



# Management Presentation

Leading integrated healthcare provider in the Western Balkans

February 2022

*Strictly private and confidential*

# Today's presenting team

## Key management



**Klodian Allajbeu, M.D.**  
*Chief Executive Officer*

### Professional experience

- Co-founded American Hospital in 2006
- Formerly a cardiac surgeon

### Education

- *Medicine*, Ankara University
- *MBA*, Cardiff University



**Osvelda Qafa**  
*Chief Financial Officer*

### Professional experience

- CFO since 2009
- Previously CFO at Raiffeisen Bank Kosovo

### Education

- *Finance and Accounting*, University of Tirana
- Certified accountant



**Mario Karaj**  
*Managing Director*

### Professional experience

- Managing Director of American Hospital and CEO of International Hospital
- Previously worked at Prestige Finance in New York

### Education

- *Economics*, Baruch College
- *MBA*, University of Cumbria



**Onejda Ymeraj**  
*Chief Operating Officer*

### Professional experience

- Joined the Group as a Manager of AH I and became Group COO in 2014
- Previously worked with Credins Bank in Tirana

### Education

- *Finance*, University of Bologna
- *MBA*, Durham University



1

Introduction

# American Hospital at a glance

Leading integrated healthcare provider in the Western Balkans

State of the art, fully equipped healthcare facilities (Dec 2021)



**10**  
*Facilities in  
Albania & Kosovo  
(66,000 sqm)<sup>1</sup>*



**33**  
*Operating  
rooms*



**376**  
*Hospital  
beds*



**10**  
*Imaging  
centres*



**200**  
*Dialysis  
chairs*



**11**  
*Lab  
centres*



**825**  
*Doctors<sup>2</sup>*



**834**  
*Nurses*

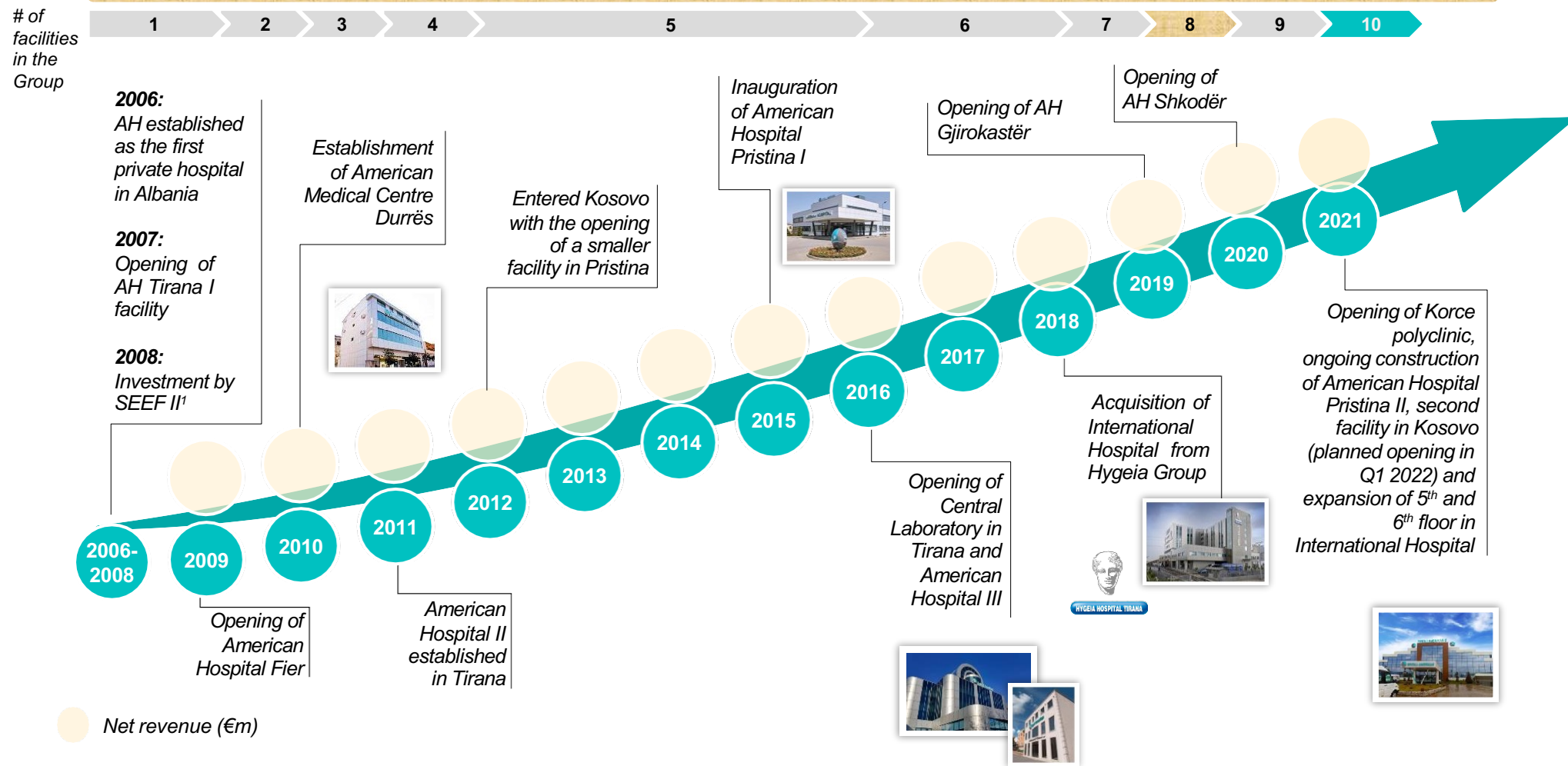


**545,000**  
*Patients  
treated p.a.*

# Corporate timeline and key events

American Hospital Group has been an indispensable part of the healthcare ecosystem in Albania and Kosovo, providing best-in-class services to local populations

Strong track record of organic and inorganic growth



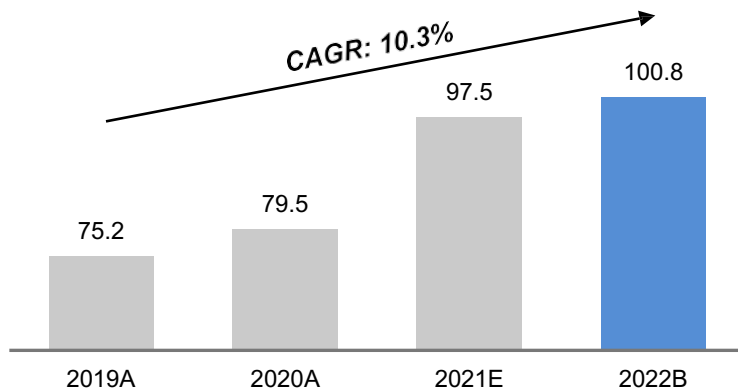
**Note**

1 Southeast Europe Equity Fund II, a regional private equity fund investing in Southeast Europe and Turkey

# Private-pay operator with strong historical growth and diversified revenue base

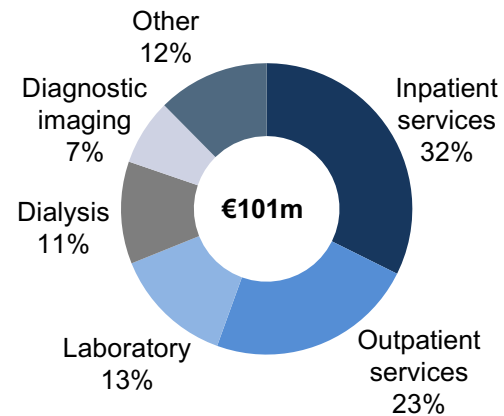
## Proven track record of financial performance

