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CEO Message

This year was a transformative year for SMC, marked by strong progress across our operations. Our defining milestone and evolution in SMC was the public listing of the company in the main market of Saudi Exchange (Tadawul).

Operationally, SMC continued to deliver strong performance across its hospital network. Demand for our services remained robust, supported by sustained growth in patient volumes, high utilization across key specialties and continued confidence in our integrated care model. Our hospitals operated on high standards while maintaining a strong focus on patient safety, quality outcomes and efficiency, reinforcing SMC's position as a trusted provider of comprehensive healthcare services in Riyadh.

At the center of this performance are the patients and families who place their trust in SMC every day. Our approach to healthcare is grounded in delivering safe, accessible, and coordinated services that support patients throughout their healthcare journey. In 2025, we remained focused on strengthening clinical standards, enhancing patient experience, and ensuring consistency of healthcare across all facilities. This patient-first approach continues to guide our operational decisions and underpins our commitment to delivering high-quality outcomes with compassion and accountability.

A central focus during the year was strengthening the operational platform required to support long-term growth. We invested in systems, clinical capabilities and infrastructure that enhance integration across our hospitals and clinics, improve

coordination of care and support higher service volumes. These investments are critical not only to current performance, but also to ensuring readiness for the next phase of expansion.

2025 also represented a pivotal period in SMC's corporate journey with the successful completion of our initial public offering. The successful IPO is testament to our business model, long-term strategy and management team, and it positions SMC to pursue strategic expansion opportunities in the near future.

Looking ahead, our growth trajectory is clear. We continue to advance the development of additional hospitals and clinics through a disciplined, phased approach to ensure operational readiness, quality consistency and sustainable returns.

I would like to extend my sincere thanks to our Board of Directors for their guidance, and to our physicians, nurses, healthcare professionals and support teams whose commitment and professionalism continue to define SMC's success every day. I would like to thank our shareholders for their trust and support as we begin this new chapter as a publicly listed company. Finally, I extend my gratitude to all of SMC's patients who continually place their trust in us and allow us to be part of their healthcare journeys. As we look ahead, we remain committed to building on this trust by strengthening our services, expanding access to care and creating long-term value for all stakeholders.

Sincerely,

"The completion of our IPO in 2025 marked a pivotal moment, validating our vision and fueling our future growth opportunities"

Mr. Bassam Chahine
Chief Executive Officer
SMC Healthcare



CFO Message

Dear Shareholders,

Delivering Strong and Sustainable Financial Performance

2025 was a year of meaningful financial progress for SMC, reflecting the strength of our healthcare platform, disciplined financial management, and our continued commitment to operational excellence. Our performance demonstrates not only the growth of our organization, but also the resilience and scalability of our business model in a rapidly evolving healthcare environment.

Net Revenue increased by 7% compared to 2024, reaching SAR 1,538.5 million, driven by sustained growth in patient volumes, expanded service offerings, and improved operational throughput across our facilities. This performance reflects the continued trust of our patients and partners, and the effectiveness of our strategy to expand access, while maintaining high standards of care.

Gross Profit increased to SAR 382.9 million, reflecting improved cost management and operating leverage across our platform. Margin expansion was supported by service mix optimization and continued efficiency gains in resource utilization and facility operation. This growth demonstrates the scalability of our operating model and the effectiveness of our focus on higher-value care.

Improving Operational Efficiency and Profitability

Throughout 2025, SMC achieved significant improvement in profitability, reflecting our focus on operational efficiency, cost discipline, and resource optimization.

Although the transition away from Long Term Care patients, impacted inpatient revenues associated with this service for the year, the increased activity and improved profitability associated with Acute Insurance related patients covered and surpassed any shortfalls associated with the LTC service. This resulted in a Gross Profit of SAR 382.9 million with a gross margin of 24.9%, reflecting stable cost control despite changes in service mix during the year. EBITDA increased significantly to SAR 416.5 million, with EBITDA margin expanding to 27.1%, supported by improved operating efficiency and the impact of a one-off gain related to the Al Wadi Fund land transaction. The net profit margin improved from 12.9% in 2024 to 17.3% in 2025, reflecting stronger operational performance and improved resource utilization across the business.

Net profit, including the one-off Al Wadi Fund Land Transaction, increased by 43.7% compared to the prior year, reaching SAR 266.2 million, highlighting the strength of our underlying operations and our ability to convert revenue growth into sustainable earnings. This performance reflects ongoing improvements in operational processes, service mix optimization, and enhanced efficiency across clinical and administrative functions.



Mr. Hani Charani
Chief Financial Officer
SMC Healthcare

CFO Message (Continued)

Strengthening Our Financial Position

SMC's financial position strengthened considerably during the year, providing a solid foundation for future growth. The Company continued to generate strong cash flows from its operations, enabling us to invest in expanding our capabilities, modernizing infrastructure, and enhancing patient services while maintaining prudent financial discipline. Total assets increased to SAR 2,399.8 million, reflecting continued investment in infrastructure, clinical capacity and long-term growth initiatives.

In comparison with the prior year, total equity increased by 43.6%, reaching SAR 1,187.9 million, reflecting sustained earnings growth and reinforcing the long-term value created for our shareholders. This growth in equity further strengthened the Company's capital base and financial resilience, which enhances our ability to invest strategically, manage risks effectively, and support sustainable expansion.

Investing in Long-Term Growth and Value Creation

Our financial performance enables continued investment in expanding capacity, advancing clinical excellence, and strengthening our operational capabilities. This improved financial performance provides the capacity to fund expansion, while maintaining a strong balance sheet and disciplined capital structure. We remain focused on supporting the growing demand for high-quality healthcare services in the Kingdom, aligned with national healthcare transformation initiatives under Vision 2030.

We continue to prioritize disciplined capital allocation, operational efficiency, and sustainable growth, ensuring that every investment contributes to long-term value creation for our shareholders, while supporting our mission of delivering exceptional healthcare.

Looking Ahead with Confidence

SMC enters the next phase of its journey with strong financial fundamentals, a resilient operating platform, and a clear strategic direction. With the recent transition away from Long Term Care patients, expansion of our outpatient clinics capacity and opening of our new SMC Clinics – Al Malqa in Q1 of 2026, we remain confident in our ability to continue delivering sustainable growth, operational excellence, and long-term shareholder value.

On behalf of the finance organization, I extend my sincere appreciation to our Board of Directors for their guidance, our leadership team and employees for their dedication and professionalism, and our shareholders for their continued trust and support.

Sincerely,



₹1,538.5 M
in Revenue

7.0%
increase in net Revenue



₹382.9 M
in Gross Profit

24.9%
Gross Margin



₹266.2 M
in Net Profit

₹2,399.8 M
in Total Assets



₹416.5 M
in EBITDA

27.1%
EBITDA Margin



Hospital Executive Directors



Dr. Ahmed Al Enezi
Hospital Executive Director
(SMC1)



Dr. Abdullah Alkhorayyef
Hospital Executive Director
(SMC2)



1999

Launching of SMC1

Dr. Ahmed Al Enezi is currently the Hospital Executive Director of SMC Hospital (1), a branch of the Specialized Medical Company. His extensive career includes roles as Executive Director of Medical Services at the same hospital and leadership positions at King Abdullah bin Abdulaziz University Hospital and King Fahad Medical City, specializing in pulmonary and critical care. He holds a Bachelor of Medicine and Surgery from King Saud University, a Fellowship in Respiratory and Critical Care from Queens University, and an Executive Master's degree in Healthcare Administration from the University of Minnesota.

