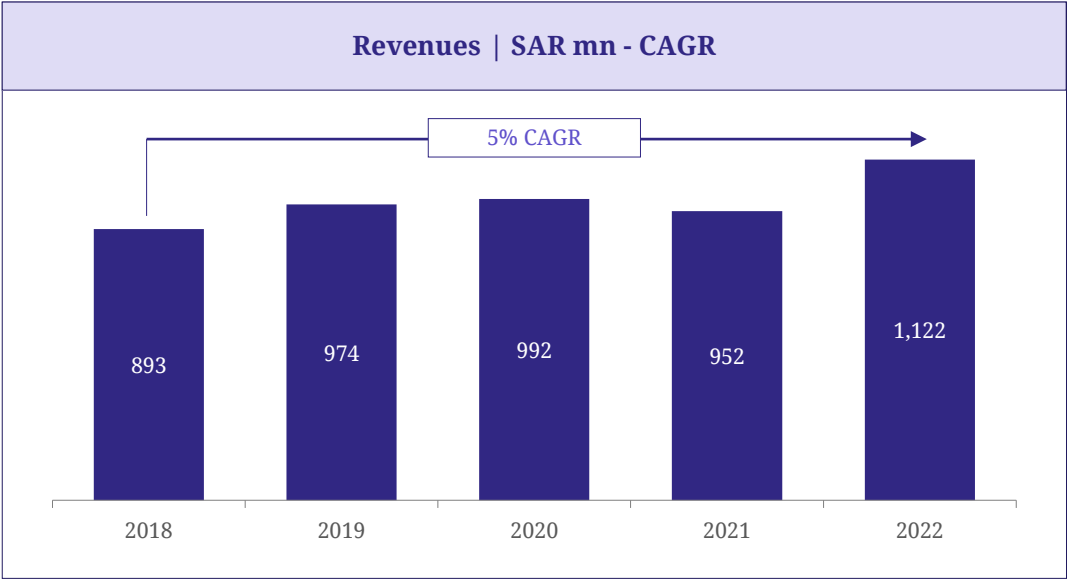
Investment Highlights



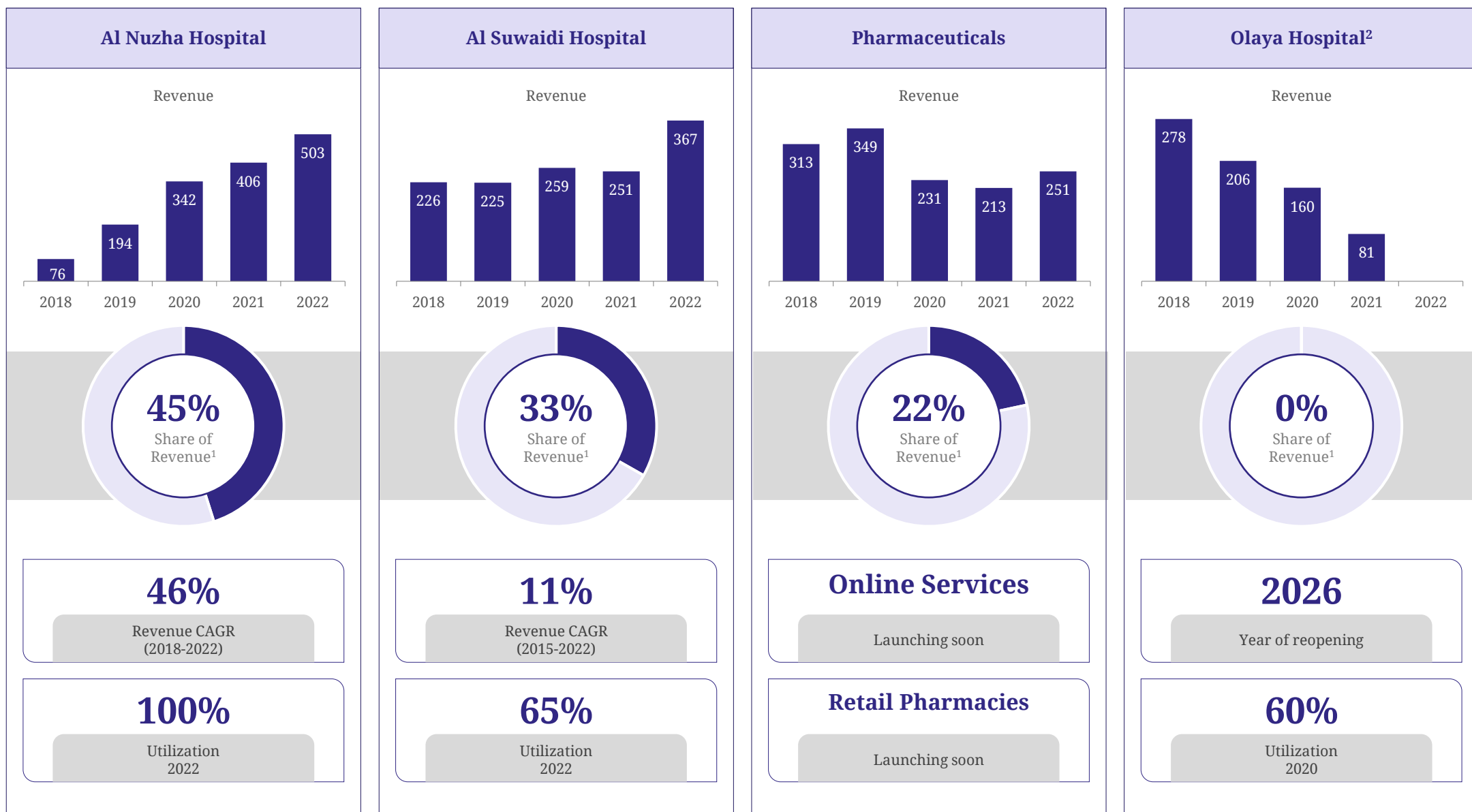
The Group consistently delivers operational growth leveraging an expanded footprint and service offering to attract and retain an increasing number of patients to its facilities



Al Hammadi has achieved strong and consistent revenue and net profit growth over the past five years

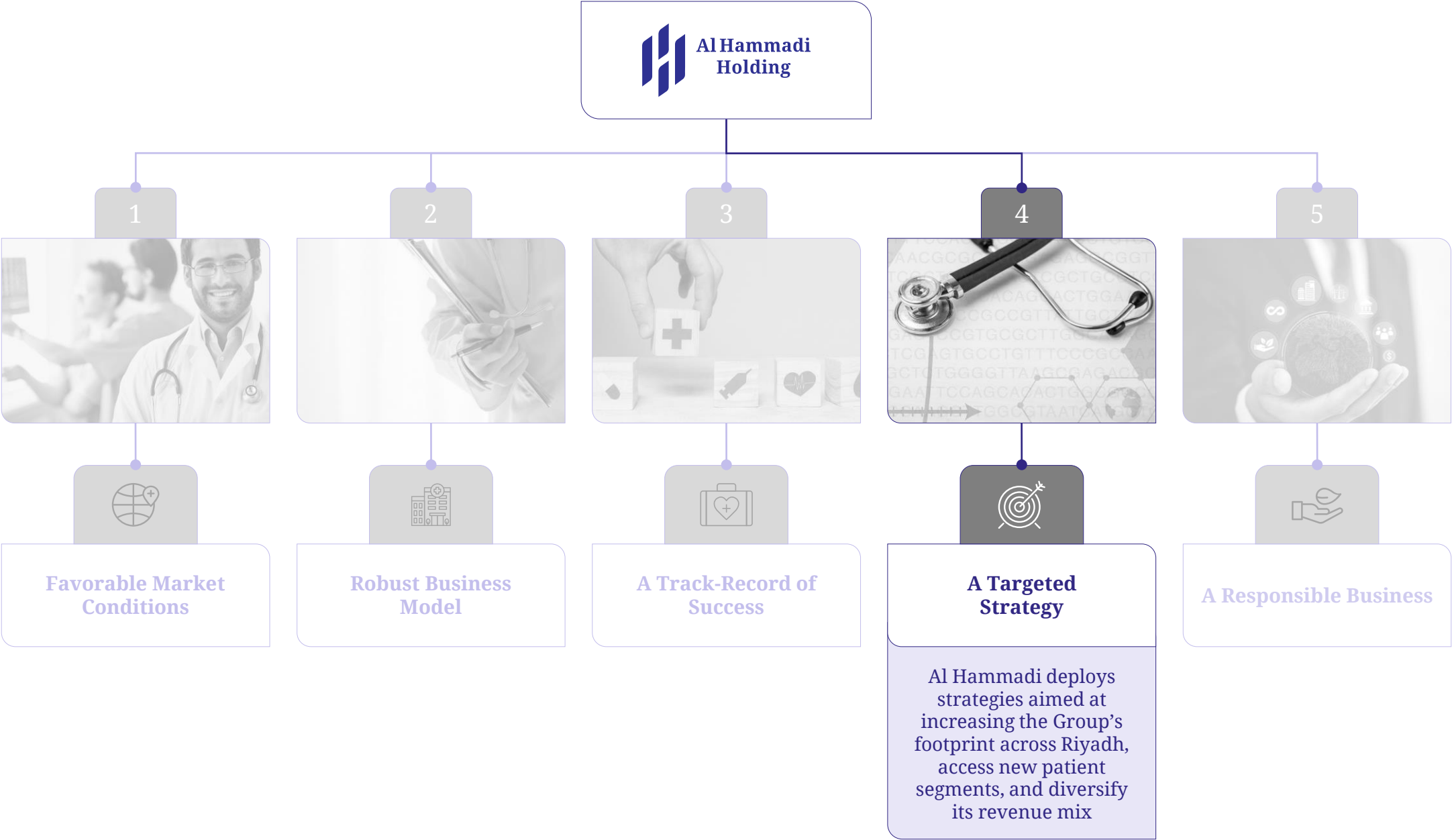


Growth has been widespread with both operating portfolio hospitals consistently recording double-digit growth...



¹Share of FY 2022 consolidated revenues. ² Olaya Hospital was temporarily shut down for renovations in 2021 with an expected reopening date in 2026.

Investment Highlights



Al Hammadi employs a multi-pronged growth strategy aimed at increasing its market penetration, expanding its service offering, and cementing its leading position in Riyadh



Capacity Expansions

The Group has clear plans to expand the operational capacity of its existing hospitals and open three new facilities in the fast-growing Saudi Arabian capital by the end of the decade.



Launch of New Specializations

Along with the proposed capacity expansion, Al Hammadi is also looking to expand its service offering, providing a wider range of medical services to match the population's shifting healthcare needs. The Group is specifically focused on rehabilitation, plastic surgery, sports medicine, and oncology.



Optimizing Revenue Mix

In addition to its strong base of MoH and insurance middle-upper class patients, the Group is actively implementing measures to attract class A/VIP and cash patients.