Revenue (€m)

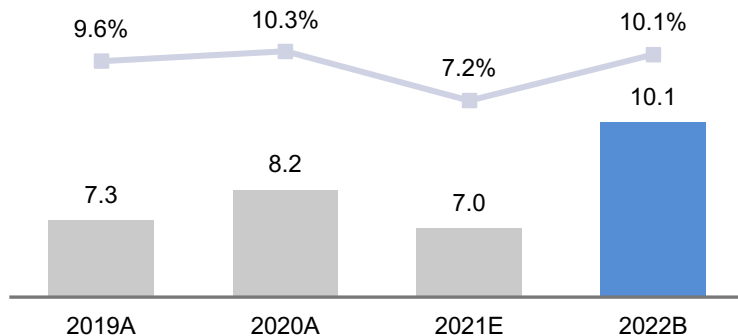


## Diversified source of revenue and limited reliance on public funds

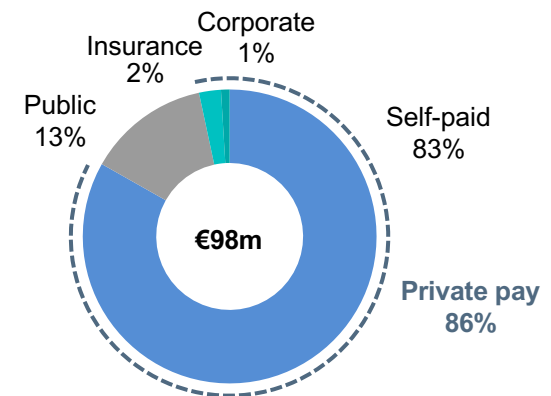
Revenue split by modality (2022B)



EBITDA (€m) and EBITDA margin (%)



Revenue split by payer (2021E)



# Favourable political, macroeconomic, and demographic backdrop

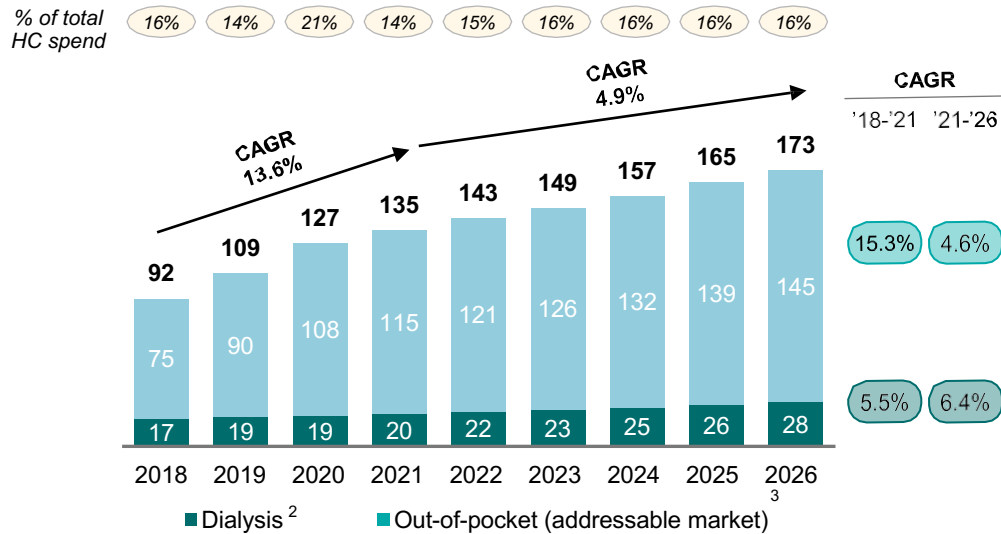
Albania is characterised by its high economic growth and large diaspora; growth supported by an accelerated reform programme, implemented as part of its EU accession path

Macroeconomic environment	Demographic overview	Political landscape																														
<p><b>Average real GDP growth (2021-2026)</b></p> <table border="1"> <caption>Average real GDP growth (2021-2026)</caption> <tr><th>Country/Region</th><th>Growth (%)</th></tr> <tr><td>Kosovo</td><td>5.3%</td></tr> <tr><td>Montenegro</td><td>4.5%</td></tr> <tr><td>Albania</td><td>4.5%</td></tr> <tr><td>Serbia</td><td>4.5%</td></tr> <tr><td>CEE avg.</td><td>3.8%</td></tr> <tr><td>B&amp;H</td><td>3.7%</td></tr> <tr><td>N.Macedonia</td><td>3.5%</td></tr> <tr><td>EU avg.</td><td>2.6%</td></tr> </table>	Country/Region	Growth (%)	Kosovo	5.3%	Montenegro	4.5%	Albania	4.5%	Serbia	4.5%	CEE avg.	3.8%	B&H	3.7%	N.Macedonia	3.5%	EU avg.	2.6%	<p><b>Countries with large population of ethnic Albanians</b></p> <p><i>Latest estimates</i></p> <table border="1"> <tr> <td></td> <td></td> </tr> <tr> <td>+600k</td> <td>+500k</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>+500k</td> <td>+450k</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>+300k</td> <td>+100k</td> </tr> </table>			+600k	+500k			+500k	+450k			+300k	+100k	<p><b>Stable political environment since 2013...</b></p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>Ruling party:</b> Socialist for Albania <i>(social-democrats)</i></p> </div> <div style="text-align: center;"> <p><b>Prime Minister:</b> Edi Rama <i>(last elected in 2021)</i></p> </div> </div> <p><b>... with a track record of successfully implemented reforms across all key sectors...</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Deregulation of economy</li> <li><input checked="" type="checkbox"/> Educational reforms</li> <li><input checked="" type="checkbox"/> Electoral reforms</li> <li><input checked="" type="checkbox"/> Financial sector reforms</li> <li><input checked="" type="checkbox"/> Local government downsizing</li> <li><input checked="" type="checkbox"/> Judicial reforms</li> </ul>
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<ul style="list-style-type: none"> <li>• Exposure to <b>some of the fastest growing economies in the Balkans</b></li> <li>• Growth is underpinned by             <ul style="list-style-type: none"> <li>– <b>Strong household consumption</b></li> <li>– <b>Infrastructure investments</b></li> <li>– <b>Rebound in tourism</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Large population of ethnic Albanians throughout Europe</li> <li>• Population of Albania: <b>2.9m</b></li> <li>• Substantial contributor to local economy through <b>significant remittance inflows</b> <ul style="list-style-type: none"> <li>– Remittances mainly contribute to <b>daily consumption, healthcare &amp; childcare</b></li> </ul> </li> </ul>	<p><b>...while on a clear path towards EU accession</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>EU candidate country status granted</p> <p>Jun-14</p> </div> <div style="text-align: center;"> <p>Approval of opening of accession talks</p> <p>May-20</p> </div> <div style="text-align: center;"> <p>Awaiting commencement of formal negotiations</p> <p>Jun-21</p> </div> </div>																														