SMC1, is a flagship facility of SMC Healthcare and has been a cornerstone of private healthcare in Riyadh since its launch in 1999. Strategically located on King Fahad Road, one of the capital's main roadways, the hospital was designed for phased growth. Its outpatient clinics began serving patients in 2004, followed by the opening of Tower 2 in 2006 and Tower 3 in 2011. Today, SMC1 operates 390 beds across its towers and houses 207 clinics. Demonstrating a strong commitment to meeting rising healthcare demand, the hospital expanded its clinical capacity in 2026 by adding 57 new clinics, a significant development that enhances access to specialized outpatient services and reduces waiting times for patients across the Riyadh region. This expansion underscores SMC1's evolution into one of the largest and most comprehensive private hospitals in Saudi Arabia.



207
Clinics



390
Beds



2020

Launching of SMC2

Dr. Abdullah Alkhorayyef currently serves as the Hospital Executive Director of "SMC 2 – King Abdullah Road". Dr. Abdullah has over 25 years of medical experience and more than 15 years of administrative experience. Throughout his career, he has held several key positions, including Director of Medical Affairs, Head of the Department of Pediatrics and Neonatal Intensive Care, Head of the Pediatric Pulmonology Department at King Abdullah Hospital – National Guard, and Program Director of Pediatric Pulmonology Fellowship at Riyadh Military Hospital.

He holds a degree in Medicine and Surgery from King Saud University, in addition to the Saudi and Arab Boards in Pediatrics. He also completed fellowships in Pediatric Pulmonology and Pediatric Vascular Diseases at the University of Calgary in Canada.

SMC2, a premier facility under SMC Healthcare, was launched in 2020 as the newest addition to the company's expanding network of hospitals in Riyadh. Designed with modern healthcare standards in mind, the hospital offers 191 beds and an extensive outpatient infrastructure featuring 116 clinics. In 2026, SMC2 further strengthened its service capacity by adding 20 new clinics, enhancing patient access to specialized medical consultations and follow-up care. This strategic expansion reflects SMC Healthcare's ongoing commitment to accommodating growing demand while maintaining high-quality, patient-centered services across its facilities.



116
Clinics




191
Beds

Our Corporate Strategy


Over more than twenty-five years, SMC was established with a clear ambition: to be among the leading private-sector healthcare providers in the Kingdom. Today, SMC operates two multi-specialty tertiary hospitals in Riyadh and provides patients with access to a broad network of inpatient and outpatient services, clinical departments and supporting medical functions. This scale and breadth are supported by an experienced workforce of more than 3,000 full-time and part-time employees and more than 300 outpatient clinics spanning general and specialized disciplines. Our strategy is designed to build on this foundation and ensure that SMC continues to deliver high-quality healthcare services in a safe, integrated and sustainable manner as the organization grows.

In addition to our two hospitals in Riyadh, the Company intends to establish three additional hospitals in the north and northwest areas of Riyadh as part of its strategic growth plan, which includes a new multi-specialty hospital currently under development on the Northern Ring Road and two additional hospitals planned; one on Prince Faisal Bin Bandar Street in the Khuzam suburb and the second in the Al Malqa district. These developments reflect our long-term commitment to expanding capacity and geographic coverage while maintaining integration, quality and operational discipline.


SMC's Strategy is Anchored in Four Core Pillars




01. Patient Safety and Experience: Maintain patient safety as a non-negotiable standard across the business.



02. Performance Improvement: Strengthen operational excellence and service quality through continuous improvement.



03. People Development: Invest in people through training, development and retention to sustain clinical excellence



04. Partnerships: Build partnerships that expand reach, enhance access and support long-term growth.



Patient Safety

Patient safety is at the center of all the clinical and non-clinical activities performed in SMC. All these activities are guided by the national and international healthcare standards.

SMC has seen significant improvements in organizational culture over the last eight years with the adoption of the "Patient Safety First" approach, a major lever in engaging frontline staff in making patient safety and quality improvements. To sustain this momentum moving forward, SMC have adopted the national and international patient safety initiative to address the Essential Safety Requirements (ESRs), and World Health Organization's Nine Patient Safety Solutions.

As SMC expands its network and services, patient safety remains consistent across locations. Standardized protocols, continuous staff training, and regular audits that ensure that patients receive the same level of care regardless of hospital, specialty or service line. This commitment allows patients and their families to place confidence in SMC, knowing that safety, quality and accountability are embedded into every aspect of care delivery.

Performance Improvement

SMC's strategy emphasizes strengthening operational performance and consistently elevating service standards. As a healthcare provider operating at scale, we recognize that operational excellence directly affects patient outcomes, patient experience and organizational resilience. Our approach focuses on improving efficiency, enhancing service delivery and ensuring that the patient journey is supported by integrated processes and modern systems.

We also recognize that patient expectations continue to evolve, with increasing demand for access,

convenience and transparent service experiences. As such, operational enhancement includes a commitment to measurable improvement, monitoring performance, strengthening patient access and ensuring that quality improvement remains continuous rather than episodic. This pillar supports our ability to deliver care effectively today while building a scalable operating platform for future growth.

People Development

SMC's ability to deliver safe, high-quality healthcare is fundamentally linked to the capability of its people. Our strategy therefore places strong emphasis on developing medical and operational talent across the organization. We invest in training and education programs and provide recognition, rewards and incentives to motivate performance, build skills and support retention. We believe that structured development and a strong culture of professional excellence translate directly into better care for patients and stronger organizational outcomes.

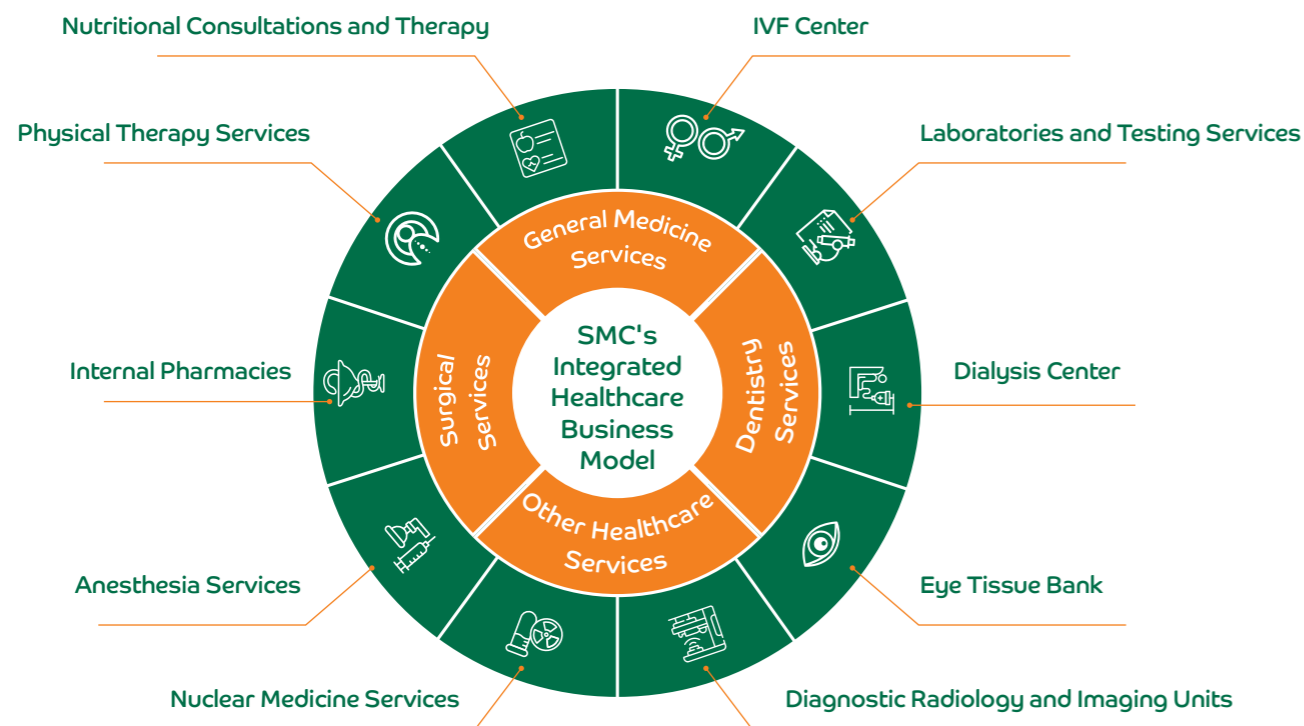
This pillar is especially important as SMC grows its network. Expansion requires not only facilities and technology, but also depth of capability, leadership readiness and consistent clinical culture. Developing our people therefore supports both near-term operational performance and long-term strategic resilience.