Growing Pharmacy Business

Al Hammadi's pharmacy business currently operates within its hospitals, but the Group is keen on further developing the segment by launching a network of retail pharmacies across Riyadh.



Maintaining Outstanding Quality

The Group regularly performs reviews of its quality standards and renews international accreditations in an effort to maintain patient satisfaction rates and ensure long-term relationships with insurance providers.

The Group’s ambitious growth plans will see it add 600 rooms and 360 clinics by 2030 to capitalize on the city’s growing healthcare demand

Al Suwaidi Hospital	Olaya Hospital	Al Narjis Hospital	Fifth Hospital (Northwest Riyadh)
<p><i>Al Hammadi is looking to leverage Al Suwaidi’s spare capacity to attract additional patients who currently choose cheaper healthcare alternatives in the area with new discounted packages.</i></p>	<p><i>Originally launched in 1985, Olaya is Al Hammadi’s first hospital consistently delivering high-quality services until its temporary closure in 2021. Following the completion of the planned renovations, the hospital will house two new centers of excellence, with specializations in sports medicine and oncology.</i></p>	<p><i>The Group plans to open its fourth portfolio hospital in 2028, located in the Al Narjis area of Riyadh, and housing two centers of excellence focused on rehabilitation and plastic surgery.</i></p>	<p><i>With an expected launch date of 2030, the Group’s fifth hospital will be located in northwest Riyadh and will boast 2 new centers of excellence with a focus on cardiology and orthopedics.</i></p>
<div> <div>140</div> <div>Non-operating Rooms</div> </div> <div> <div>40¹</div> <div>New Clinics</div> </div>	<div> <div>200</div> <div>New Rooms</div> </div> <div> <div>120</div> <div>New Clinics</div> </div> <div> <div>2</div> <div>Centers of Excellence</div> </div>	<div> <div>200</div> <div>New Rooms</div> </div> <div> <div>120</div> <div>New Clinics</div> </div> <div> <div>2</div> <div>Centers of Excellence</div> </div>	<div> <div>200</div> <div>New Rooms</div> </div> <div> <div>120</div> <div>New Clinics</div> </div> <div> <div>2</div> <div>Centers of Excellence</div> </div>

¹20 clinics to be launched in 2023 and 20 clinics to be launched in 2024 for a total of 120 operating clinics by 2024

Al Hammadi constantly monitors shifting demand dynamics in the Riyadh market and launches new specializations to better cater to its patient base

New Centers of Excellence Launching Across Al Hammadi's New Facilities



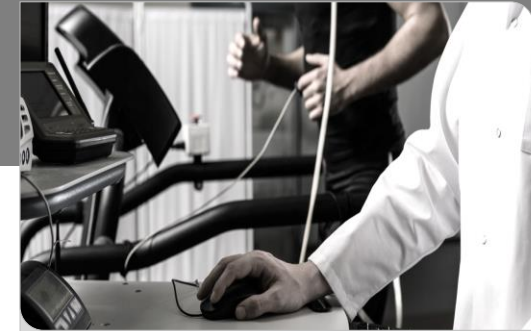
Rehabilitation



Plastic Surgery



Oncology



Sports Medicine

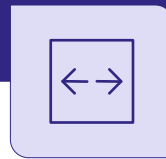
New Services Selection Criteria



Tracking evolving **lifestyle choices** and resulting medical demand shift



Considering changing demographics and associated medical needs of an increasingly **ageing population**



Monitoring **shifting disease profile** to pinpoint needs for new specializations



Targeting **fast-growing, currently under-supplied segments** with potential for sustained future growth



Focusing on specializations with high **cash-paying share**



Identifying specialties in growing demand within **premium patient segment**

Al Hammadi is looking to further broaden, diversify and optimise its patient base to boost its resilience, profitability and receivables profile



Class A/VIP & Cash



Premiumization

In order to attract class A/VIP patients, Al Hammadi has recently completed the premiumization of its Al Nuzha Hospital, reducing inpatient capacity from 600 rooms to 300 rooms and increasing the number of private suites to cater to growing demand.



New Specialties

The hospital is introducing new specialties which are in high demand within the class A/VIP segments, such as sports medicine and plastic surgery. These new specialties are expected to attract more premium patients and a larger number of cash patients from its catchment area.

Middle-Upper Class



Discount Packages

Using the existing spare capacity of 140 rooms in Al Suwaidi Hospital, the Group plans to attract and retain patients with discounted packages and attractive deals. These packages will cater to patients currently seeking cheaper alternatives.

The Group is focused on growing in adjacent segments of the healthcare industry, diversifying its revenue mix, and developing its one-stop-shop model



Retail Pharmacies

Al Hammadi's proposed network of retail pharmacies will provide easier access to medication for the Group's patients, while pushing a more attractive sales mix with higher shares of over-the-counter products (including cosmetics, skin care products, and others).



In line with its vision of diversifying its revenue mix and providing a one-stop-shop for its patients from examination and diagnosis to treatment and rehabilitation, Al Hammadi plans to expand its pharmacy segment to include a network of retail pharmacies spanning Riyadh.



Online Services

In an effort to penetrate new segments more effectively, the Group will also launch an online pharmacy platform guaranteeing simpler and quicker access to medication.

This is also directly in line with the Saudi government's vision of pushing the digital transformation of the healthcare sector and increase the adoption of telehealth.

The Group employs regular monitoring of quality standards to ensure sustained provision of world-class service and the successful renewal of its international accreditations



Accreditations



Monitoring Framework



A dedicated Quality Assurance team constantly monitoring all hospital practices

19

Quality Assurance Team Members

Over 140 years

Cumulative Experience

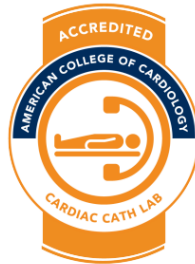


Regular reporting requirements by all departments ensuring quality maintenance



Transparent feedback framework encouraging staff and patient reporting of any quality concerns

The Group's ability to consistently deliver high quality services in line with global best practices has seen it become the first private facility in Riyadh to earn the prestigious ACC accreditation



Hereby confers upon

Al Hammadi Hospital – Nuzha

The designation of

Cardiac Cath Lab v2 Accreditation

In consideration of the Accreditation Review Committee reporting of the comprehensive assessment demonstrating satisfactory achievement of requirements for full Cardiac Cath Lab v2 Accreditation.

In testimony whereof, the signature authorized by the Accreditation Oversight Committee is hereunto affixed.

Granted on 12 / 14 / 2022 Expires on 12 / 13 / 2025

Deepak L. Bhatt

Deepak L. Bhatt, MD, MPH, FACC, FAHA, FSCAI, FESC Chair,
Accreditation Oversight Committee
American College of Cardiology

© American College of Cardiology R22002

**American College of Cardiology Accreditation
Al Nuzha Hospital – 2022-2025**



Hereby confers upon

Al Hammadi Hospital - Suwaidi

The designation of

Cardiac Cath Lab v2 Accreditation

In consideration of the Accreditation Review Committee reporting of the comprehensive assessment demonstrating satisfactory achievement of requirements for full Cardiac Cath Lab v2 Accreditation.

In testimony whereof, the signature authorized by the Accreditation Oversight Committee is hereunto affixed.

Granted on 12 / 14 / 2022 Expires on 12 / 13 / 2025

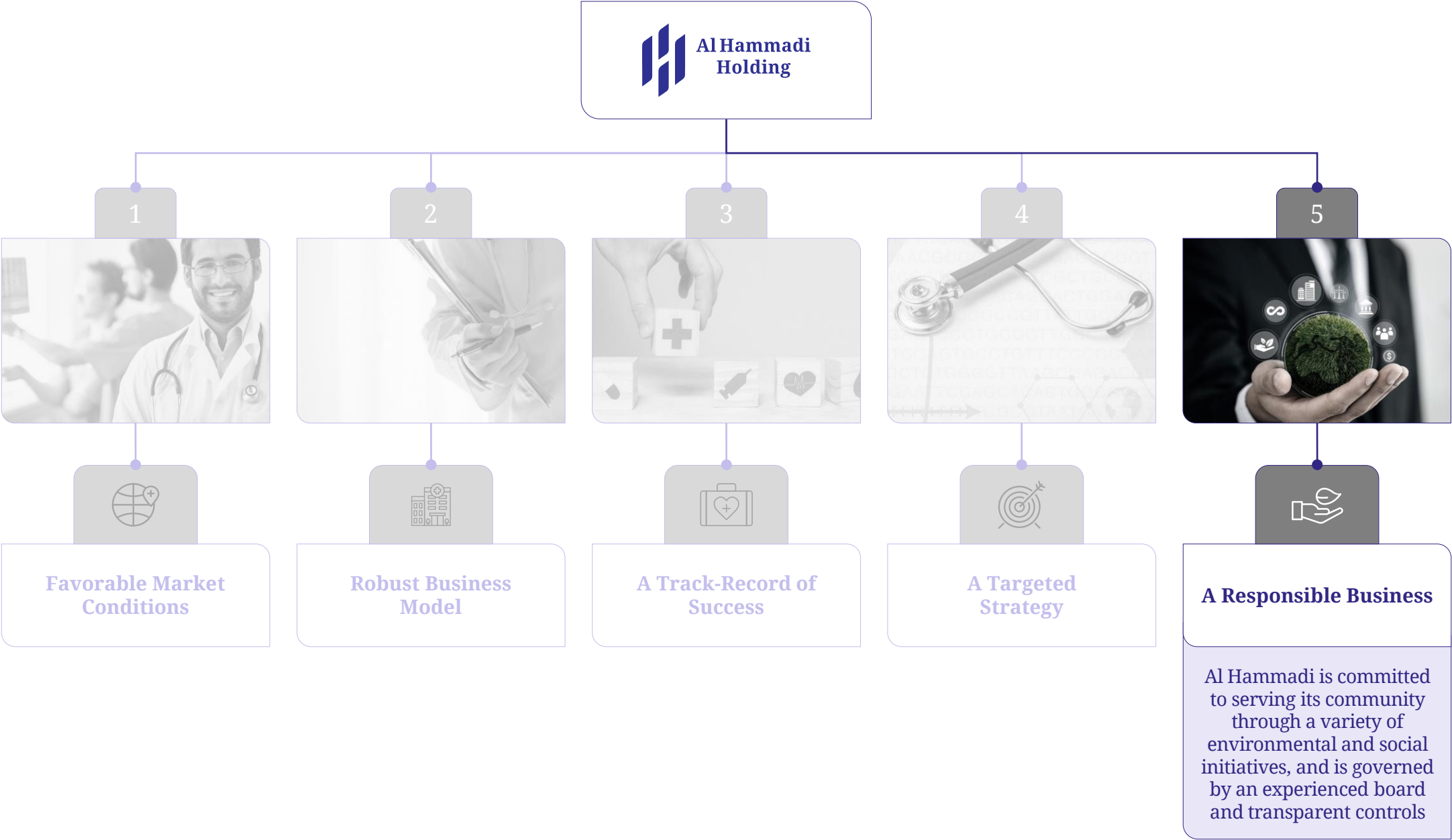
Deepak L. Bhatt

Deepak L. Bhatt, MD, MPH, FACC, FAHA, FSCAI, FESC Chair,
Accreditation Oversight Committee
American College of Cardiology

© American College of Cardiology R21088

**American College of Cardiology Accreditation
Al Suwaidi Hospital – 2022-2025**

Investment Highlights



The Group spearheads a variety of environmental and social initiatives geared towards giving back to the community it serves



2022 Environmental Initiatives



Electricity Consumption

In line with the Group’s strategy to reduce its carbon footprint, the Company installed an intelligent adiabatic cooling system which is expected to reduce cooling electricity consumption by double digits.