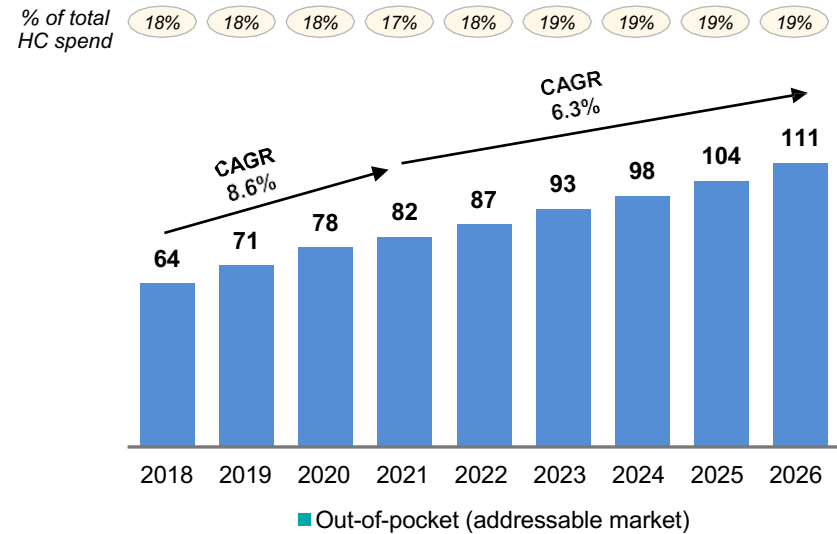
# A large and growing addressable market<sup>1</sup>

A fast-growing private healthcare services market, filling the continuously increasing gap of the underfunded public healthcare system

Albania: Total addressable market (€m)



Kosovo: Total addressable market (€m)



- Albanian addressable market **predominantly consists of out-of-pocket payments**, and is expected to reach **€173m in 2026**
- The market is forecast to grow at **c.5.0% CAGR**, driven by:
  - **Demographic shift and aging population**
  - Continuous **underinvestment in public healthcare**, drawing patients towards higher quality private clinics and hospitals
  - **Broader service portfolio provided** in private facilities

- Addressable market in Kosovo **exclusively comprised of out-of-pocket spending**, and is expected to reach **€111m in 2026**
- The market is forecast to grow at **6.3% CAGR**, driven by:
  - Growing **demand for higher quality, private service offering**, given **chronic underinvestment in public sector**
  - **New, faster and more simplified, process of establishing a private health institution**

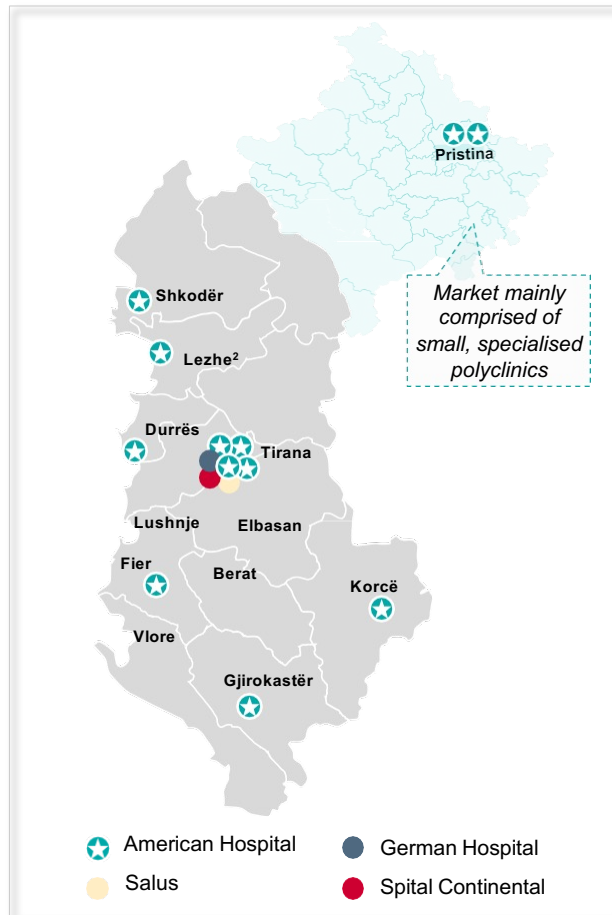
<sup>1</sup> Addressable out-of-pocket spending defined as outpatient and hospital services, i.e. excluding spending on medical products, appliances, equipment, etc.  
<sup>2</sup> Dialysis includes i) services provided at public hospitals (8% of total sessions in 2020) and ii) services provided by private hospitals providers, under a contract awarded by the government (92% of total sessions in 2020)  
<sup>3</sup> Out-of-pocket addressable market also includes private insurance spending on private healthcare services



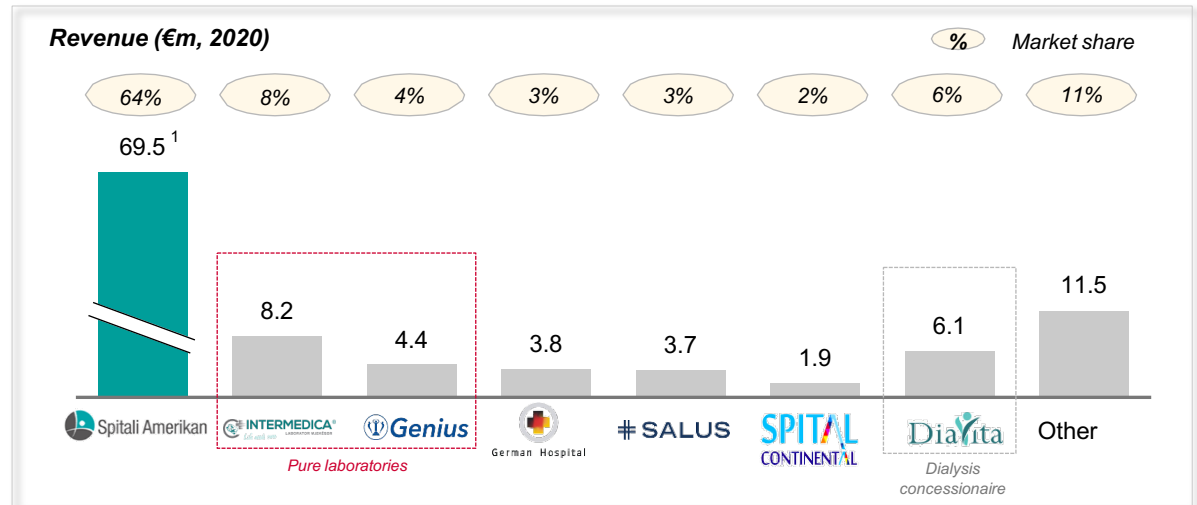
# Competitive landscape in Albania and Kosovo