Partnerships

SMC's strategy includes building strategic partnerships across both the public and private sectors. We believe that partnerships can support collaboration on healthcare quality improvement, health awareness, and community engagement. In addition, cooperation with insurance stakeholders supports the Company's ability to serve a growing segment of insured patients, contributing to greater healthcare access.

Our Business Model

SMC operates an integrated healthcare delivery model centered on two multi-specialty tertiary hospitals in Riyadh. The model is designed to provide comprehensive care across a broad range of specialties, supported by integrated ancillary services that enable end-to-end patient pathways. Our business model is built on scale, breadth of services, and operational integration, which allows patients to access primary and advanced healthcare services within a unified system.



SMC's two functional hospitals, SMC 1 - King Fahd Road and SMC 2 - King Abdullah Road, together comprise more than 300 outpatient clinics and deliver care across general and specialized surgery, laboratory services, urology services, oncology, IVF and fertility center, cardiology, nephrology and ophthalmology, in addition to transplant surgery. This clinical breadth is supported by a large and experienced workforce of more than 3,000 full-time and part-time employees, enabling high service availability and strong patient access across Riyadh.

Comprehensive Multi-Specialty Care

SMC provides a broad range of healthcare services aimed at delivering outstanding care at reasonable prices. Our services cover both general and specialized disciplines, including:

General medicine services, including cardiology, internal medicine, family medicine and pediatrics, alongside a wide range of specialized disciplines.

Surgical services, including transplant surgery, general surgery, orthopedics, ENT, gynecological procedures, spinal surgery, obesity surgeries and other general and specialized surgeries such as Corneal and Renal Transplant Services.

Other healthcare services, including emergency services, physiotherapy, geriatrics, rehabilitation and kidney dialysis, among others.

Dentistry services, including general dentistry and multiple dentistry subspecialties.

This breadth enables SMC to meet a wide range of patient needs within the same provider ecosystem, supporting continuity of care and minimizing fragmentation across the patient journey.

Integrated Ancillary Services Enabling End-to-End Pathways

A key differentiator in SMC's business model is the strength of its integrated ancillary and support functions. These services are fundamental to clinical quality and patient experience, supporting accurate diagnosis, effective treatment and follow-up care within the same system. The Company's integrated network includes:

- Laboratories and testing services
- Dialysis center
- Eye tissue bank
- Diagnostic radiology and imaging units (including advanced imaging modalities)
- Nuclear Medicine Services
- Anesthesia services supporting surgical and interventional care, including pain management
- Internal pharmacies and pharmaceutical consultation services
- Physical therapy services and rehabilitation pathways
- Nutritional consultations and therapy
- IVF Center

These capabilities enable coordinated care pathways and support efficient clinical decision-making. They also strengthen service reliability and help ensure that care is delivered safely and consistently.

Our Alignment with Vision 2030

Saudi Vision 2030 represents a comprehensive national transformation agenda aimed at strengthening economic diversification, improving quality of life and building resilient public and private sector institutions. Healthcare is a central pillar of this vision, with the Kingdom undertaking wide-ranging reforms to expand capacity, improve access, enhance quality of care and promote private sector participation across the health ecosystem.

SMC's long-term strategy and operating model are closely aligned with these national priorities. As a private healthcare provider with an established presence in Riyadh, SMC plays an active role in supporting the Kingdom's objectives by expanding healthcare capacity, investing in clinical quality, strengthening workforce capability and partnering with public institutions to meet growing demand for specialized and high-quality healthcare services.

Supporting Healthcare Capacity And Access

The Kingdom continues to invest significantly in healthcare infrastructure, with demand for healthcare services expected to grow steadily through 2030. SMC contributes directly to this objective by expanding access to healthcare services while helping to reduce pressure on public sector facilities.

Advancing Private Sector Participation and Diversification

A core objective of Vision 2030 is to strengthen private sector participation in key economic sectors, including healthcare. SMC's strategy aligns with this objective through its focus on serving private sector and insured patients, diversifying revenue sources and reducing dependence on government-referred long-term care services.

Contributing to the Health Sector Transformation Program

SMC contributes to the Health Sector Transformation Program, through its integrated care model, which brings together primary, secondary and tertiary services within a coordinated hospital-led platform. SMC's role in workforce training, digital enablement, and selected public-private partnership initiatives reinforces the Program's objectives of enhancing service quality, operational efficiency and private sector participation within a sustainable healthcare system.

Supporting Insurance Expansion and Value-Based Care

The expansion of health insurance coverage and the shift toward value-based care are central to the Kingdom's healthcare reforms. SMC supports this transition through its relationships with insurance providers, focusing on outpatient services and efficient care pathways.



SMC aligns its Person-Centered Care (PCC) and Value-Based Healthcare (VBHC) with the Saudi Model of Care by:

- Shifting focus from reactive to proactive, preventative, and personalized care.
- Ensuring seamless care integration across primary, secondary, and tertiary healthcare levels.
- Enhancing patient and family involvement in care decisions, reinforcing PCC principles.
- Promoting alternative reimbursement models (VBHC), moving away from volume-based payments

Enabling Public-Private Collaboration

SMC has a long history of collaboration with public sector entities and continues to engage in partnership opportunities that support national healthcare objectives and system-wide capacity. To qualify for the Sabic-MOH mental health hospital PPP project, SMC established a joint venture with renowned international and local healthcare operators and established the Al-Mukhtas Al-Sehhi Medical Co.

LLC, in which SMC holds a 51% interest. This JV was developed in partnership with Dr. Ebel Kliniken International GmbH and Health Gates, to help address the significant shortage of mental health services and expand access to specialized care.

Building on its experience in long-term care and its established relationships with government stakeholders, SMC's joint venture platform was shortlisted as the preferred bidder for the SABIC Behavioral Care Specialist Hospital (BCSH), a historical achievement anticipated to be operational by the 4th quarter of 2026. This is testament to the Company's capability to deliver complex healthcare and contribute to a more integrated and sustainable healthcare system.

