

A new shareholder joins Smart Health to unlock its potential in Saudi Arabia

Paris, March 31, 2025

KLEA HOLDING (FR0013481835 – ALKLH), a group focused on the acquisition, development and digitalization of companies across multiple sectors, announces a change in the ownership structure and governance of its joint-venture Smart Health in Saudi Arabia and provides an update on the development of the KAFD medical center in Riyadh, Saudi Arabia.

A new strategic Saudi partner and a new governance

Klea Holding is pleased to announce that a new Middle-East strategic partner, Mobadara Investment, is expected to replace the previous partners (Abrar Communication, which remains a significant shareholder and support of Klea Holding, and The Siblings Prestige Company).

Mobadara Investment committed to fund Smart Health with SAR 17,690,732.00 (~€4.4 M) through a mix of capital increase and shareholder loan.

The parties have bindingly agreed to the following sequence:

1. Buy-out of the previous partners by Klea Holding for a symbolic amount.
2. Subscription by Mobadara Investment to a capital increase of SAR 8,000,732.00 to acquire 70% of Smart Health, while Klea Holding will own the remaining 30% of the company.
3. In addition to the capital increase, injection from Mobadara Investment of a shareholder loan of SAR 9,690,000.00.
4. Injection from Klea Holding of a shareholder loan of SAR 2,310,000.00 of which SAR 1,136,250.00 has already been delivered.

The above proceeds will primarily be used to accelerate the opening of the KAFD medical center. Our new partner, through its strong capital commitment and onsite presence, will support the development of the company.

This new financing will lead to the signature of a new Shareholders Agreement between Mobadara Investment and Klea Holding, to reflect the changes in the governance and shareholding structure of the joint-venture Smart Health, with Klea Holding retaining seats on the Board of Smart Health as well as veto rights on key decisions. These changes will be completed and effective with the Saudi Business Council (conditions precedents to complete the transaction) in the coming weeks.

After completion of the transaction, Mobadara Investment will have the majority control of Smart Health and Klea Holding will change the consolidation method of the subsidiary from global integration to equity method.

Focus on the opening of the KAFD medical center

This change in governance and ownership, while positive for the joint-venture in terms of firepower, has caused some slight delays in the project's timeline. The company acknowledges that the transition process has required careful management and additional time to ensure seamless integration and strategy alignment. Smart Health remains confident that the new partnership will lead to greater efficiency, enhanced financial and overall support, and improved prospects for the successful completion of the KAFD center and the future expansion of the company across Saudi Arabia.

KAFD will be the new state-of-the-art medical center in Riyadh, Saudi Arabia. This center is set to transform healthcare services in the country.

KAFD, the new central business district of Riyadh, represents 25% of all office space in the city. The medical center will be the first of its kind in KAFD, providing healthcare services to residents, professionals, and visitors in this bustling financial hub. This new venture will incorporate far more services for nationals, in addition to expat medical visa testing.

The agreement with the primary construction partner INC, has already been executed and the payment has been processed to resume the construction work.

Leadership Comments:

"We are excited about this new chapter in our joint venture," said Clement Pacaud, CEO of Klea Holding. "Our new partner brings an invaluable set of strengths and expertise to the table, and we believe this will enhance the long-term potential of the project. While we acknowledge the current slight delay of the KAFD center opening, we are focused on the bigger picture and remain fully committed to ensuring the continued success and growth of our operations in Saudi Arabia."

"As a key shareholder of Klea Holding, we remain fully committed to support the Smart Health development in Saudi Arabia. We are confident that this new financing and governance structure will bring a lot of success to the company." said Radwan Samman, representative for both Abrar Communication and The Sibling Prestige Company

Looking Ahead:

The joint venture, which aims to revolutionize the medical & wellness sector in the Kingdom of Saudi Arabia, is a key part of Klea Holding's broader strategy in the GCC region. The company has an established track record of success in the Middle-East and remains optimistic about the ongoing opportunities in the region.

"We view the temporary delay as an opportunity to further strengthen our operational foundations with our new partner. This change allows us to better position ourselves for future success in Saudi Arabia with potential additional centers in the coming years as discussed with our new partner." said Clement Pacaud.

Klea Holding remains committed to delivering high-quality, innovative projects and to maintaining strong relationships with all stakeholders in the GCC region. The company will continue to keep the market updated on progress as the joint-venture advances toward its next phase.

About Klea Holding

Klea Holding is a group focused on acquiring, developing and digitizing companies in various sectors to maximize their growth and value. Through its "scaling industries of the future" identity, Klea Holding draws on its successful experience in developing Smart Salem, the first network of digitalized medical analysis centers accredited by the Dubai Ministry of Health (DHA) in the United Arab Emirates, and its Smart Health joint venture developed in Saudi Arabia, to extend this entrepreneurial approach to the four corners of the globe.

Klea Holding is headquartered in Paris and listed on Euronext Growth (ALKLH). For further information, please visit www.kleaholding.com

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