Clear leader in private healthcare market in Albania with the largest geographical coverage across the country

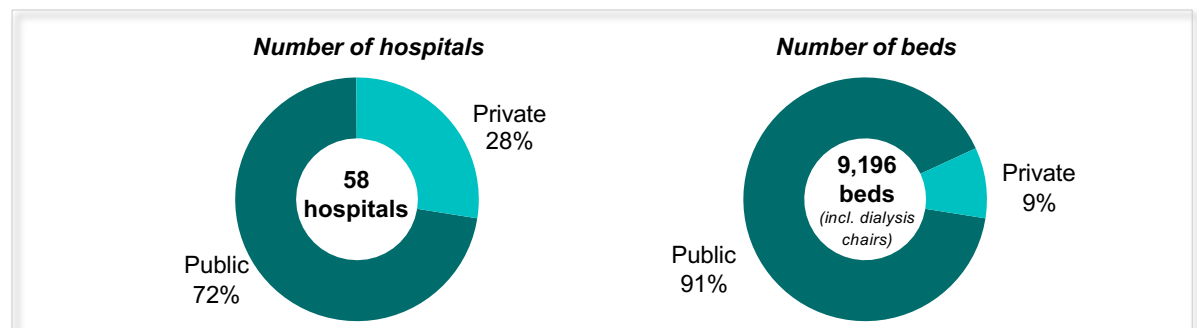
## Geographical footprint of private hospitals



## Overview of leading private healthcare providers in Albania

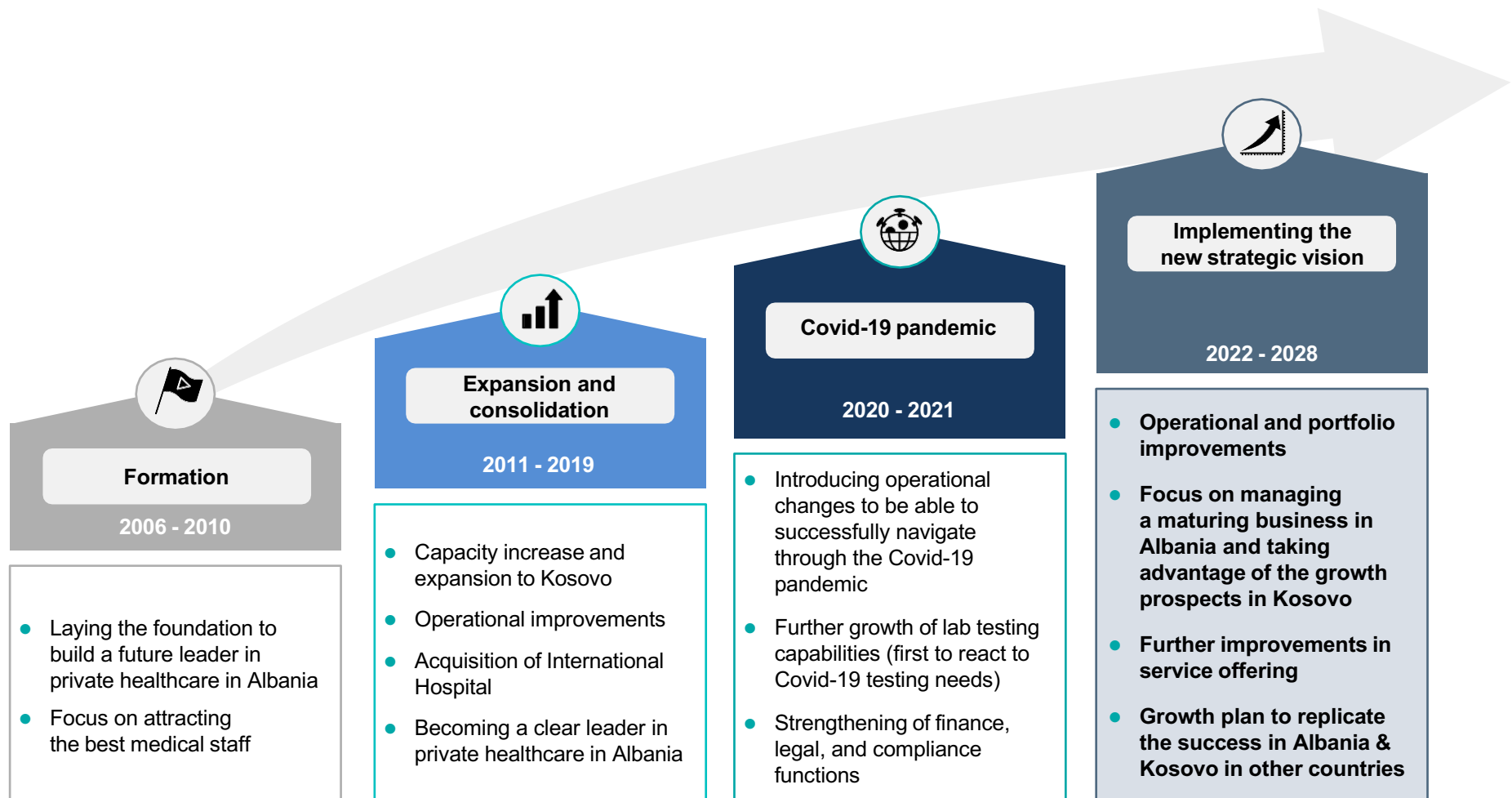


## Overview of healthcare institutions in Albania



1 Includes only revenue of the Group's operations in Albania, after taking into account intercompany revenue  
 2 Planned opening in March 2022

# American Hospital has continuously developed to respond to the patient needs in the Western Balkans



A photograph of an operating room. Three surgeons in blue scrubs and masks are performing a procedure on a patient. Two large overhead surgical lamps illuminate the scene. To the right, several medical monitors are visible, displaying vital signs and waveforms. A semi-transparent white circle is overlaid on the left side of the image, containing the number '2' and the text 'American Hospital today'.