Responding to Demographic and Epidemiological Trends

Population growth, ageing demographics and rising prevalence of non-communicable diseases place sustained pressure on healthcare systems. SMC's service portfolio and expansion plans address specialties expected to experience the highest demand growth.

Our Alignment with Vision 2030 (Continued)

Key Initiatives and SMC Contribution



**Vision 2030 /
Health Sector
Priority**



**Health Sector
Transformation
Program**



**Private
Sector
Participation**



**Healthcare
Capacity
Expansion**



**Insurance
Expansion**



**Public-
Private
Partnerships**



**Workforce
Development**



**Quality
of Life**



**National
Objective**

Integrated,
value-based
healthcare
system

Increase
private
sector role

Address
growing
demand

Increase
insured
population

Leverage
private
expertise

Build nation-
al healthcare
capability

Improve health
outcomes and
access



**SMC's
Contribution**

Integrated
hospital-led
model and
coordinated
care pathways

Expansion of
private hospi-
tals and clinics

Expansion of
hospital and
clinic capacity
in Riyadh

Alignment of
services with
insurance-driv-
en demand

Participation
in PPPs and
government
collaborations

Training and
development of
clinical workforce

Focus on patient
safety, quality
and access

Expansion Plans & Future Outlooks

SMC’s expansion plans and forward-looking strategy are anchored in a clear assessment of the long-term structural growth of healthcare demand in the Kingdom of Saudi Arabia, and particularly within Riyadh. Over the coming decade, demand for healthcare services is expected to increase materially, driven by sustained population growth, rising life expectancy, increasing prevalence of non-communicable diseases and a gradual shift toward more complex and specialized patterns of care. These trends are occurring alongside broader economic reforms and investment-led growth that continue to attract both Saudi nationals and expatriate populations to key urban centers.

SMC’s future outlook is defined by a disciplined and phased growth strategy designed to expand capacity where demand is greatest, while maintaining consistent standards of quality, patient safety and operational efficiency across its platform.

Addressing Capacity Gaps Through Disciplined Expansion in Riyadh

SMC’s expansion strategy is focused on strengthening its geographic coverage and increasing healthcare capacity within Riyadh through a combination of hospital development and outpatient network growth.

Today, SMC operates two multi-specialty tertiary hospitals in Riyadh, which together form the backbone of the Company’s clinical offering. However, demographic growth, rising disease burden and increased utilization driven by expanding insurance coverage are expected to place sustained pressure on existing capacity over time. In response, SMC has established a clear roadmap for the development of three additional hospitals: SMC 3 – Northern Ring Road, SMC 4 – Khuzam Suburb, and SMC 5 – Al Malqa District, which are all located in Riyadh.

Each facility forms part of a broader network strategy designed to support population growth in rapidly developing districts and to complement SMC’s existing hospitals through coordinated service delivery and referral pathways.

Planned Healthcare Developments: SMC Clinics – Al Malqa, SMC 3, SMC 4, and SMC 5

SMC Clinics – Al Malqa – Opened in January of 2026, and is SMC’s first standalone Outpatient Clinic facility. This clinic will support the growing demand for primary care services, enabling SMC to support the rapidly growing community in this area.

SMC 3 – Northern Ring Road, planned for completion in 2028, represents the next major phase of SMC’s expansion and will meaningfully increase tertiary care capacity within Riyadh. The facility is expected to support growing demand for specialized services and to enhance SMC’s ability to serve patients in areas experiencing rapid residential and commercial development.

SMC 4 in the Khuzam suburb is planned for completion in 2028, will further extend the Company’s hospital network and reinforce its ability to meet rising demand across core medical and surgical specialties. As Riyadh’s population continues to expand and healthcare utilization increases, SMC 4 – Khuzam Suburb is expected to play a key role in ensuring timely access to inpatient and surgical services.



SMC 5 in the Al Malqa district is planned for completion in 2029, to complete SMC’s major phase of network expansion.

Together, SMC Clinics – Al Malqa, SMC 3 – Northern Ring Road, SMC 4 – Khuzam Suburb, and SMC 5 – Al Malqa District are intended to transform SMC from a two-hospital platform into a broader, integrated Riyadh-based healthcare network capable of supporting long-term growth through 2030 and beyond.

This phased approach allows SMC to align infrastructure development with workforce planning, clinical readiness and operational integration, ensuring that expansion is sustainable and value-accretive over time.

Expanding Outpatient Capacity to Support Access and System Efficiency

In parallel with hospital expansion, SMC continues to invest in outpatient capacity as a critical component of its long-term growth strategy. As healthcare systems evolve, outpatient services play an increasingly important role in improving access, manag-

ing chronic conditions, supporting early diagnosis and reducing unnecessary pressure on emergency departments and inpatient beds.

In January 2026, SMC achieved a significant milestone in this strategy with the inauguration of SMC Clinics - Al Malqa, the Company’s first standalone outpatient clinic center in Riyadh, which represents an important step in extending SMC’s presence into high-growth residential areas, enhancing access for patients.

SMC Clinics - Al Malqa comprises of 35 outpatient clinics covering a wide range of medical services and is supported by key enabling functions, including urgent and emergency capability, as well as laboratory and radiology services and other associated outpatient support services. The center has been designed to operate as a high-throughput outpatient platform, supporting efficient patient flow and timely access to specialists, diagnostics and follow-up care.

Success Story

Medical Academic Affairs - Building the Next Generation of Saudi Clinicians

SMC has continued to strengthen its position not only as a leading private healthcare provider, but also as an accredited academic and training institution contributing directly to the long-term development of the Kingdom’s healthcare workforce. Through its Medical Academic Affairs (MAA) Department, SMC plays an active role in advancing medical education, clinical research and professional development in alignment with the objectives of Saudi Vision 2030 and the Health Sector Transformation Program.

A Structured Academic Platform Aligned with National Priorities

SMC’s Medical Academic Affairs function operates under a clearly defined mission to promote evidence-based clinical practice and raise the standard of medical education across the organization. Its academic framework encompasses internship training, Saudi Board residency programs, continuing medical education & professional development (CME & PD) and faculty development initiatives, all delivered in close coordination with national regulatory and accreditation bodies SCFHS.

This integrated approach directly supports the Kingdom’s objectives to increase local clinical capacity, reduce reliance on foreign medical professionals and ensure a steady pipeline of highly trained Saudi physicians across priority specialties.

Internship Training and University Affiliation

Since 2016, SMC has been formally affiliated with Alfaisal University, one of the Kingdom’s leading medical schools, under successive long-term agreements. This partnership has enabled SMC to serve as a major clinical training facility for undergraduate medical students, while simultaneously strengthening its own academic faculty base.

Between 2016 and 2025, SMC accepted a cumulative total of 2,755 medical interns, including 253 interns who completed clinical rotations across SMC facilities during 2025. This sustained intake reflects both the scale of SMC’s clinical operations and the depth of its teaching capacity, positioning the Company as one of the most active private-sector contributors to medical internship training in the Kingdom.

SMC clinicians have progressively attained recognized academic appointments in Alfaisal University, including Adjunct Assistant Professor, Adjunct Associate Professor, Senior Lecturer and Lecturer roles. As at 2025, 30 academic titles were formally approved, reinforcing SMC’s credibility as a teaching institution and supporting a culture of structured mentorship and academic supervision within its hospitals.