A Greener Riyadh

Throughout 2022, Al Hammadi planted 100 trees around Riyadh to contribute to the reduction of pollution in the fast-growing Saudi capital. In line with this effort, the Group’s Board of Directors has approved an initiative to plant a tree a day during 2023.



Paper Waste Reduction

The Company actively monitors paper waste across its portfolio hospitals, while pushing the substitution of paper with digital and electronic forms. Al Hammadi aims to reach a target of 99% electronic paperwork by 2025.



2022 Social Initiatives



Female Empowerment

Al Hammadi is a proud champion of female empowerment, implementing female-specific training programs, and furthering women’s opportunities in its employment practices. As of year-end 2022, over 62% of Al Hammadi staff were female. Additionally, of the 6 current Al Hammadi c-suite executives 2 are female, filling the roles of the Group’s Chief Medical Officer and CFO of the Medical Support Service Company.



Healthcare Awareness

Al Hammadi regularly produces informed publications on the prevalence of non-communicable diseases and preventative measures. Additionally, the Group participates in health awareness throughout the year.



Training Future Generations

The Company utilizes a detailed training program for its new staff members, in addition to remaining updated on the latest medical research to train all employees on the most efficient methods in treating their patients.

The Group adheres to best-in-class governance frameworks ensuring the business operates responsibly and delivers the promised value to all stakeholders



Mr. Saleh Mohammed Al Hammadi
Chairman of the Board of Directors

Mr. Saleh Mohammed Al Hammadi is the Chairman of the Board of Directors of Al Hammadi Holding. He also serves as the Chairman of the Board of Directors of Aziz Contracting and Industrial Development.



Dr. Abdul Aziz Mohammed Al Hammadi



Mr. Mohammed Saleh Al Hammadi



Dr. Abdul Aziz Saleh Al Hammadi



Dr. Ahmed Ibrahim AlSagheir



Dr. Nasser bin Hamad Al-saif



Mr. Aziz Mohammed Al-Qahtani



Mr. Fahd Suleiman Al-Nahat



Mr. Saad Abdul Mohsen Al-Hamidi



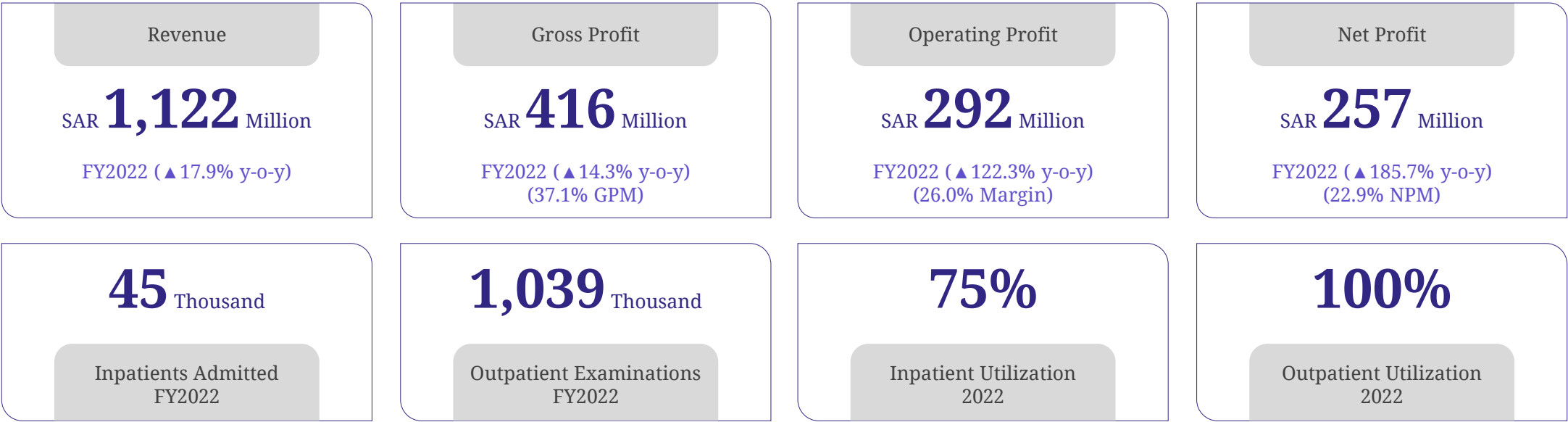
Nomination & Remuneration Committee	Audit Committee
Members	Members
<div>Mr. Saad Abdul Mohsen Al-Hamidi (Chairman of the committee)</div>	<div>Dr. Aziz Mohammed Al-Qahtani (Chairman of the committee)</div>
<div>Mr. Fahd Suleiman Al-Nahat</div>	<div>Dr. Nasser bin Hamad Al-Saif</div>
<div>Mr. Ibrahim Saleh Aldakheel</div>	<div>Ms. Lama Abdul Aziz Al Hammadi</div>



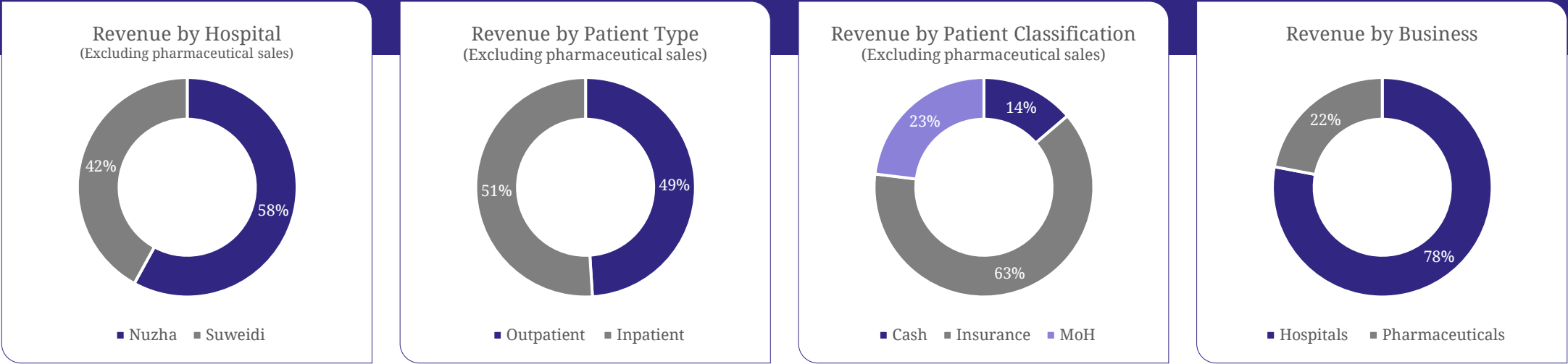
FY 2022 Results Overview

FY 2022 Results Snapshot

Al Hammadi continued delivering strong top-line growth and improving profitability



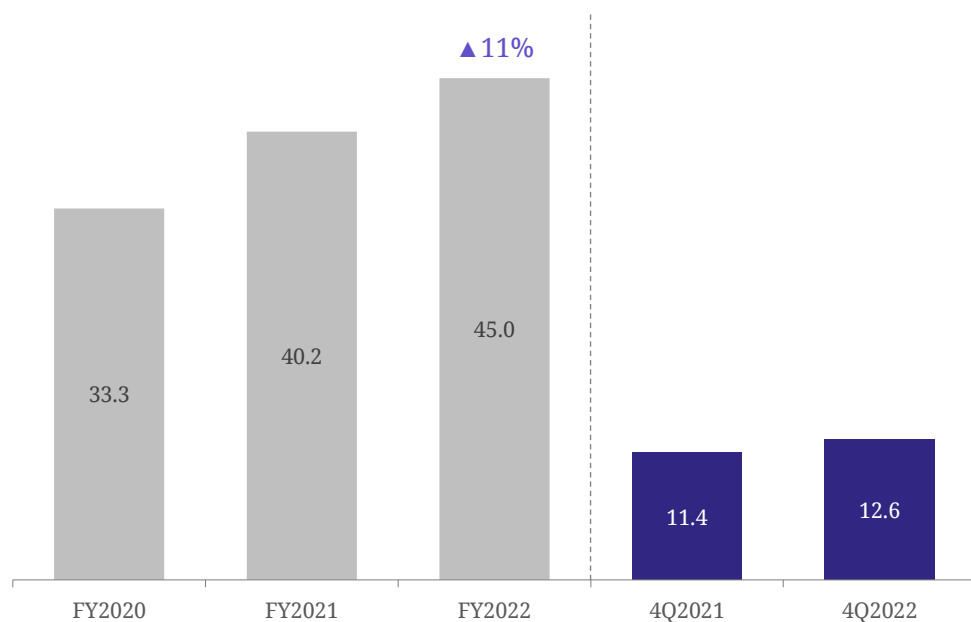
Revenue Contribution Breakup



FY 2022 Operational Review

Sustained y-o-y growth in outpatient and inpatient volumes continue to support Group-level revenues. Solid growth in volumes came despite the temporary closure of Olaya Hospital at the end of 2021

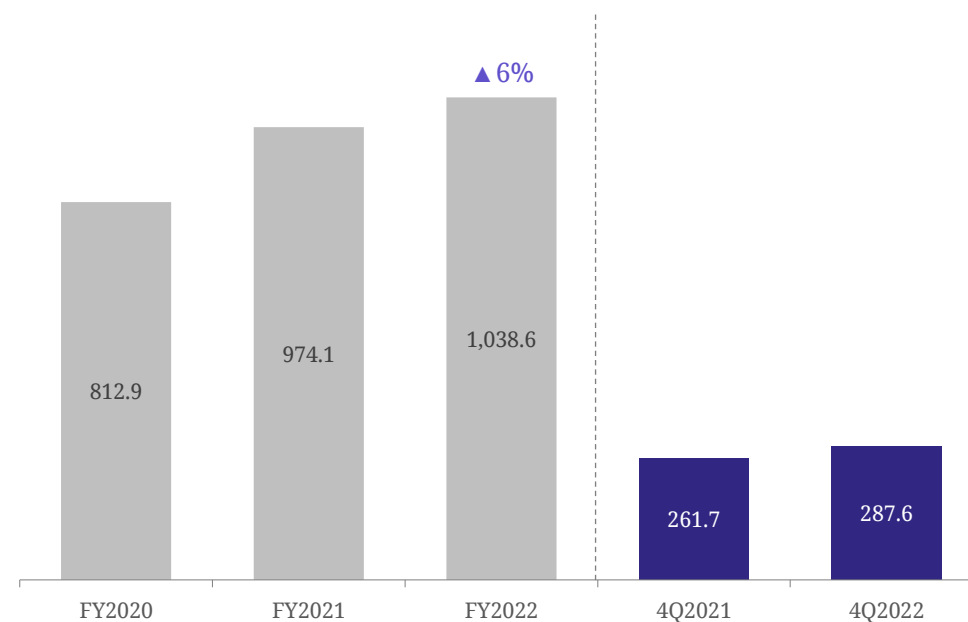
Inpatient Admissions | '000



On a Group level, Al Hammadi recorded inpatient admissions of 44,973 during FY 2022, an impressive 11% y-o-y increase. Al Nuzha hospital contributed 58% of overall patient while Al Suweidi hospital accounted for 42% of inpatient admissions in FY 2022.