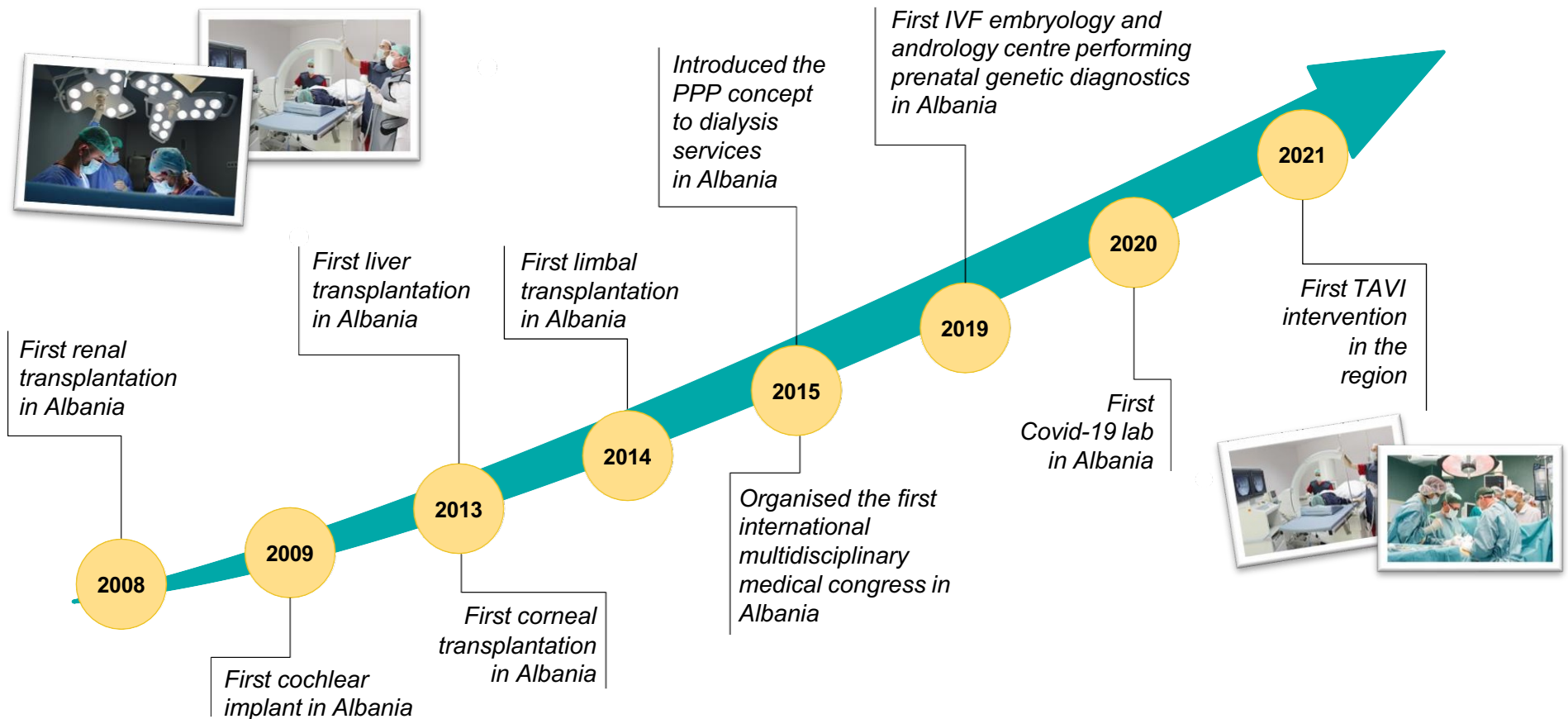
# 2

American Hospital today

# An internationally recognised leader in medical excellence

Over a decade of experience operating as Albania's leading private healthcare provider

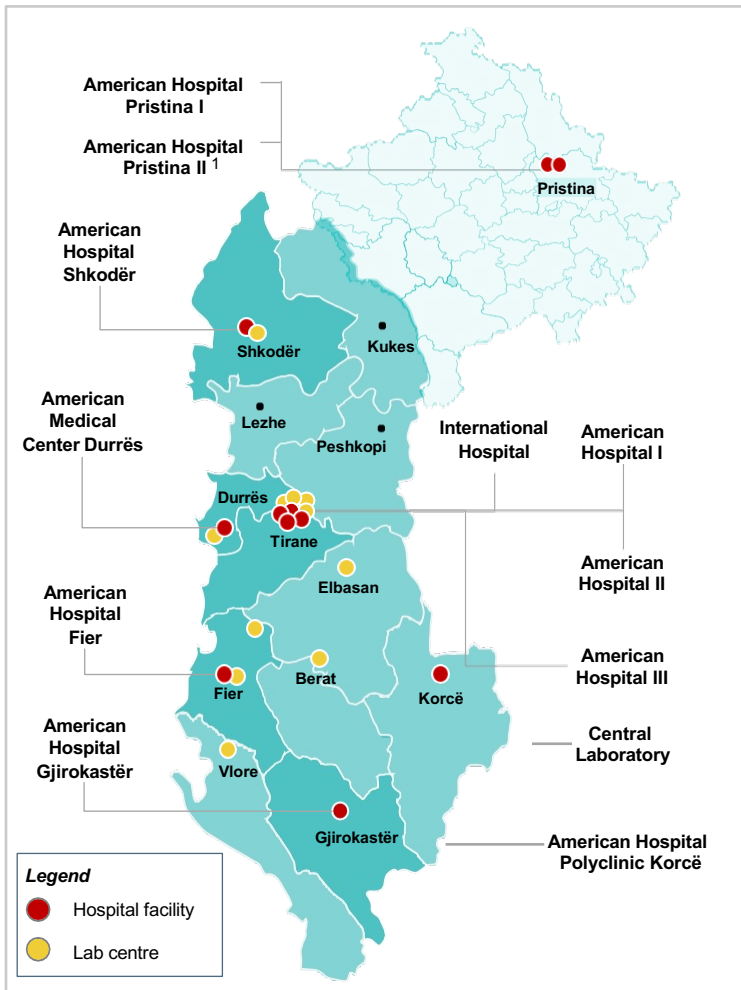
## High profile medical "firsts" by American Hospital



# Footprint across Albania and Kosovo

State-of-the-art hospital facilities, strategically located in main cities across Albania and Kosovo

## Geographical footprint of American Hospital



**Note**

1 To be opened in Q1 2022

## Selected facilities (as of Dec 2021)

### American Hospital I



- Established in 2007
- Size: 4,400sqm
- 41 hospital beds (9 ICUs) and 27 dialysis chairs

### American Hospital II



- Established in 2011
- Size: 5,760sqm
- 55 hospital beds (8 ICUs) and 27 dialysis chairs

### American Hospital III



- Established in 2017
- Size: 22,500sqm
- 109 hospital beds (16 ICUs) and 27 dialysis chairs

### International Hospital



- Acquired in 2018
- Size: 25,200sqm
- 103 hospital beds (17 ICUs) and 32 dialysis chairs

### American Hospital Fier



- Established in 2009 in Fier, Albania
- Size: 950sqm
- 5 hospital beds and 30 dialysis chairs