Saudi Board Residency Programs: Building National Clinical Capacity

A cornerstone of SMC’s academic contribution is its participation in Saudi Board residency training programs, delivered in collaboration with the Saudi Commission for Health Specialties (SCFHS). These programs address critical national workforce gaps, particularly in internal medicine, general surgery, obstetrics and gynecology, adult critical care and pediatrics.

“At SMC, we have made a fundamental commitment: to treat medical education not merely as a supporting function, but as a core strategic responsibility. Our investment in training, research, and faculty development is a direct investment in the sustainability of healthcare for the Kingdom. It is how we ensure the next generation of Saudi clinicians is prepared to lead with confidence, competence, and compassion.”

Dr. Lina Faisal El Kibbi

Director of Medical Academic Affairs



From 2017 to 2025, 68 Saudi Board residents were accepted into SMC training programs, with structured rotations, supervision and assessment conducted in line with national accreditation standards. Over the same period, 24 residents successfully graduated, forming a growing alumni base of Saudi-trained specialists now contributing to the Kingdom’s healthcare system.

Research, CME and Continuous Professional Development

Beyond undergraduate and residency training, SMC’s MAA program places strong emphasis on lifelong learning, clinical research, and professional development. The Company has been operating an Institutional Review Board since 2015 to support ethical clinical research and encourages faculty and trainees to contribute to peer-reviewed publications and applied clinical studies.

SMC has also established a robust CME platform, with 60 SFCHS-accredited CME hours delivered in 2025 alone, often accommodating up to 300 participants per activity. These initiatives cover critical areas such as patient safety, infection prevention, procedural sedation, leadership skills, clinical research and quality improvement and other topics.

Strategic Impact and Long-Term Value Creation

SMC’s Medical Academic Affairs department delivers tangible long-term value by strengthening clinical quality, enhancing staff retention and supporting national workforce localization objectives. As the Kingdom continues to experience rising demand for complex and specialized healthcare services, the availability of well-trained Saudi physicians will remain a critical success factor for both the public and private sectors.

By embedding education and training within its operating model, SMC has positioned itself not only as a provider of healthcare services, but as a contributor to the Kingdom’s healthcare ecosystem aligning commercial growth with national development priorities and reinforcing its role as a trusted partner in Saudi Arabia’s healthcare transformation.

Success Story (Continued)

SMC Healthcare's Contribution to the PCT National Program: Advancing Saudi Healthcare Talent

At SMC Healthcare, we are guided by our commitment to excellence and aligned with Saudi Vision 2030. The Corporate Nursing Office, Nursing professional Development continues to invest in building a compassionate, skilled, and future-ready national workforce through the Patient Care Technician (PCT) National Program.

In strong collaboration with the Saudi Health Academy, SMC Healthcare maintains an ongoing commitment to national workforce development. In 2025, a group of students commenced their training under the PCT track, with graduation expected in 2026, further strengthening the pipeline of qualified Saudi healthcare professionals.

We are currently progressing through the 5th cycle of the program, with an anticipated 30 graduates this year, each prepared to deliver safe, patient-centered care and to become an integral part of the SMC care journey.

Looking ahead, and in alignment with our expansion strategy, SMC Healthcare is exploring participation in the 6th cycle, with a planned intake of 50 candidates across the organization. This upcoming group, expected to graduate by mid-2027 to early 2028, reflects our forward-looking approach to workforce planning, further reinforcing our commitment to sustainable growth and operational readiness.

Through the PCT program, SMC Healthcare continues to:

- Empower Saudi talent and contribute to national transformation
- Strengthen frontline care delivery with highly trained professionals
- Enhance patient experience through compassionate, competent care
- Ensure sustainable growth aligned with our expansion across hospitals and clinics

As we continue our journey of growth, the alignment of workforce planning with strategic priorities remains essential. Our teams play a vital role in shaping this future by proactively identifying their manpower needs, ensuring preparedness for the future expansion.



Patient Experience

At SMC, patient experience reflects both clinical outcomes and the manner in which care is accessed and delivered across all stages of the patient pathway. As a Saudi-founded and Saudi-operated healthcare provider with more than 25 years of service in the Kingdom, SMC's approach to patient-led care is shaped by a deep understanding of local communities and the evolving healthcare needs of the Saudi population.

SMC's patient-centric philosophy is embedded in its operating model and service design. Across its hospitals and outpatient facilities in Riyadh, the Company delivers primary, secondary and tertiary care through an integrated platform that prioritizes accessibility, safety, continuity of care and patient privacy. This model reflects SMC's long-standing commitment to serving families across the Kingdom, supported by comprehensive clinical services, advanced medical technologies and a multidisciplinary workforce aligned to national healthcare priorities.



Access, Convenience and Continuity of Care

As demand for healthcare services continues to grow, driven by population growth, mandatory insurance coverage and changing patient expectations, SMC has focused on improving access and convenience without compromising quality. Patients are supported through a coordinated care journey that spans outpatient clinics, inpatient services, day surgery units, home care, and specialist centers, ensuring continuity of care and appropriate escalation when required.

Digital enablement plays a central role in enhancing patient experience. SMC's mobile application provides patients with seamless access to appointment booking, virtual consultations, medical records, laboratory and radiology results, prescriptions, insurance approvals, and home healthcare services.

Quality, Safety, and Trust

Patient trust is foundational to SMC's relationship with the communities it serves. The Company operates under a robust quality and safety framework, reinforced by local and international accreditations, including accreditation by the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI). These standards support consistent clinical governance, patient safety reporting and continuous improvement across all facilities.

Human-Centered Care, Delivered Locally

Central to SMC's patient experience is its people. With a workforce of more than 3,000 healthcare professionals, SMC places strong emphasis on communication and human compassion with its patients. The Company's commitment to Saudization and workforce development supports the delivery of care by professionals who understand local values, family structures, and patient expectations, while also building long-term national healthcare capabilities.

+25
years of service in the Kingdom as a Saudi-founded and Saudi-operated healthcare provider

Operating Review

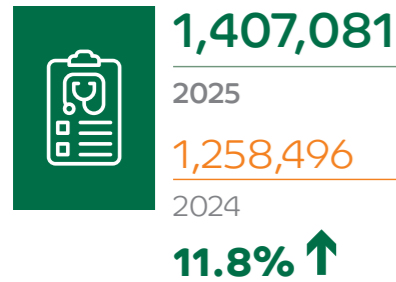
Growth, Enhanced Access, and Continued Digital Adoption

2025 was a year of clear operational momentum for SMC, reflecting sustained demand for private health-care services in Riyadh, and reflecting the Company’s continued focus on improving access, strengthening service capacity and enabling a smoother patient journey through digital channels. Across core activity indicators (outpatient, emergency, inpatient, surgical and diagnostics), performance through 2025 demonstrates broad-based growth versus 2024, supported by workforce expansion and continued progress in digital engagement.

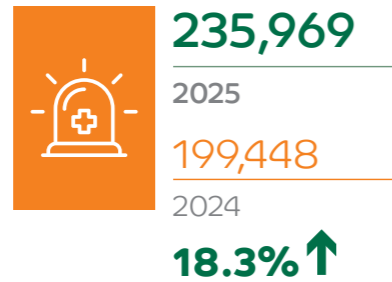
Higher Patient Volumes Across The Care Pathway

SMC delivered higher activity levels across in 2025 across the full continuum of care: outpatient access, emergency throughput, inpatient flow, surgical services, and maternity services.