On a quarterly basis, the Company booked 12,599 inpatient admissions during Q4 2022, an 11% y-o-y increase compared to the same quarter of the previous year.

Outpatient Examinations | '000

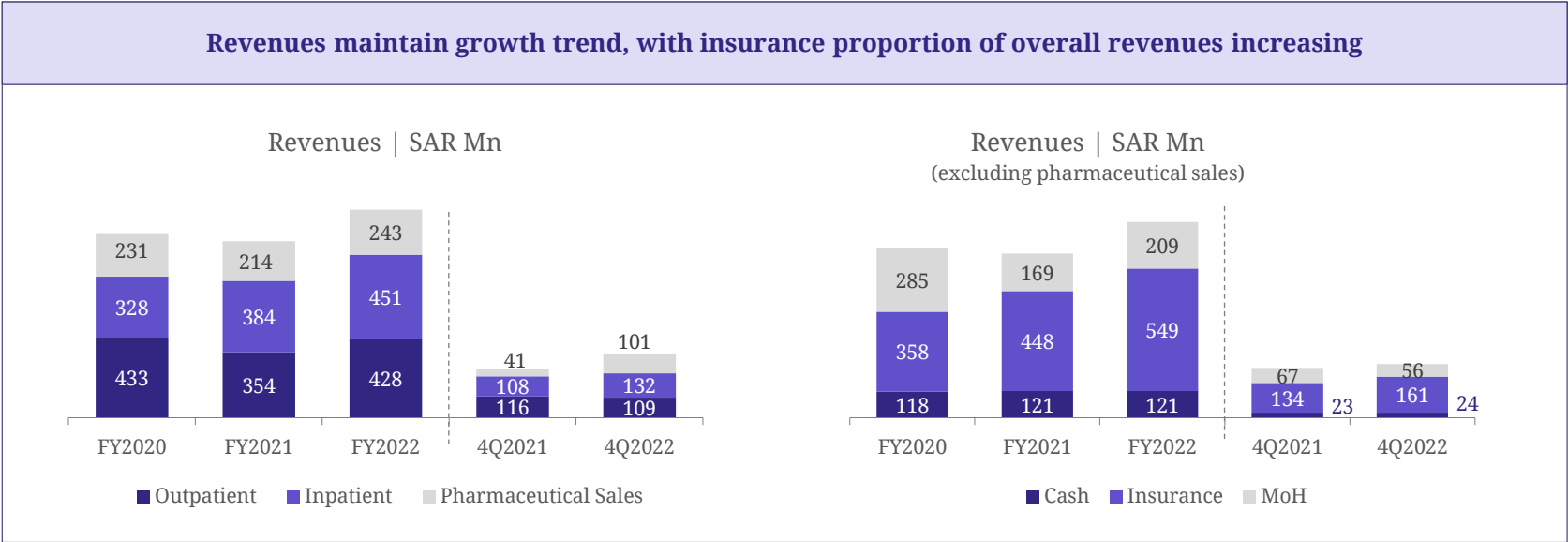


Al Hammadi registered outpatient visits amounting to 1,038,547 during FY 2022, an increase of 6% compared to FY 2021. The Company's Al Nuzha hospital accounted for 62% of all outpatient examinations, while Al Suweidi hospital registered 38% of outpatient visits during FY 2022.

Outpatient visits for the quarter recorded 287,628 during Q4 2022, up 10% y-o-y compared to Q4 2021.

FY 2022 Consolidated Financial Performance (I/II)

Top-line growth on an upwards trajectory, backed by strengthening hospitals performance



Average Revenue per Patient

SAR 825

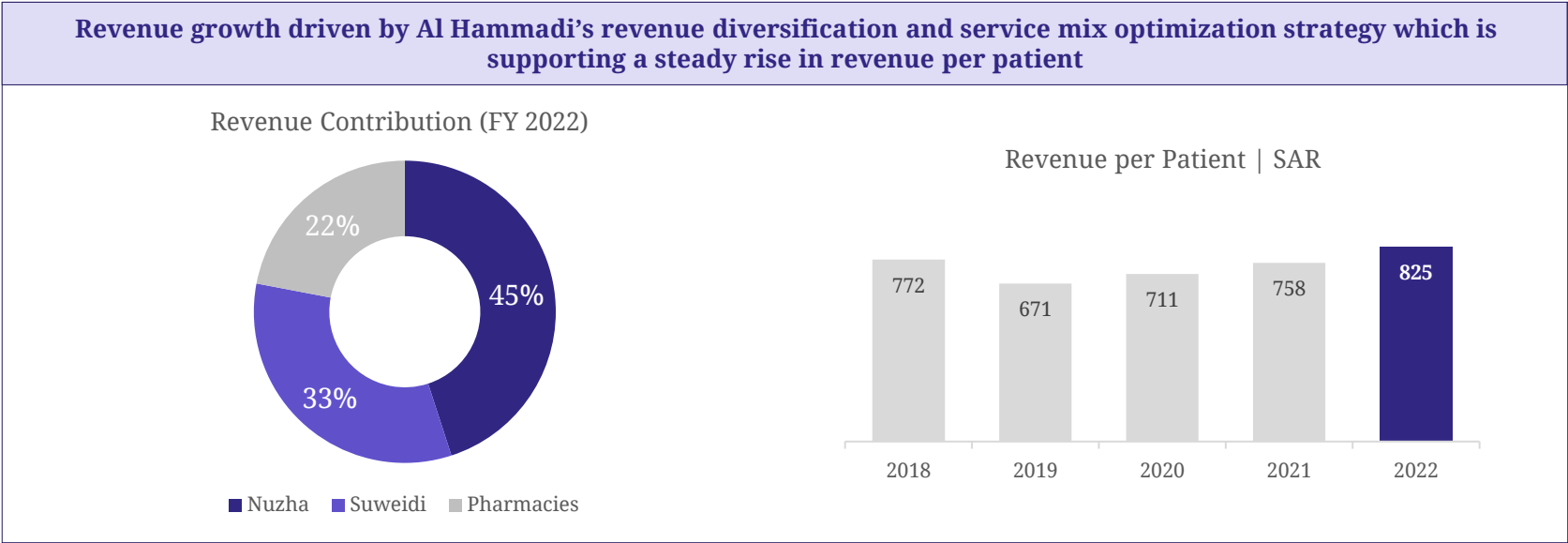
(FY 2022)

Average Revenue per Clinic Visit*

SAR 417

(FY 2022)

* Including pharmaceutical sales



Average Revenue per Pharmacy Visit

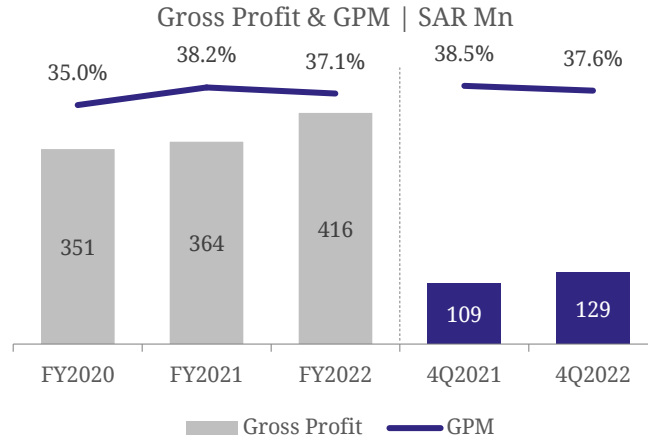
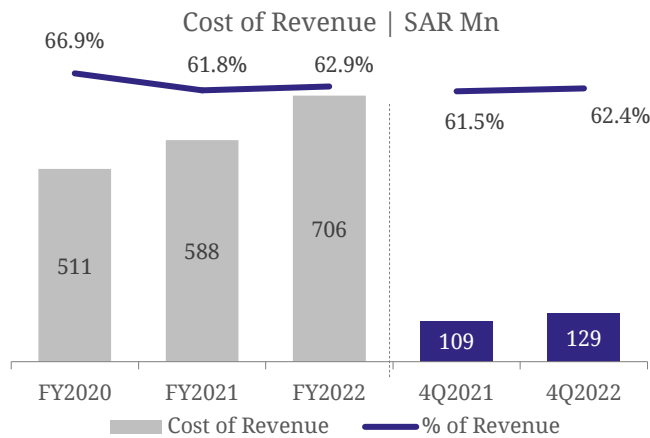
SAR 170

(FY 2022)

FY 2022 Consolidated Financial Performance (II/II)