### American Medical Centre Durrës



- Established in 2007 in Durrës, Albania
- Size: 800sqm
- 41 dialysis chairs

### American Hospital Pristina I



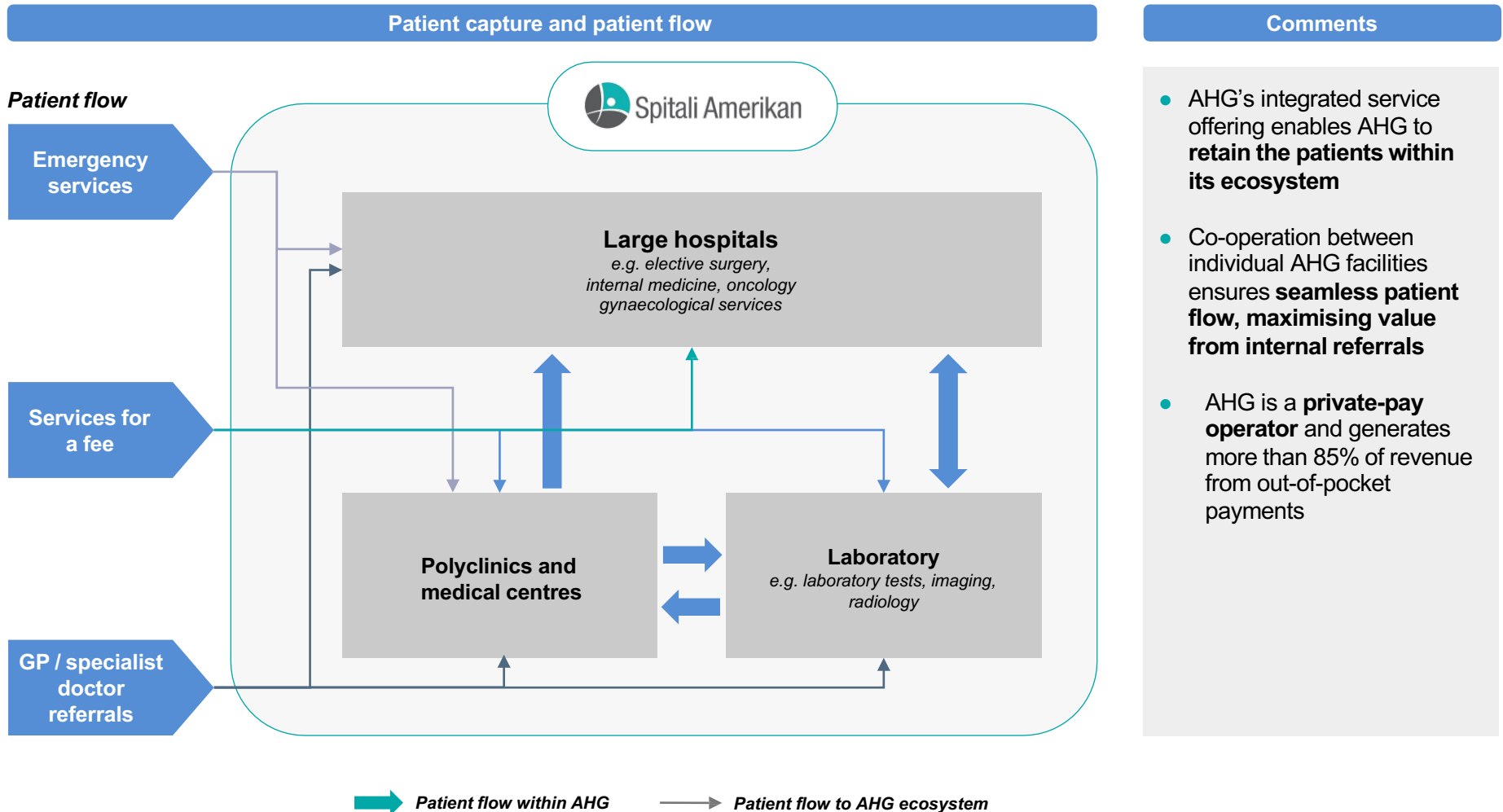
- Established in 2012 in Pristina, Kosovo
- Size: 5,500sqm
- 56 hospital beds (13 ICUs)

### American Hospital Pristina II



- Envisaged opening in Q1 2022 in Pristina
- Size: c.5,000sqm
- c.30 hospital beds

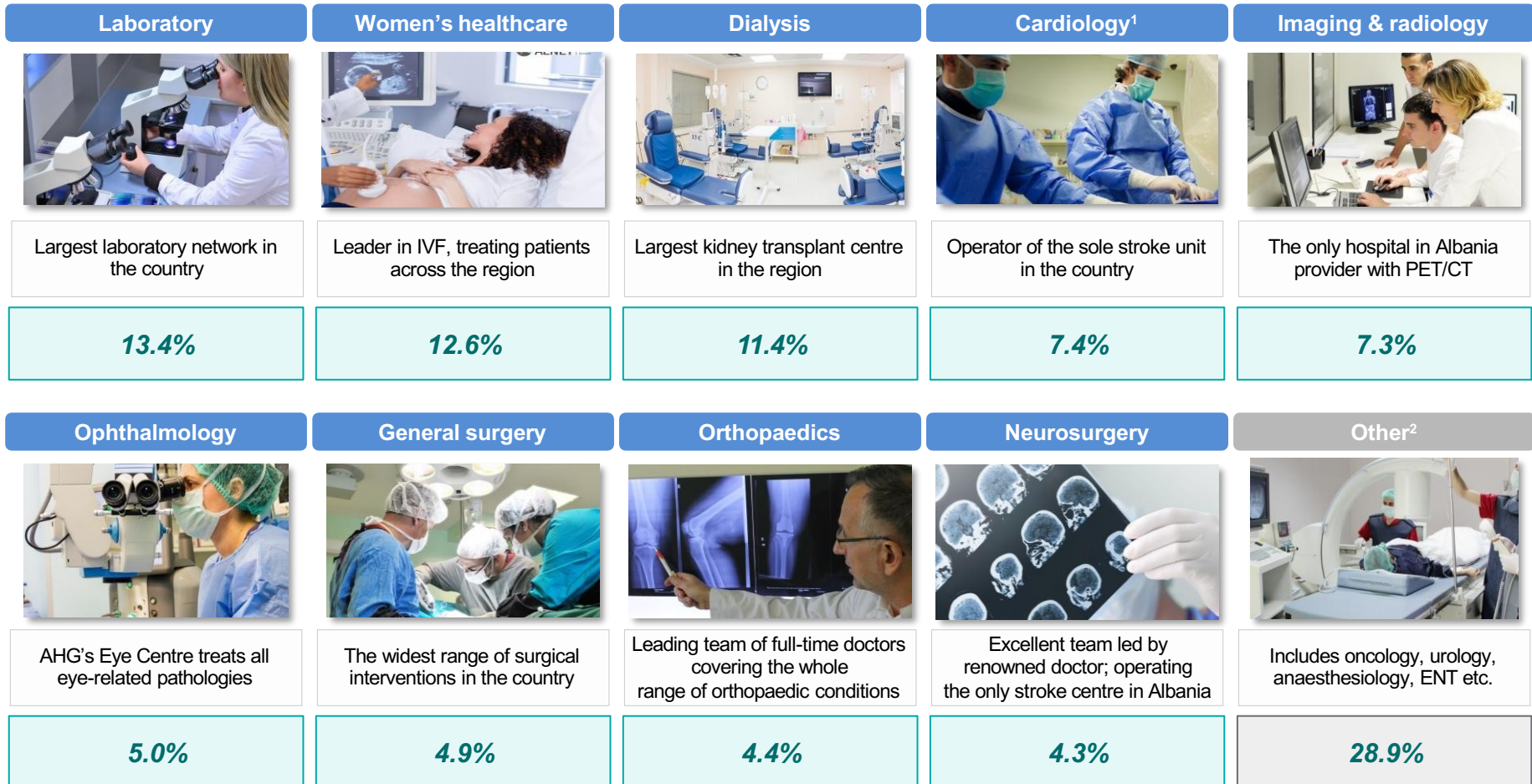
# American Hospital has built a one-stop medical platform that can address all of its patients' needs within each of its hospitals



