

**Mexico City, february 21<sup>st</sup>, 2020** - Médica Sur, S.A.B. of C.V. ("Médica Sur", "MEDICA", "MS" or the Company) (BMV: MEDICAB) reports its unaudited 4Q19 results.

## 4Q19 and 2019 Highlights

- MEDICA continues with its mission of taking care of its patients carefully and for this reason, during 2019, the company was recognized as the best hospital in Mexico by the prestigious *América Economía* magazine, MEDICA occupies this place since 2011.
- During the first quarter of 2020, the Company will seek to renew for third time the accreditation of the JCI Joint Commission International, that certifies that MEDICA's hospital incorporates the best international practices in quality and safety of its patients, the Company maintains this accreditation from 2011.
- MEDICA is innovating its processes to provide greater comfort, more interaction and better care to our patients through new technologies such as the incorporation of smart rooms, the implementation of wearable devices for monitoring patients vital signs and developed new applications with a loyalty plan, among others.

In line with this strategy, during 2020 MEDICA will carry out the digitalization of patient's clinical records, which among other benefits, provides greater security in the care of our patients and increases the quality of nursing care time with each patient.

- MEDICA continues to support the development and innovation of medicine, with CAPEX of \$134.7 million pesos in improvements to its facilities, cutting- edge medical equipment and technology projects. The PET CT and X-Ray equipment stands out, as well as the renovation of operating rooms, among other investments.
- MEDICA continues to seek new partnerships to offer better services to our patients, which is why, together with the Santa Carmen Clinic, it opened the new Hemodialysis Clinic focused on the prevention, diagnosis and treatment of kidney diseases.
- In the welfare field, the *Fundación Clínica Médica Sur*, celebrated its 25th anniversary contributing to scientific research, medical education and assistance to vulnerable groups:

During 2019, the foundation provided more than three thousand consultations, carried out 29 cataract surgeries, and delivered 49 hearing devices, provided about 1500 dental services, in addition to supporting researchers seeking new therapies to treat diseases, among other activities of support for vulnerable patients.

## Summary of Results 4Q19 and 2019

### • Volume

During 4Q19, MEDICA had the confidence of 3,244 patients discharged to home, which accumulated 13,070 patients during 2019.

The average inpatient length of stay of 4Q19 was 2.94 days and for 2019 it was 2.94 days. In both cases the tendency was for a faster recovery of the patients compared with the previous year.

Hospital occupancy in 4Q19 was 54.3% and for 2019 was 55.4% equivalent to an average of 105.2 bed days.

MEDICA closed the year with 113 diagnostic units with presence in six cities of the Mexican Republic.

## Clinical Indicators

MEDICA continues to provide services with excellent indicators in hospital activity such as: 91.3% of hand hygiene, 0.73% in the rate of nosocomial infections and 0.5% for surgical site infections, among others, reaching more competitive standards than the internationals.

## Financial results

During 4Q19 and 2019, less dynamism was observed in the Mexican economy, due to the slowdown in consumption, the slower pace in job creation; as well as a decrease in public and private investment. These factors had an impact on the purchasing power of the patients.

In addition, the Company's revenues were affected by the cancellation of the federal government's main medical expense insurance policy with the MetLife insurance company that was carried out in early 2019.

MEDICA implemented price containment strategies and reached agreements with the main insurance companies to get a greater number of patients, however, the reduction derived from the cancellation of the aforementioned government policy, while the Group's sales corresponding to 4Q19 were increased 3.6% compared with 4Q18, reaching \$ 918.7 million pesos.

In annual terms, the group's income for 2019 totaled \$ 3,698.1 million pesos, 2.5% more than the previous year.

MEDICA made significant efforts in cost control and optimization of labor expenses, which were partially offset by higher expenses in: advertising, advisory services, as well as increases in property tax for the update of appraisals, in accordance with changes in local regulations.

In the Diagnosis business, higher expenses were incurred due to the restructuring of personal carried out at the end of the year, as well as advice to optimize the processes of administration and internal control of the laboratory business, among other.

The EBITDA\* of the group in 4Q19 increased by 4.0% compared with 4Q18, reaching \$152.2 million with a margin of 16.6%, in annual terms, the EBITDA increased by \$81.2 million, totaling \$706.1 million. The EBITDA margin of 2019 improved compared with 2018, going from 17.3% to 19.1%.

The net debt /EBITDA ratio in 4Q19 was 1.9 times, while the EBITDA / Financial expenses ratio was 4.2 times, in full compliance with our covenants.