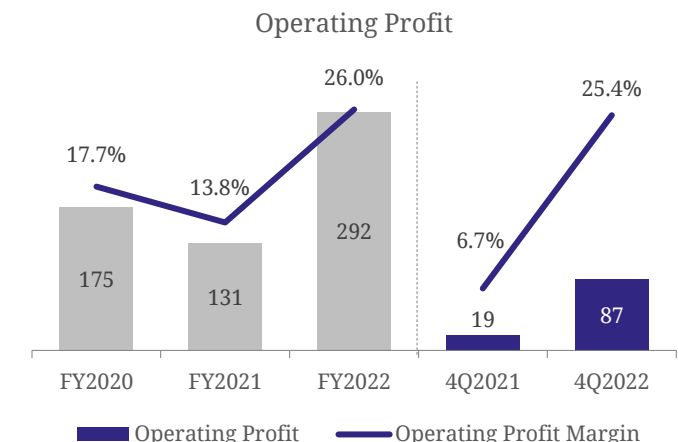
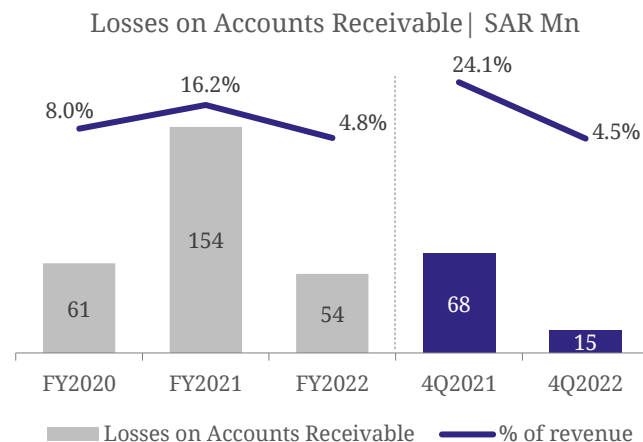
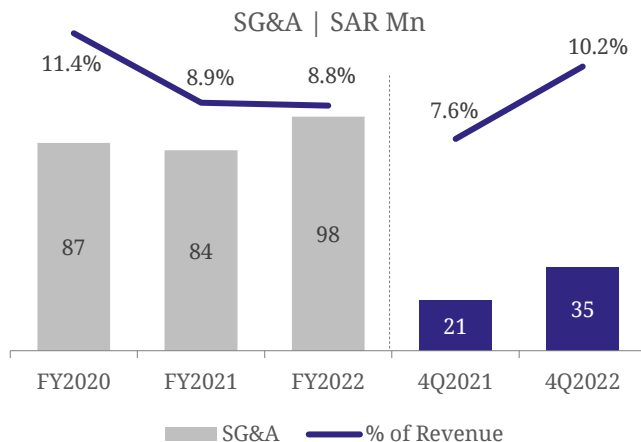
Al Hammadi has continued delivering strong top-line growth and increased profitability

Cost optimization measures leading to lower general and operating expenses and directly contributing to improved margins



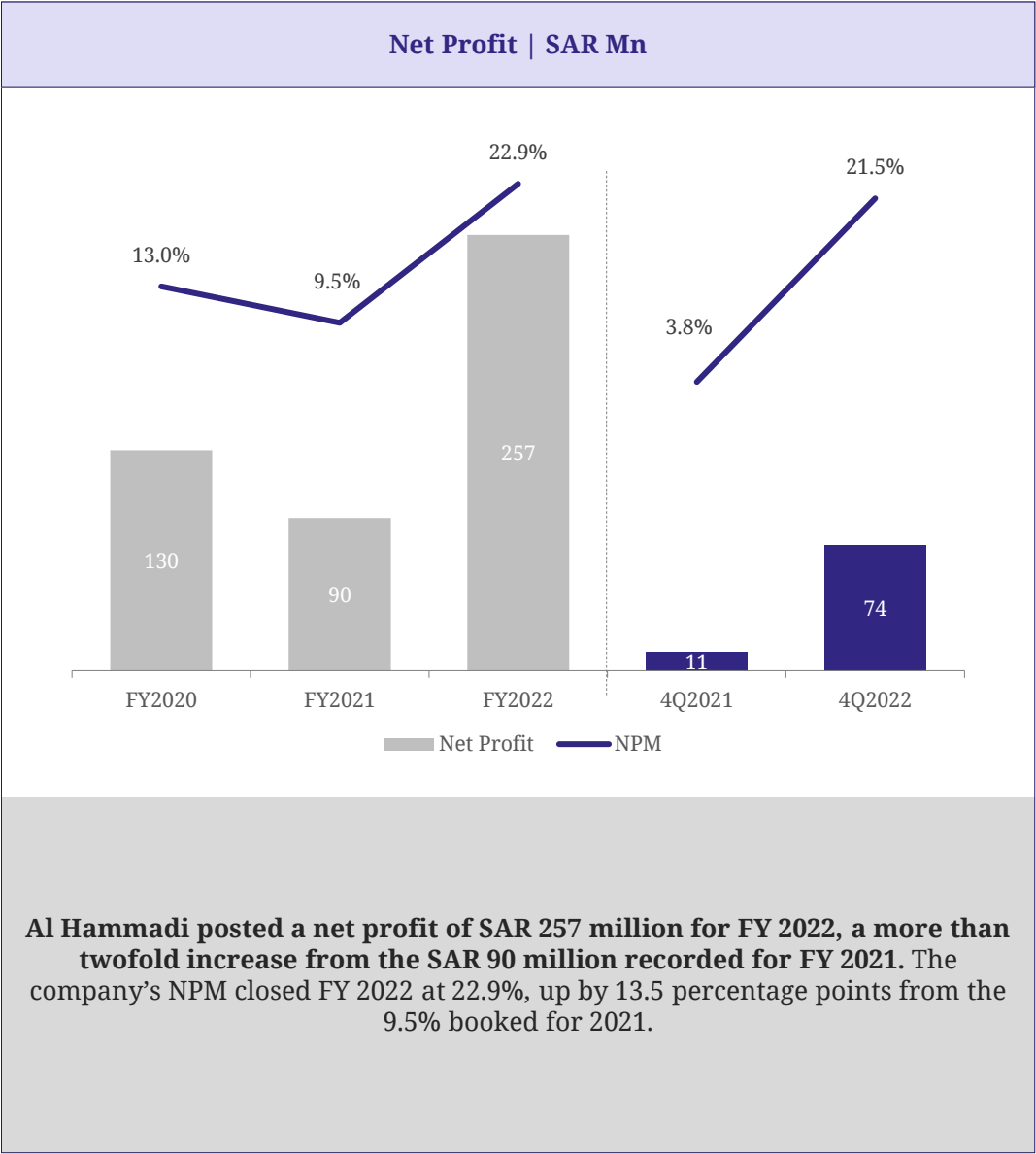
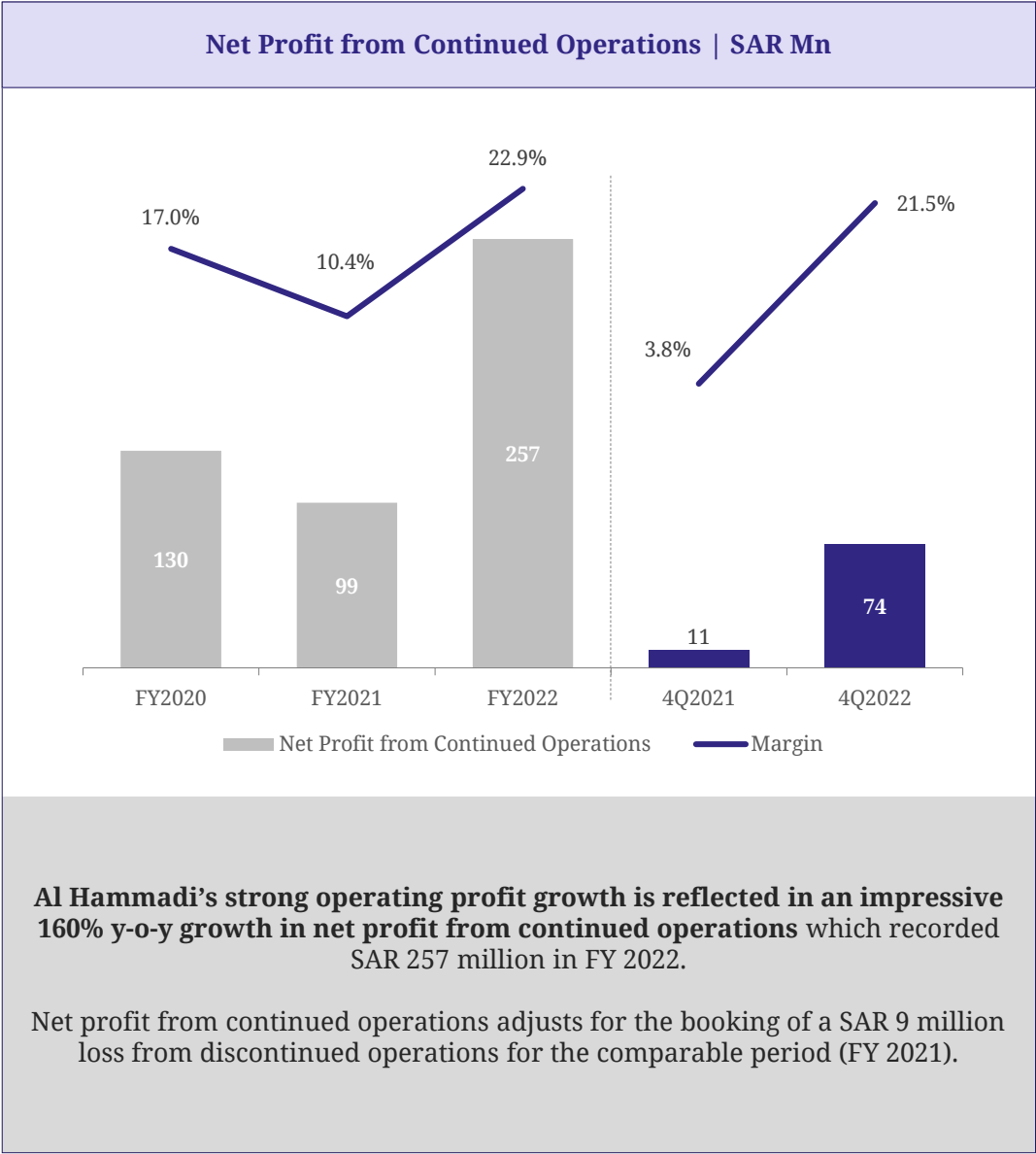
Gross profit came in at SAR 416 million for FY 2022, up by 14% y-o-y and yielding a GPM of 37.1% against 38.2% in FY 2021. The small contraction in gross profitability is mainly attributable to new staff hires at Nuzha's outpatient expansion which is not yet operational.