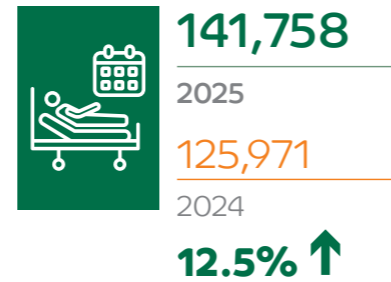
OPD Visits



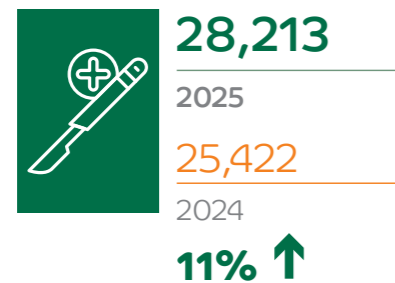
Emergency Visits



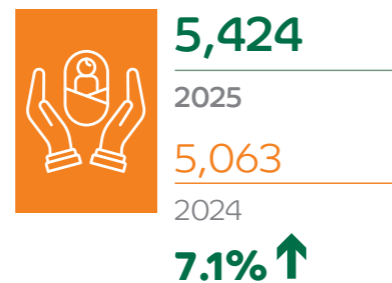
Inpatient Nights (R&B) - Excluding LTC Beds



Surgical Procedures



Deliveries

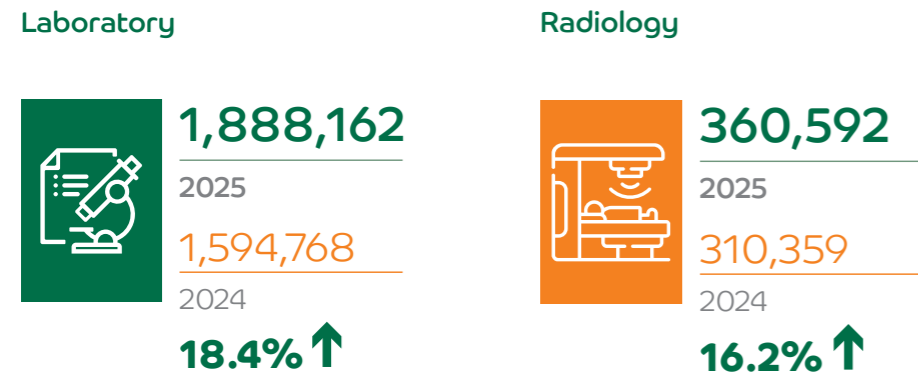


These results reflect both volume growth and the depth of SMC’s multi-specialty offering, supported by integrated pathways from consultation to diagnostics, procedures, and follow-up care.



Diagnostics Scale-Up to Support Clinical Throughput

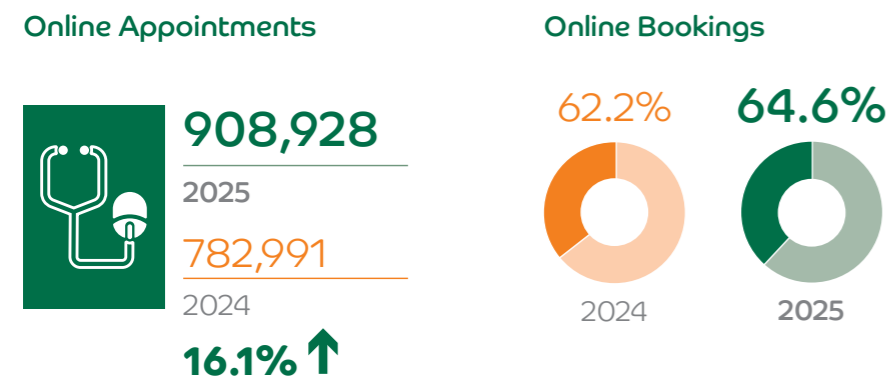
Diagnostic activity increased at a pace that outperformed overall visit growth, highlighting both higher service utilization and the growing role of imaging and lab services in modern patient pathways:



This performance is strategically important as it supports faster diagnosis, more coordinated care and an improved patient flow, particularly in tertiary settings where clinical complexity is increasing.

Strengthened Digital Access and Patient Convenience

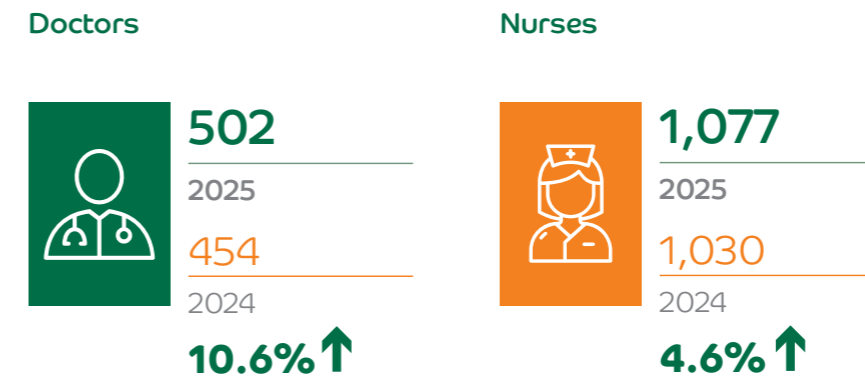
A key operational theme in 2025 was the continued shift toward more convenient, digitally enabled access:



SMC also advanced innovation in clinical support tools, with **embedded AI explanations** of laboratory results and radiology imaging, recording **approximately 240,000 uses daily since March 2025**, reinforcing the direction of digital transformation toward a more scalable, technology-supported service delivery.

Workforce Growth to Support Service Delivery and Quality

To support expanding volumes and maintain service standards, SMC increased staffing across key workforce groups:



In parallel, the Doctors Satisfaction Score remained high at 95.1% (up slightly from 94.8%), providing an important signal of stability in clinical engagement during a period of higher operational activity.

Operating Footprint and Capacity Across the Riyadh Network

SMC's operating platform remains anchored in two major hospitals, with service delivery supported by meaningful scale across beds and clinics:



Market Overview

Saudi Arabia’s healthcare sector continues to demonstrate strong structural growth, underpinned by sustained government investment, wide-ranging regulatory reform and long-term demographic and epidemiological trends. Healthcare remains a central pillar of the Kingdom’s economic and social development strategy, with policy initiatives focused on expanding access, improving quality of care, and increasing private sector participation across the healthcare value chain.

Macroeconomic Environment and Population Growth

The Kingdom’s economy is undergoing a structural transformation driven by diversification initiatives, regulatory reform and strong domestic demand. Non-oil economic activity has grown consistently, supported by privatization, increased private sector participation and policies encouraging international companies to establish regional headquarters in Saudi Arabia. These reforms are expected to sustain economic growth and attract a growing workforce to the Kingdom over the coming decade.

Population growth is a key driver of healthcare demand. Saudi Arabia’s population is projected to increase from approximately 38 million in 2025 to around 43 million by 2035. Growth is supported by both natural population increases and the continued inflow of expatriates attracted by economic opportunities, mega-infrastructure projects, and the expansion of private sector employment.