# Core medical specialties and services

Full-suite service portfolio across different specialties

Revenue 2022B: €101m



Source Group

Note

- 1 Includes cardiovascular surgeries
- 2 For further detail, please refer to page 44

x% % of '22B Revenue

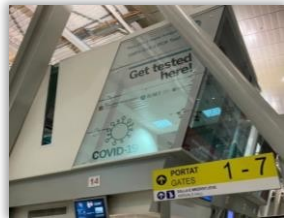
# Management successfully responded to Covid-19 pandemic

American Hospital demonstrated resilience and, agility reacting promptly to the pandemic and focusing on patient safety, staff retention, and response to the market needs

## Agile response by ramping-up laboratory capacity



First private laboratory in Albania to offer Covid testing



ALNET opened the first testing facility in Tirana airport



Launched new testing stations

## Proven its strength in deploying entrepreneurial action

### First mover

First to react and build Covid-19 testing capacity (ahead of public providers and private competition)

### Trusted partner

Offered hospital capacity when the public sector reached its limits

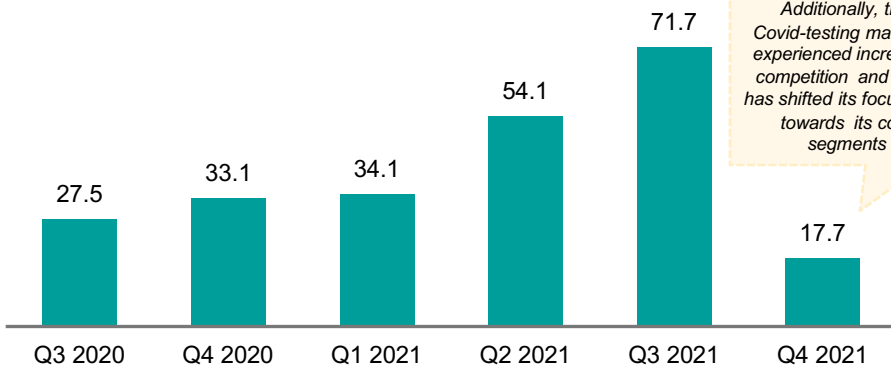
### Operational flexibility

Efficient procurement of key equipment, ventilators and CT scans and flexibility in expanding hospital capacity to treat increasing number of patients

### Reliable employer

Retained all of its medical staff, even during the period of full lockdown (with limited support from the government)

Quarterly volumes of administered Covid tests ('000)



During Q4, the Group experienced lower levels of Covid-related testing. This is due to the change in behaviour of the local population – Omicron is viewed as relatively mild and people feel less need to get tested. Additionally, the Covid-testing market experienced increased competition and AHG has shifted its focus back towards its core segments












# International Hospital: working towards securing the JCI accreditation

First medical institution in Albania in the process of securing JCI accreditation (expected by 2024)

## Initiatives implemented to date

	<b>International Patient Safety Goals</b>	<ul style="list-style-type: none"> <li>✓ Procedures in place to ensure the use of person-specific identifiers</li> </ul>
	<b>Handover communication</b>	<ul style="list-style-type: none"> <li>✓ Electronic and paper medical records used to ensure the continuity of quality care</li> <li>✓ Verbal orders allowed under a strict procedure</li> </ul>
	<b>LASA<sup>1</sup> &amp; high-alert medications</b>	<ul style="list-style-type: none"> <li>✓ The essential list of medication is compiled and available in electronic form at any time to any doctor</li> </ul>
	<b>Safe Surgery components</b>	<ul style="list-style-type: none"> <li>✓ Implemented on a regular basis, ensuring the correct patient is taking the right procedure at the precise time</li> </ul>
	<b>Medical root cause analysis</b>	<ul style="list-style-type: none"> <li>✓ Medical directors at each hospital in charge of directing &amp; supervising the root analysis process</li> </ul>
	<b>General &amp; informed consent policy</b>	<ul style="list-style-type: none"> <li>✓ Policy on how to obtain a general &amp; informed consent is in place</li> <li>✓ Physicians continuously trained to ensure consistency on an inpatient and outpatient basis</li> </ul>
	<b>In-depth patient assessment at initial phase of care</b>	<ul style="list-style-type: none"> <li>✓ Assessment and continuity of care procedures &amp; policy are updated and currently being implemented</li> </ul>

*JCI is a US-based organisation that provides internationally recognised accreditation and certification to healthcare providers*



**Note**  
1 Look alike / Sound alike



3

Operational excellence

# Group organisational chart

A group with a lean operating structure: 2,746 employees as of December 2021

**CEO**  
*Dr. Klodian Allajbeu*

*Supporting functions with direct reporting to the CEO*

<b>Quality management</b> <i>Enela Muhedini</i>	<b>Human resources</b> <i>Denisa Rrushi</i>	<b>Nursing department</b> <i>Edlira Cako (CNO)</i>	<b>Lab network (ALNET)</b> <i>Albana Daka</i>	<b>Medical education</b> <i>Lindita Shosha</i>	<b>Marketing and PR</b> <i>Amarda Kapaj</i>
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<b>Hospitals management</b> <i>Mario Karaj (Managing Director)</i>
<b>Hospital management</b> <i>AH (Albania), IH</i>
<b>Reservations and administrations</b>
<b>Emergency Department (EMR)</b>
<b>MD department</b> <i>AH (Albania), IH</i>