Top-line expansion coupled with effective cost optimization measures increasing margins and strengthening profitability



FY 2022 Consolidated Financial Performance (II/II)

Al Hammadi has continued delivering strong top-line growth and increased profitability

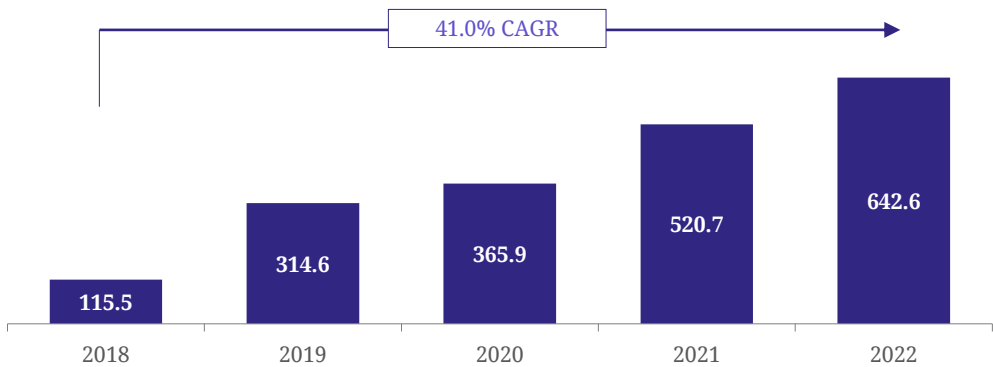


Al Nuzha Hospital: FY 2022 Performance

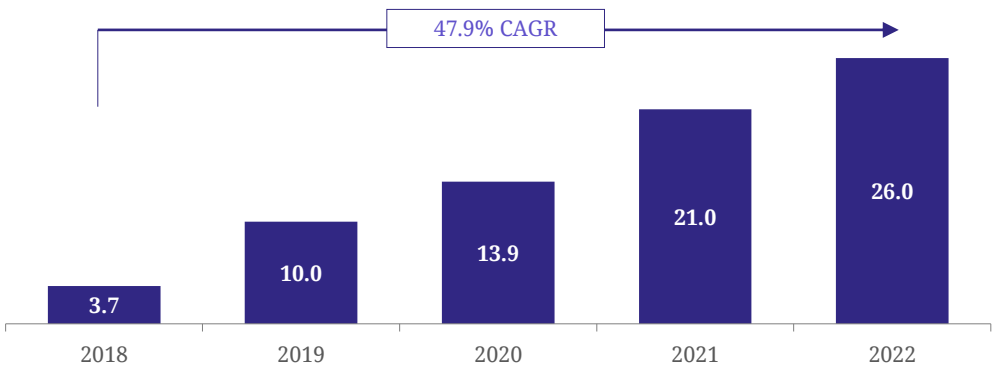
Continued top-line growth supported by rising inpatient and outpatient volumes

Strong operational expansion leveraging Al Hammadi brand equity across Riyadh

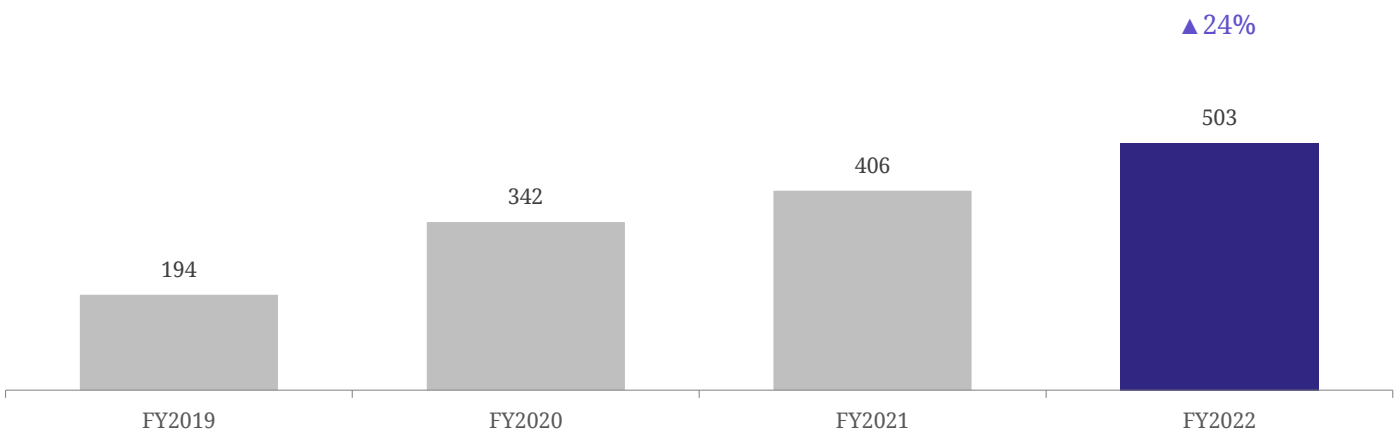
Outpatient Examinations | '000



Inpatient Admissions | '000



Revenue | SAR Mn



58%

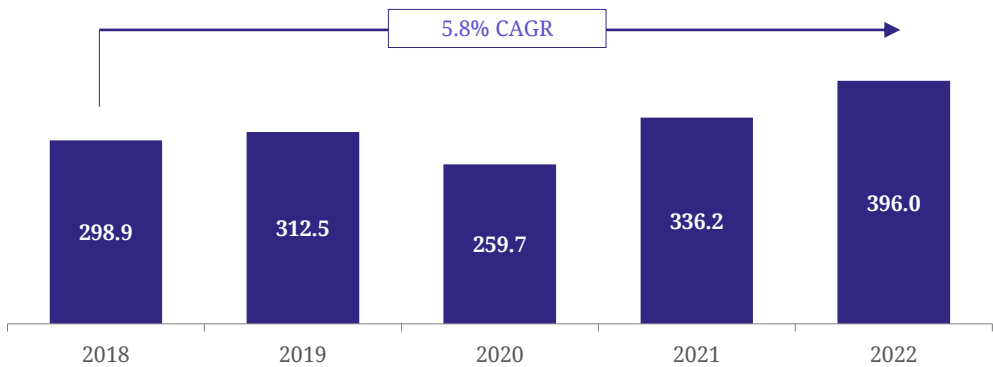
Contribution to total medical services revenue in 2022

Al Suwaidi Hospital: FY 2022 Performance

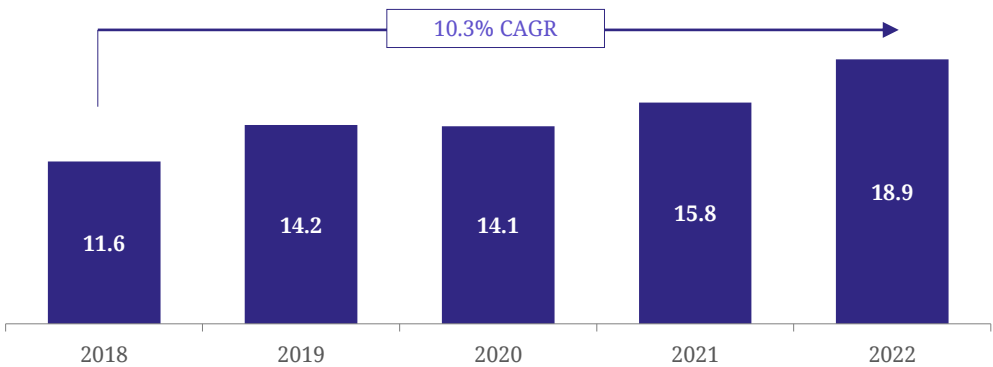
Continued top-line growth supported by both patient segments