Although the population remains relatively young, a gradual demographic shift towards an ageing profile is underway. The proportion of individuals aged 65 years and above is expected to increase significantly by 2035, driving higher demand for chronic disease management, specialist care, surgical interventions, and long-term treatment pathways.

Healthcare Transformation and Private Sector Role

Saudi Arabia’s Health Sector Transformation Program is reshaping the healthcare ecosystem into a more integrated, efficient, and value-based system focused on patient outcomes. Key reforms include the separation of regulatory and provider roles, institutional transformation of healthcare facilities, new financing and reimbursement models, digital health initiatives and workforce development.

Private sector participation is a central component of this transformation. Public-private partnership models are being actively deployed across a range of healthcare segments, including long-term care, rehabilitation, behavioral health, home healthcare, and specialized hospital services. These initiatives are designed to accelerate capacity expansion, introduce advanced operating models, and improve service quality while reducing the long-term burden on public sector resources.

Established private healthcare groups with proven operating track records, strong governance frameworks, and clinical credibility are particularly well positioned to participate in this evolving landscape.



Insurance Penetration and Value-Based Care

Health insurance coverage continues to expand in line with regulatory mandates and national reform objectives. Mandatory insurance requirements for expatriates, Saudi nationals, and their dependents, alongside expanded benefit packages, are reducing out-of-pocket expenditure and increasing utilization of healthcare services across both inpatient and outpatient settings.

The healthcare system is also transitioning towards value-based care models, with an increasing emphasis on quality, efficiency, and patient outcomes rather than volume of services delivered. This shift is expected to favor providers like SMC that can deliver coordinated, high-quality care supported by efficient clinical operations, digital integration and strong relationships with insurers.

Riyadh as A Focal Healthcare Market

Riyadh represents one of the most attractive healthcare markets in the Kingdom. The city’s population is projected to grow from approximately 7.9 million in 2025 to around 9.5 million by 2035, driven by urbanization, economic growth and large-scale development projects. Riyadh is expected to account for an increasing share of national healthcare demand, particularly for private sector services.

Large integrated providers such as SMC with the ability to scale operations, attract specialist talent and deliver patient-centered care are expected to play a central role in meeting Riyadh’s future healthcare needs.

Saudi Arabia’s Health Sector Transformation Program is reshaping the healthcare ecosystem into a more integrated, efficient, and value-based system focused on patient outcomes.

Digital Transformation & Innovation

A Patient-Centered Digital Strategy

Digital transformation is a core enabler of SMC’s strategy to deliver accessible, efficient, and patient-centered healthcare. As healthcare demand in Riyadh continues to grow and patient expectations evolve, SMC has focused on leveraging digital solutions to simplify access to care, improve coordination across services, and enhance the overall patient experience.

As part of our commitment to patient led care, we believe that technology can remove barriers to care and enhance the patient experience. To achieve this, SMC has launched a 3-year IT strategy focused on integrating clinical, operational, and patient-facing systems into a unified digital ecosystem that supports both efficiency and transparency. This includes modernizing the foundational platforms that power patient access, strengthening data flows across facilities, and ensuring that digital tools are intuitive, reliable, and aligned with the realities of day-to-day clinical practice.

Strengthening Digital Access Across the Care Journey

SMC’s IT Strategy is designed to ensure that patients can interact with SMC’s services seamlessly. We have prioritized the development of digital tools that streamline access, reduce waiting times, and enhance coordination between departments and facilities. These efforts support a shift toward a more proactive, digitally enabled care model; one where patients can navigate services with greater ease, review laboratory and medical results, receive timely information, and engage more actively in their own health management. Our vision through this strategy is to enable safe, intelligent, and seamless healthcare through resilient digital platforms, secure data, and purposeful innovation through six core pillars:

- 1. Core Clinical & Business Systems Excellence:**
Ensuring stability, performance, and scalability of mission critical clinical and business systems.
- 2. Patient, Users, and Physician Digital Experience:**
Delivering a seamless, compassionate, and digital-first experience across the patient and physician journey.
- 3. Cybersecurity, Risk & Compliance:**
Protecting patient data, ensure regulatory compliance, and maintain cyber resilience.
- 4. Data, Analytics & AI Enablement:**
Transforming data into actionable insights and intelligent decision support.
- 5. Infrastructure & Cloud Strategy:**
Providing resilient, scalable, and cost-effective infrastructure that supports clinical criticality.
- 6. IT Operating Model & Saudization:**
Building a sustainable, Saudi-rich IT organization with strong governance and execution capability.

The SMC Mobile Application as a Core Access Channel

The SMC mobile application has become a central access point for patients across the Group’s network. In 2025, digital adoption continued to increase, with online bookings representing a growing proportion of total appointments. By the end of 2025, approximately 65% of appointments were booked digitally, reflecting strong patient uptake and increasing reliance on self-service digital channels.

The mobile application enables patients to:

- Book and manage outpatient appointments across specialties and facilities
- Access services conveniently without the need for in-person scheduling
- Navigate care pathways more efficiently, particularly for repeat visits and follow-up care
- Access medical records, laboratory and imaging results in a seamless manner
- Frictionless payment via an integrated payment platform and Apple Pay

This shift towards digital access supports reduced administrative friction, improved clinic utilization, and shorter waiting times, while giving patients greater control over their engagement with healthcare services.

Enhancing Patient Understanding and Engagement

Beyond access and scheduling, SMC has continued to enhance the application’s role in improving patient understanding and engagement. During 2025, the Group introduced AI-supported explanatory tools for laboratory results and radiology imagery within its digital ecosystem to help patients better understand aspects of their care and clinical information.

Since its introduction in March 2025, this functionality has been used approximately 3,500 times per day, indicating strong patient engagement and highlighting the growing importance of clear, accessible health information. These tools support informed decision-making and reinforce SMC’s commitment to transparency, and patient empowerment.



Advanced Medical Technology and Clinical Equipment

SMC's commitment to delivering high-quality, safe, and efficient healthcare is underpinned by continued investment in advanced medical technology across its hospitals. The Company utilizes globally recognized, high-quality medical equipment to support accurate diagnosis, effective treatment, and improved clinical outcomes across a wide range of specialties. This approach ensures that patients benefit from reliable and modern technologies while clinicians are supported by systems designed to enhance precision, efficiency, and safety.

Across its facilities, SMC deploys leading medical equipment brands, including Philips, GE, Siemens, Johnson & Johnson, Dräger, Hillrom, Medtronic, Roche Diagnostics, and Beckman Coulter, Getinge, Carl Zeiss Medtronic, Olympus, Fresenius, and Stryker reflecting a deliberate focus on quality, reliability, and alignment with international clinical standards. These technologies support critical services

Looking Ahead

SMC views digital innovation as an ongoing journey rather than a one-time initiative. Continued investment in digital capabilities is expected to support further improvements in access, efficiency and patient experience, while enabling the Group to respond effectively to rising demand, evolving reimbursement models and national healthcare priorities.

such as advanced diagnostic imaging, interventional procedures, intensive care, surgical services and patient monitoring, which enables clinicians to deliver timely and informed care across both inpatient and outpatient settings.

Advanced diagnostic capabilities play a particularly important role in supporting patient experience and clinical efficiency, reducing waiting times, and supporting faster clinical decision-making. This capability is complemented by integrated digital systems that allow patients to securely access imaging results, laboratory reports and medical records, reinforcing continuity of care and transparency throughout the patient journey.