<b>Finance department</b> <i>Osvelda Qafa (CFO)</i>
<b>Accounting, reporting, tax</b>
<b>MIS, financial analysis</b>
<b>Individual hospitals – finances</b> <i>AH (Albania), IH, AH (Kosovo)</i>
<b>American Laboratory Network (ALNET)</b>

<b>Operations</b> <i>Onejda Ymeraj (COO)</i>
<b>Procurement</b> <i>AH (Albania), IH</i>
<b>Warehouse</b> <i>AH (Albania), IH</i>
<b>Operations</b> <i>AH (Albania), IH</i>
<b>Legal department</b> <i>AH (Albania), IH</i>
<b>Support services</b>

<b>Kosovo</b> <i>Igli Larashi (Country manager)</i>
<b>Operations, Finance, Procurement &amp; Logistics</b>
<b>Marketing, Commercial</b>
<b>Quality &amp; Security, Facility Management</b>
<b>Legal, HR</b>
<b>Medical department</b>

**Legend:**

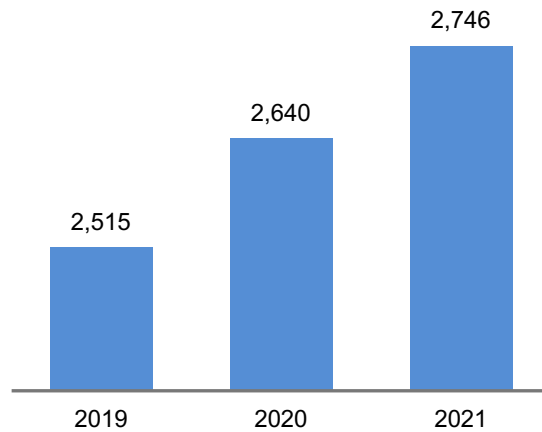
AH (Albania): Facilities owned and / or leased by American Hospital sh.a.

AH (Kosovo): Facilities leased by American Hospital Kosova sh.p.k.

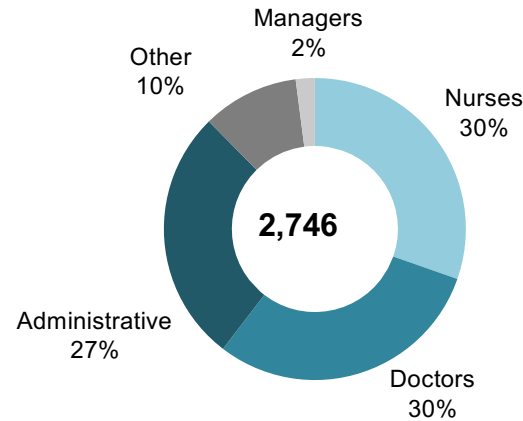
IH: Facility owned by International Hospital sh.a.

# AHG is the employer of choice for highly qualified doctors and nurses in Albania and Kosovo

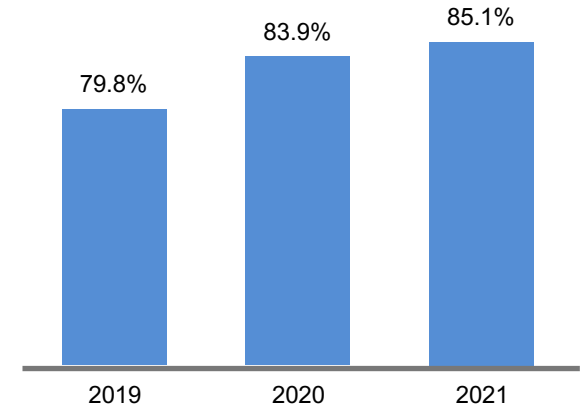
# of employees



Employees breakdown (2021A)



Retention rate



- **Rapidly growing employee base**, from 1,607 in 2017 to 2,746 in 2021
- Expanding base counts **more than 825 doctors** in 2021
- **90% of doctors** are permanently based in Albania and Kosovo and work exclusively with American Hospital Group

- **Balanced employees breakdown** between doctors, nurses and admin personnel
- **20% of doctors** have foreign experience, half of which are Albanians who have returned to their home country
- **Established nursing academy** to provide high quality, on-the-job training

- AHG is the **employer of choice**, given its leading position, high quality offering and state of the art facilities
- **Continuously increasing retention rate** throughout the group
- **Average employee tenure of 4+ years**

# Nursing academy through which AHG widens its talent pool








## Dedicated programme for novice & experienced nurses...

- Well-established nursing academy providing **high quality on-the-job training** for **recent graduates** as well as **experienced nurses**
- The 6-12 month long traineeship organised by AHG offers a bespoke **combination of theoretical learning** and invaluable **practical experience** during which trainees are paid an appropriate salary
- The academy allows AHG to **attract** and **retain** talented nurses by creating a **supply of well-trained medical staff**
- Best-performing trainees are **offered full-time positions**
- Continuous professional development for nurses across career stages is **key for career satisfaction and quality patient care**



## ...with a detailed and comprehensive syllabus

Non-exhaustive list of seminar themes

-  **Code of ethics & code of conduct**
-  **Staff & patients' hygiene**
-  **Decontamination & infection control**
-  **Patients safety & reporting**
-  **Patients monitoring & medication administration**
-  **Code Blue and CPR**
-  **Pre-operative preparation & post-operative care**



# Marketing focussed on patients' education

Carefully tailored, patient centric, omnichannel marketing campaigns

## Examples of marketing and publicity initiatives

### Medical calendar - health awareness campaigns



Awareness campaigns



Promotional packages



### Active PR strategy in local media

Aortic valve replacement, "TAVI" intervention is performed for the first time in Albania



AHG doctors on local TV

## Overview of marketing strategy

- Main pillar of AHG's marketing strategy relies on **patient education** and the importance of **preventative medicine**



**Health awareness campaigns** in line with medical calendar raising importance of regular check-ups



**Educational content** on the website



Presence of AHG notable doctors on **local media**

# Organiser of International Congress and monthly conferences

American Hospital is an active member in the medical community of Albania and Kosovo and the leading voice in the healthcare industry in the region

## International Multidisciplinary Medical Congress (IMCA)




- The **flagship conference** is recognised as an **innovation hub for the future of medicine field** in Albania and abroad
  - Exchange of ideas
  - Discussion on latest medical trends and developments
  - Expert sessions, symposia, round tables, workshops and educational sessions

### IMCA in numbers:

 **2,300+** participants

 **2** round tables

 **100+** speakers

 **30** Clinical sessions

*“Our goal every year is to provide the resources needed to enhance our work and **move education in medicine towards a higher level of excellence**”*

Lindita Shosha Mano, IMCA president

## Monthly conferences



- Monthly conferences focussed on **different medical disciplines** (oncology, gynaecology, radiology, etc)
- Webinars facilitated through Zoom
- The audience consists of Albanian and international medical students

### Benefits of conferences:

- 1 Strengthen brand awareness of AHG**
- 2 Attract high quality medical personnel**
- 3 Fulfil doctors mandatory training requirements**