Strong operational expansion leveraging Al Hammadi brand equity across Riyadh

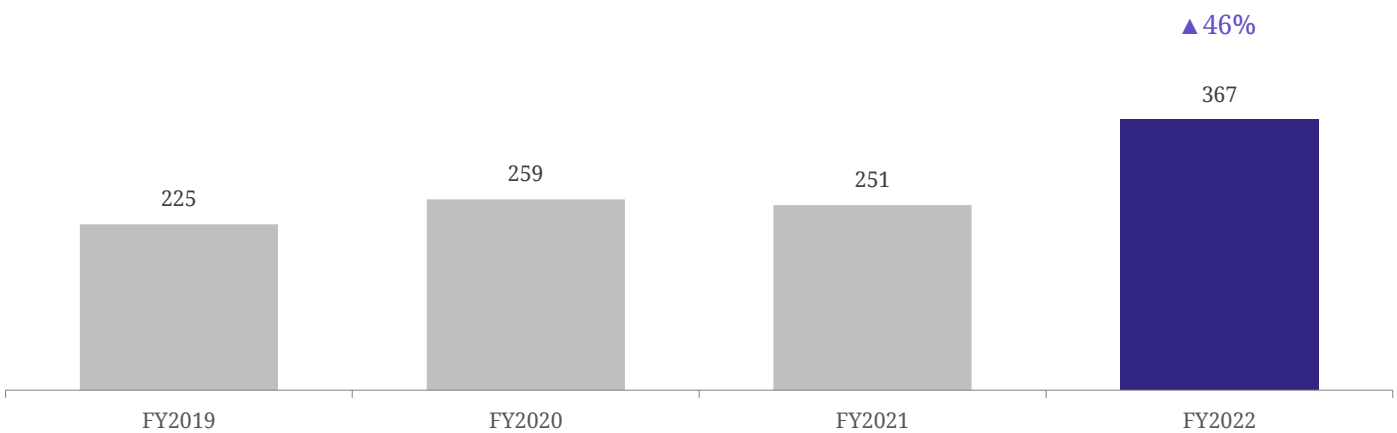
Outpatient Examinations | '000



Inpatient Admissions | '000



Revenue | SAR Mn

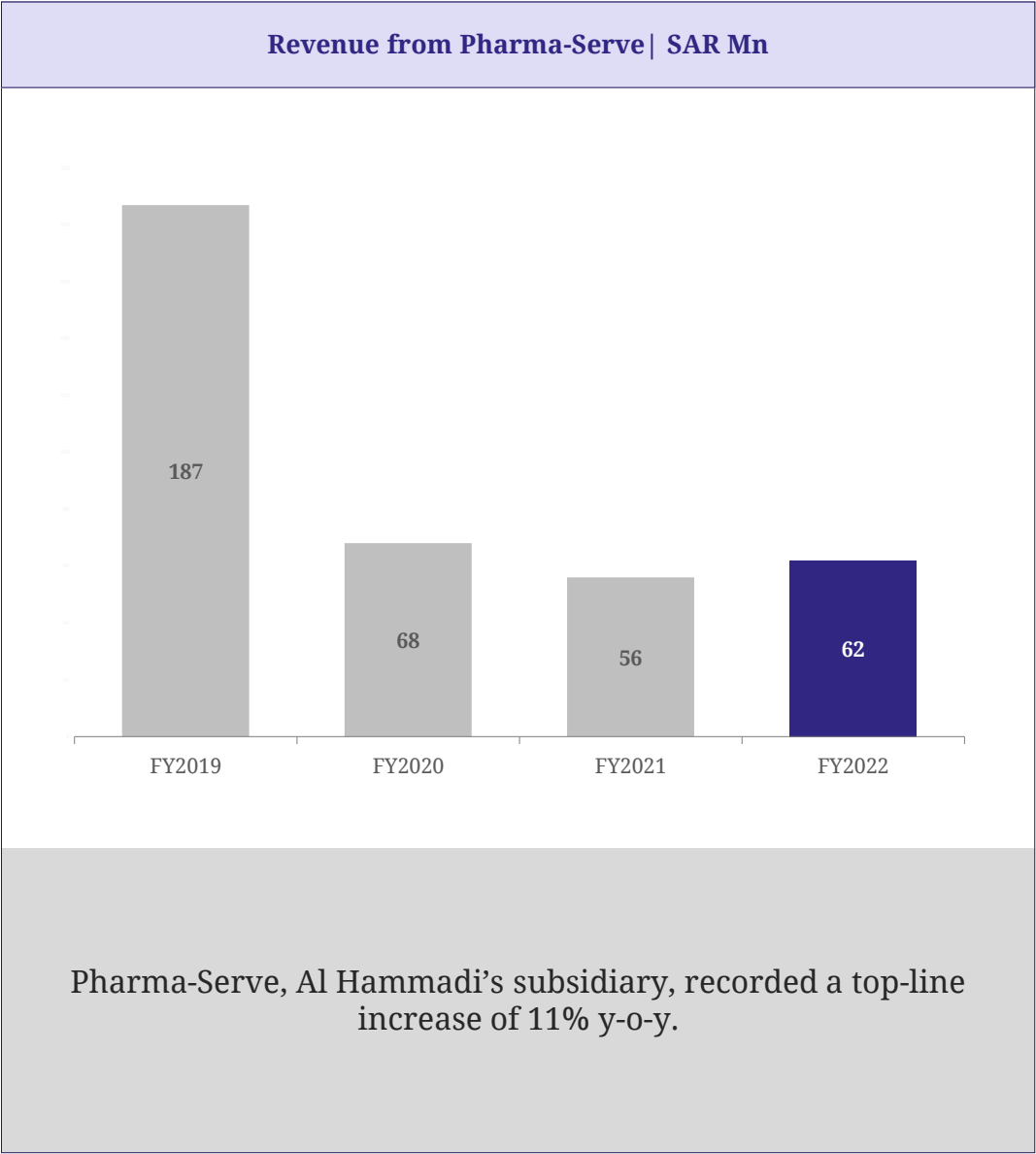
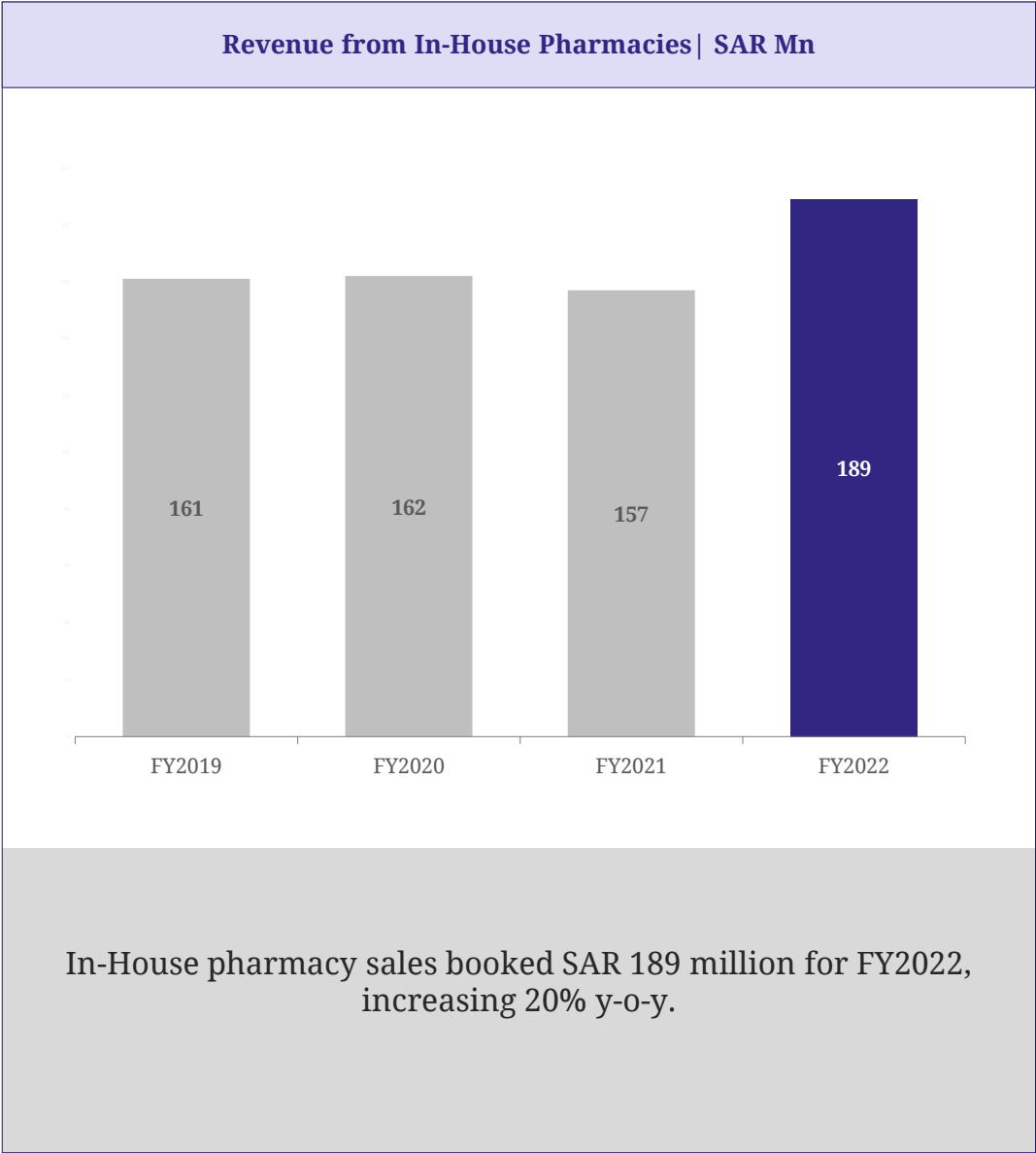


42%

Contribution to total medical services revenue in 2022

Pharmaceuticals: FY 2022 Performance Review

Pharmaceutical sales at the company’s hospitals and through its subsidiary Pharma Serve accounted for 22% of consolidated revenues in FY 2022, remaining largely unchanged from FY 2021





Appendix

FY 2022 Consolidated Income Statement

SAR mn	Q4 2021	Q4 2022	%	FY 2021	FY 2022	%
Revenue	219.9	342.6	21.6%	951.9	1,122.4	17.9%
Cost of revenue	(173.3)	(213.7)	23.4%	(587.8)	(706.4)	20.2%
Gross Profit	108.5	128.9	18.8%	364.0	416.0	14.3%
<i>GPM</i>	<i>38.5%</i>	<i>37.6%</i>	<i>-0.9 pts</i>	<i>38.2%</i>	<i>37.1%</i>	<i>-1.1 pts</i>
Selling and marketing expenses	(1.5)	(4.2)	168.2%	(5.0)	(6.2)	22.5%
Administrative and general expenses	(19.8)	(30.7)	55.2%	(79.3)	(92.7)	16.9%
Expected credit loss provision	(67.9)	(15.4)	-77.3%	(154.5)	(54.3)	-64.8%
Impairment loss on investment in subsidiaries	(9.7)	N/A	N/A	(9.7)	N/A	N/A
Other operating income	7.4	6.3	-14.1%	15.7	31.3	99.5%
Operating Profit	19.0	86.9	357.0%	131.2	291.8	122.3%
<i>Operating profit margin</i>	<i>6.7%</i>	<i>25.4%</i>	<i>18.6 pts</i>	<i>13.8%</i>	<i>26.0%</i>	<i>12.2 pts</i>
Company share of profit from associate	2.0	1.9	-5.6%	2.0	4.1	99.0%
Finance costs	(4.0)	(7.2)	78.4%	(15.7)	(21.7)	38.1%
Net profit before Zakat	15.0	79.8	431.4%	117.6	274.2	133.2%
Zakat expenses	(4.3)	(6.4)	37.6%	(18.7)	(16.8)	-10.0%
Net profit from continued operations	10.7	73.8	591.7%	98.9	257.3	160.3%
(Loss) profit from discontinued operations	N/A	N/A	N/A	(8.8)	N/A	N/A
Net profit for the period	10.7	73.8	591.7%	90.1	257.3	185.7%
<i>NPM</i>	<i>3.8%</i>	<i>21.5%</i>	<i>17.8 pts</i>	<i>9.5%</i>	<i>22.9%</i>	<i>13.5 pts</i>

FY 2022 Consolidated Balance Sheet

SAR mn	31 December 2021	31 December 2022
ASSETS		
Non-current assets		
Property and equipment	1,546.9	1,606.2
Advance payments for acquisition of property and equipment	-	95.8
Intangible assets and goodwill	32.2	28.5
Investment in associates	120.3	124.2
Total non-current assets	1,699.3	1,854.8
Current Assets		
Inventories	53.6	56.2
Other receivables	4.8	7.2
Prepayments	11.4	14.8
Contract assets	7.4	7.3
Trade receivables	364.2	481.1
Cash and cash equivalents	120.9	60.6
Total current assets	562.4	627.1
TOTAL ASSETS	2,261.7	2,481.8
SHAREHOLDER'S EQUITY AND LIABILITIES		
SHAREHOLDER'S EQUITY		
Share capital	1,200.0	1,600.0
Statutory reserve	73.2	37.0
Retained earnings	386.1	73.5
TOTAL SHAREHOLDER'S EQUITY	1,659.3	1,710.6
LIABILITIES		
Non-current liabilities		
Loans	179.1	203.0
Government grants	129.3	114.9
Lease liabilities	0.75	114.5
Employees' terminal benefits	65.9	78.8
Total non-current liabilities	375.1	511.2
Current liabilities		
Loans	29.6	29.2
Government grants	7.4	9.1
Lease liabilities	7.8	14.5
Accrued zakat	18.3	16.9
Trade payables	61.0	87.0
Accrued expenses	22.7	35.5
Other payables	28.3	25.0
Contract liabilities	52.3	42.8
Total current liabilities	227.4	260.1
TOTAL LIABILITIES	602.4	771.3
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	2,261.7	2,481.8