As SMC continues to expand its hospital network and outpatient footprint, including the development of new facilities, the Company's technology strategy remains focused on deploying scalable, future-ready equipment that supports growth and enhances clinical standards.

By centering its digital strategy on adopting advanced medical equipment and facilitating patient convenience through its mobile application, SMC is building a scalable, patient-focused platform that complements its physical infrastructure and reinforces its position as a leading private healthcare provider in Riyadh.



Risk Management

Risk Governance and Approach

Specialized Medical Company operates in a highly regulated, operationally complex, and rapidly evolving healthcare environment. Effective risk management is therefore integral to the Company’s ability to deliver safe, high-quality care, protect stakeholder interests, and execute its long-term growth strategy.

The Company has established a structured risk management framework designed to identify, assess, monitor, and mitigate risks across its clinical operations, workforce, financial performance, technology infrastructure and expansion activities. Risk oversight is embedded within the Company’s governance structures, internal controls and compliance processes, with risks reviewed on an ongoing basis to reflect changes in the operating environment, regulatory landscape, and strategic priorities.

Healthcare Market and Strategy Risks

SMC’s performance is influenced by broader healthcare market dynamics, including shifts in demand, reimbursement mechanisms, and competitive intensity. Rapid growth in private healthcare capacity, particularly in major urban centers such as Riyadh, may increase competition for patients, skilled healthcare professionals, and insurance contracts.

In addition, the ongoing transformation of the Saudi healthcare system introduces uncertainty related to policy implementation, and regulatory reform and changes in funding models. While these reforms create long-term opportunities for established private providers, they may also result in transitional challenges affecting referral patterns, pricing structures or operational requirements.

The Company mitigates these risks through geographic concentration in high-growth areas, diversification across specialties, strong relationships with insurers, and a focus on operational efficiency and service quality.

Potential Impact

- Reduced market share
- Margin pressure
- Slower growth

Key Mitigation Measures

- Diversified service mix
- Focus on high-growth in Riyadh market
- Strong insurer relationships
- Continuous service differentiation

Regulatory and Policy Environment

The Company operates under an extensive regulatory framework governing licensing, accreditation, pricing, insurance, data protection, and employment practices. Changes in laws, regulations or enforcement practices could increase compliance costs or restrict certain activities.

SMC maintains dedicated compliance and governance functions to monitor regulatory developments and ensure adherence to applicable requirements. Regular audits, internal controls, and engagement with regulatory authorities support proactive risk management in this area.

Potential Impact

- Higher compliance costs
- Operational disruption
- Restrictions on services

Key Mitigation Measures

- Dedicated compliance functions
- Regulatory monitoring
- Proactive engagement
- Internal audits

Clinical Quality and Patient Safety Risks

Healthcare delivery inherently involves operational and clinical risks, including patient safety incidents, service disruptions, equipment failures, and workforce-related challenges. Maintaining consistent quality of care across a growing network of hospitals and clinics requires robust clinical governance, standardized protocols, and continuous monitoring.

SMC places patient safety at the center of its operations and applies internationally recognized standards across its clinical and non-clinical services. Ongoing investment in training, quality assurance and digital systems supports the mitigation of operational risk and reinforces a culture of accountability and continuous improvement.

Potential Impact

- Reputational damage
- Regulatory sanctions
- Financial liabilities

Key Mitigation Measures

- Robust clinical governance
- Adherence to standards
- Continuous training and quality audits

Human Capital and Workforce Availability Risks

The availability and retention of qualified healthcare professionals is a critical risk for the Company. Demand for specialist physicians, nurses and allied health professionals continues to increase, while regulatory localization requirements add complexity to workforce planning.

SMC addresses these risks through structured recruitment strategies, competitive employment practices, continuous professional development, and investment in academic and training programs that support the development of local talent. These initiatives contribute to workforce stability and support long-term service delivery.

Potential Impact

- Capacity constraints
- Higher costs
- Impact on service quality

Key Mitigation Measures

- Structured recruitment
- Retention strategies
- Training and academic programs
- Local talent development

Operational Continuity Risks

Operational continuity is critical to maintain SMC’s standards of patient care. Operational disruptions can arise from system failures, equipment issues or external events, which in turn could impact patients’ access to services and care. The Company manages these risks through preventive maintenance programs, operational redundancies, emergency preparedness measures, and business continuity planning designed to maintain service availability and resilience.

Potential Impact

- Service interruptions
- Reduced patient access

Key Mitigation Measures

- Preventive maintenance
- Redundancy; emergency preparedness
- Business continuity plans

Financial and Reimbursement Risks

SMC is exposed to financial risks including changes in reimbursement rates, delays in insurance collections, cost inflation, and capital expenditure requirements associated with expansion. As a listed company, the Group is also subject to market-related risks, including share price volatility and broader macroeconomic conditions.

The Company manages these risks through disciplined financial planning, diversification of revenue sources, active working capital management, and prudent capital allocation that is aligned with long-term strategic objectives.

Potential Impact

- Cash flow pressure and margin compression.
- Market Risk
- Operational Risk
- Inflation Risk

Key Mitigation Measures

- Working capital management
- Diversified payer mix
- Disciplined financial planning

Expansion and Capital Projects Risk

The Company’s growth strategy includes the development of new hospitals and outpatient facilities. Delays, cost overruns or underperformance of expansion projects could affect returns or place strain on financial resources. SMC mitigates these risks through phased development, robust project governance structures, and demand-driven expansion planning to ensure operational readiness and capital discipline.

Potential Impact

- Lower returns
- Financial strain

Key Mitigation Measures

- Phased development
- project governance
- demand-driven expansion planning

Technology and Cybersecurity

As digital systems become increasingly central to healthcare delivery, SMC faces risks related to cybersecurity, data privacy, and system reliability. Disruptions or breaches could affect operations, patient trust, and regulatory compliance.

The Company mitigates these risks through secure IT infrastructure, data protection protocols, system redundancy and continuous monitoring, supported by ongoing investment in digital resilience and staff awareness.

Potential Impact

- Operational disruption
- Regulatory penalties
- Reputational harm
- Legal liability and loss of trust

Key Mitigation Measures

- Secure IT infrastructure
- Monitoring
- Cyber resilience initiatives
- Strong data governance and regulatory compliance

Macroeconomic Conditions

SMC is exposed to macroeconomic factors such as inflation, cost pressures, and broader economic volatility, which may impact operating expenses, reimbursement dynamics and patient demand. Rising costs related to labor, utilities, and medical supplies could place pressure on margins, while economic conditions may influence insurance coverage and utilization patterns.

The Company manages these risks through disciplined cost control; operational efficiency initiatives and a diversified payer mix with a strong focus on insured patients. SMC's integrated operating model provides flexibility in managing resources and capacity, supporting financial resilience and continuity of care in varying economic conditions.

Potential Impact

- Higher operating costs
- Reduced affordability

Key Mitigation Measures

- Operational efficiency initiatives
- Focus on insured patient base
- Flexible pricing strategies

Outlook

SMC's risk management framework is designed to support sustainable growth while maintaining resilience in a complex and evolving healthcare landscape. Management believes that the Company's scale, integrated operating model, governance structures and focus on quality position it well to manage risks effectively and pursue opportunities aligned with its long-term strategy.