FY 2022 Consolidated Statement of Cash Flow

SAR mn	31 December 2021	31 December 2022
OPERATING ACTIVITIES		
Net profit for the period	90.1	257.3
Adjustments for non-cash items		
Depreciation on property and equipment and right of use assets	105.2	96.7
Amortization of intangible assets	4.2	3.7
Losses on disposals from discontinued operations	39.2	-
Losses on disposals of property and equipment	(0.03)	-
Losses on disposals of right of use assets	0.07	-
Impairment loss of goodwill	9.7	-
Company share of profits from associate	(2.0)	(4.1)
Provision from slow-moving inventory	0.12	0.85
Impairment loss on trade receivables and other debit balances	154.5	54.3
Government grants released	(7.6)	(17.4)
Current services cost of employees' terminal benefits	12.6	11.9
Reverse of legal provision	(4.8)	-
Lease liability generated during the period	52.7	45.5
Finance expenses	15.8	21.7
Zakat charge during the period	18.7	16.8
	488.3	487.4
Working capital adjustments		
Inventories	8.1	(3.5)
Other receivables	(0.45)	(3.3)
Prepayments	25.0	(3.5)
Contract assets	(2.2)	(8.5)
Net changes in related parties	(0.04)	2.7
Trade receivables	77.5	(162.3)
Trade payables	6.2	17.5
Accrued expenses	(4.1)	12.8
Other payables	(6.3)	(4.3)
Contract liability	(127.0)	(55.0)
Employees' terminal benefits paid	(9.9)	(8.5)
Zakat paid	(20.5)	(18.2)
NET CASH GENERATED FROM OPERATING ACTIVITIES	434.6	253.3
INVESTING ACTIVITIES		
Purchase of property and equipment	(14.6)	(16.7)
Advance payments for acquisition of property and equipment	-	(95.8)
Purchase of intangible assets	(0.03)	-
Investment in associate	(118.1)	-
NET CASH USED IN INVESTING ACTIVITIES	(133.0)	(112.6)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	50.8	146.2
Repayment of bank and government borrowings	(98.3)	(135.0)
Lease liability paid	(13.3)	(8.2)
Finance cost paid	(2.1)	(5.1)
Dividends paid	(131.7)	(199.0)
NET CASH USED IN FINANCING ACTIVITIES	(194.4)	(201.0)
Net change in cash and cash equivalents	107.2	(60.3)
Cash and cash equivalents at the beginning of the period	13.6	120.9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	120.9	60.6

Al Hammadi is led by an experienced management team with a wide range of medical and managerial expertise (I/II)



Mohammed Al Hammadi
Chief Executive Officer/
Managing Director

Bio: A seasoned executive with almost three decades of management experience, Mr. Mohammed Al Hammadi has been serving as the Group Chief Executive Officer and Managing Director since 1996. Mr. Al Hammadi also serves as the General Manager of several other companies, including Al Hammadi Information Technology Co., Al Hammadi Contracting Company, Construction and Maintenance Company, among others. He holds a Bachelor's Degree in Business Administration from Weber University, USA.



Abdul Aziz Saleh Al Hammadi
Chief Operating Officer

Bio: Dr. Abdul Aziz is a member of the Board of Directors and the Chief Operating Officer of Al Hammadi Holding. He previously worked at the King Saud University Hospital for Chest Diseases until 2008 and the King Khalid University Hospital until 2005. Dr. Abdul Aziz holds a Bachelor's of Medicine and General Surgery from Al-Azhar University in Egypt.



Mohammed Al Saafeen
Chief Financial Officer

Bio: Mr. Mohammed Al Saafeen is the Group Chief Financial Officer boasting over 20 years of audit, finance, and accounting experience. His experience includes previous stints at Abdullatif Alissa Group Holding Co., Zahran Operations and Maintenance Co., and Golden Group Co. He is a Chartered Financial Analyst (CFA) and holds an MBA in Finance from the University of Jordan.

Reema Al Hammadi
Chief Medical Officer

Bio: A consultant OB-GYN at Al Hammadi hospitals since 2004, Dr. Reema has assumed the position of Group Chief Medical Officer since 2014. She also sits on the Board of the Royal Commission for Riyadh City and King Abdullah bin Abdulaziz University Hospital. She obtained her MBBS degree at King Saud University, Riyadh in 1993 and was certified as a consultant OB-GYN from the Saudi Council Commission in 2001.



Wahid Mohamed
Chief Audit Executive

Bio: Mr. Wahid boasts extensive experience in internal and external auditing, with over 18 years of practical experience. He previously worked as the Senior Manager Assurance Services at PwC, Saudi Arabia, and Senior Auditor for External Audit Services at KPMG, Egypt. He holds a Bachelor's Degree in Commerce, with a major in Accounting, Alexandria University, as well as the Certified Public Accountant (CPA) accreditation.



Safug Al Koraisi
Head of Intensive Care
Units

Bio: The Head of Al Hammadi Holding's Intensive Care Units since 2016, Dr. Safug has been accumulating healthcare experience for over a decade. He previously filled roles of Consultant and Chief of the Department of Critical Care Medicine at the Security Forces Hospital Program, and Director of Critical Care Fellowship at the Saudi Council of Health Specialty, among others. He received his MBBS from King Saud University, Riyadh in 1994.

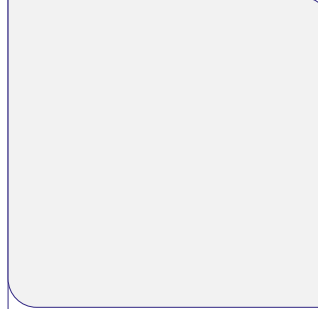
Al Hammadi is led by an experienced management team with a wide range of medical and managerial expertise (II/II)



Majid Al Nahdi

Human Resources Manager

Bio: Serving as HR manager since 1999, Mr. Majid has extensive experience in the Human Resources field, employed in the field for over 23 years. He is an expert at directing staff and developing strategies for professional development, as well as providing advice to senior manager related to HR management. Mr. Majid holds a Bachelor's Degree from King Saud University, and a Health Leadership and Quality Certificate accredited by the Saudi Commission for Health Specialties.



Kamar Khalifa

Quality Manager

Bio: She has been serving as Group Quality Manager since 2016. Ms. Kamar has a broad range of experience in the development, maintenance and evaluation of Hospital quality management, as well as risk management and patient safety. She holds a Bachelor's Degree in Information Technology & Computing and is a Certified Professional in Healthcare Quality (CPHQ).



Emad Bukhari

Medical Director of Al Nuzha Hospital

Bio: An experienced medical professional, Dr. Emad is a Cardiac Consultant with over 6,000 successful Open-Heart cases under his belt. He is the founding Chairman of Imam University's Medical College and was previously the head of the Credentialing Committee of Cardiac Surgery Programs in the Saudi Council. He obtained his MBBS in 1985.



Daifallah Al Nakhli

Head of Infection Control

Bio: Dr. Daifallah is the Head of Infection Control for Al Hammadi Hospitals and has years of experience in the medical field. Previously, he served as Internal Medicine and Infectious Disease Consultant and Director of the Infection Control Department om Prince Sultan Military Medical City (PSMMC). He obtained his MBBS from King Khalid University, KSA in 1995 and was accredited by the Jordanian Board for Internal Medicine in 2002.

Board of Directors Biographies (I/II)



Mr. Saleh Mohammed Al Hammadi

Chairman of the Board of Directors

Bio: Mr. Saleh Mohammed Al Hammadi is the Chairman of the Board of Directors of Al Hammadi Holding. He also serves as the Chairman of the Board of Directors of Aziz Contracting and Industrial Development.



Dr. Abdul Aziz Mohammed Al Hammadi

Vice Chairman of the Board of Directors

Bio: Dr. Abdul Aziz Saleh Al Hammadi is the Vice Chairman of the Board of Directors of Al Hammadi Holding. His previous experiences include positions at the Riyadh Central Hospital from 1979 until 1982. Dr. Abdul Aziz obtained a Bachelor's of Medicine degree from the Faculty of Medicine – Kasr Al Aini – in Cairo University.



Dr. Abdul Aziz Saleh Al Hammadi

Executive Member – Chief Operating Officer

Bio: Dr. Abdul Aziz is a member of the Board of Directors and the Chief Operating Officer of Al Hammadi Holding. He previously worked at the King Saud University Hospital for Chest Diseases until 2008 and the King Khalid University Hospital until 2005. Dr. Abdul Aziz holds a Bachelor's of Medicine and General Surgery from Al-Azhar University in Egypt.



Mr. Mohammed Saleh Al Hammadi

Executive Member – Managing Director & CEO

Bio: Mr. Mohammed is the Managing Director and Chief Executive Officer of Al Hammadi Holding. He is also Chairman of the Board of Directors of the Al Baha Investment and Development Company. Mr. Mohammed previously served as the Chairman of the Board of Directors of the Saudi Automotive Services Company (SASCO) and was a member of the Board of Directors of the Saudi Chemical Company until 2009. He was awarded a Bachelor's of Arts in Business Administration and a Bachelor's of Marketing from Weber University in 1996.

Board of Directors Biographies (II/II)



Dr. Ahmed Ibrahim AlSagheir
Independent Member

Bio: A seasoned healthcare management executive, Dr. Ahmed AlSagheir boasts over two decades of experience in the healthcare field. He currently serves as the Chief Executive Officer of the Madinah Health Cluster and the Hematopoietic stem cell program director at the John Hopkins Aramco Healthcare Institute. Dr. Ahmed's previous experience includes stints at the Saudi Commission for Health Specialties, King Fahad Specialist Hospital, and King Saud University. He holds a Master's of Science in Health Administration (MSHA) from the University of Alabama Birmingham.



Mr. Aziz Mohammed Al-Qahtani
Independent Member

Bio: Mr. Aziz is the Financial and Administrative Advisor to the TAKAMOL Holding Company. His previous experiences include serving as the Chief Executive Officer of Internal Audit at the Saudi Company for Development and Technical Investment, Vice President of Internal Audit at the Petroleum, Chemical, and Mining Company, and Financial Director at the Business Triangle Company. Mr. Aziz holds a Master's of Accounting from King Fahd University of Petroleum and Minerals.



Mr. Fahd Suleiman Al-Nahat
Independent Member

Bio: Mr. Fahd is the General Manager of Finance of the NEOM Company. His previous experiences include stints as the General Manager of Investment at the Saudi Arabian Industrial Investments Company and Head of the Investment Team at the Arab Investment Company. Mr. Fahd's professional qualifications include completion of the Leadership Development Program from Harvard University, Chartered Financial Analyst (CFA), and a Master's of Financial Sciences from Newcastle University.



Mr. Saad Abdul Mohsen Al-Hamidi
Independent Member

Bio: He is the General Manager of the Al-Zaman Al-MUTAMTOR Company. Mr. Saad's previously positions include Director of Compliance and Secretary of the Board of Directors at Amana Insurance Company, Assistant Business Risk Team Leader at Ernst & Young, and Credit Officer at Al-Rajhi Bank. Mr. Saad holds a Bachelor's in Accounting from North Colorado University.



Dr. Nasser bin Hamad Al-Saif
Independent Member

Bio: Dr. Nasser currently fills the role of Assistant Professor of Business Information Systems at the Saudi Electronic University. He is a seasoned executive with accounting experience, with previous stints at Al Salam Aircraft Co. and Prince Sultan University. Dr. Nasser was awarded a PhD in Business Information Systems from the University of College Cork, National University of Ireland, and an MBA with a specialization in Accounting from Johnson and Wales University, USA.