### Médica Sur, S.A.B. de C.V. and Subsidiaries

#### Unaudited results

	4Q18	4Q19	Change \$	Change %
<b>Revenues</b>	<b>886.5</b>	<b>918.7</b>	<b>32.2</b>	<b>3.6%</b>
<b>Operating Income</b>	<b>87.8</b>	<b>65.9</b>	<b>-21.9</b>	<b>-24.9%</b>
Operating Margin	9.9%	7.2%		
<b>EBITDA <sup>1)</sup></b>	<b>146.3</b>	<b>152.2</b>	<b>5.9</b>	<b>4.0%</b>
EBITDA Margin	16.5%	16.6%		
<b>Net Consolidated Income</b>	<b>19.2</b>	<b>49.3</b>	<b>30.1</b>	<b>156.9%</b>
Net Margin	2.2%	5.4%		

Amounts in million of pesos

	2018	2019	Change \$	Change %
<b>Revenues</b>	<b>3607.6</b>	<b>3698.1</b>	<b>90.5</b>	<b>2.5%</b>
<b>Operating Income</b>	<b>399.7</b>	<b>358.7</b>	<b>-41.0</b>	<b>-10.3%</b>
Operating Margin	11.1%	9.7%		
<b>EBITDA <sup>1)</sup></b>	<b>624.9</b>	<b>706.1</b>	<b>81.2</b>	<b>13.0%</b>
EBITDA Margin	17.3%	19.1%		
<b>Net Consolidated Income</b>	<b>169.4</b>	<b>151.4</b>	<b>-17.9</b>	<b>-10.6%</b>
Net Margin	4.7%	4.1%		

<sup>1)</sup> EBITDA 4Q19 and 2019 = Operating Income plus Depreciation and Amortization, reflects the effects of IFRS16.

## Events after 2019

On January 31, 2020, MEDICA informed the investing public that, regarding the payment of the dividend subject to suspensive condition approved by the General Ordinary Shareholders Meeting of the Company dated April 30, 2019 (the "Assembly"), consisting of the payment to the shareholders of the Company of 100% of the shares representing the share capital of Laboratorios Médica Sur. S.A de C.V. ("LMS"), and that would be paid at the rate of 1 (one) share of LMS for each of the outstanding shares representing the capital stock of MEDICA (the "LMS Dividend"), the Company did not obtain the regulatory authorizations (as said term is defined later) within the deadlines indicated by the Assembly.

As agreed by the Assembly, the LMS Dividend was to be paid fifteen days after the date on which the Company had announced the shareholders, in accordance with the provisions of the Securities Market Law and the Applicable General Provisions to the Issuers of Securities and Other Participants of the Securities Market, among other conditions, obtaining the authorization office issued by the National Banking and Securities Commission (CNBV by its initials in Spanish) for the registration of the shares representing the capital stock of LMS in the National Securities Registry (RNV), and the favorable opinion of a concessioned stock exchange (the "Regulatory Authorizations"), so that the shares object of the LMS Dividend were listed in said stock exchange (the "LMS List"), and for which a term was established 9 months after the LMS Dividend was approved by the Assembly, that is, as of January 30, 2020 or, otherwise, it would be understood that the Decree of the LMS Dividend would be without effect.

In this regard, as noted above, as the condition to which the payment of the LMS Dividend was subject, at that date, was not fulfilled, consisting in obtaining the Regulatory Authorizations within 9 months after the decree of the LMS Dividend, that is, as of January 30, 2020, in accordance with the resolution of the Assembly, the LMS Dividend is without effect and, consequently, LMS continues as a 100% subsidiary of the MEDICA group, under the same conditions that were previously held. to the decree of the LMS Dividend.

For more information access the full statement see the website of the Mexican Stock Exchange [www.bmv.com.mx](http://www.bmv.com.mx)

## Hospital achievements 4Q19 y 2019

- MEDICA appreciates the loyalty of its patients**

In December, MEDICA announced the rewards plan where our patients can accumulate and redeem points in clinical services, hospitalization and laboratory.

Among other features, patients can access an emergency button with a single click, they can access the directory with the most important doctors in Mexico, as well as view the new packages and promotions available.

Download the application by scanning the following codes:



IOS



ANDROID



- **8th Congress of advances in Gynecology and Obstetrics**

In November, there was a congress with a duration of 3 days, we have 500 participants and 25 conferences.

This event is considered a leader in Gynecology, where cutting-edge knowledge, technology, care, prevention and patient care are shared.

A week later, the 3rd meeting of Nursing in Obstetric Emergencies was held.

Throughout the year, MEDICA conducts informative talks on Breastfeeding, portage, among others.

In this way, MEDICA contributes to strengthen the knowledge and experiences of health professionals to face the current challenges for the benefit of women in our country.



- **3rd Neurology and Neurosurgery updates symposium.**

In October, the academic event was held, which brought together 24 national and international expert professors in Neurology and Neurosurgery to present more than 45 conferences and 10 workshops of clinical cases.

the symposium had the collaboration of outstanding doctors from the Mayo Clinic.

MEDICA is a leading member of the collaboration network since 2013.



## Resume Hospital achievements 1Q19 – 3Q19

- **Médica Sur the best Hospital in México**

At the end of September 2019, MEDICA was recognized with the first place in Mexico for its high standards related to patient safety, dignity, experience, prestige, capacity, efficiency, human capital and knowledge management.

MEDICA participates in the ranking since 2011.



- **2nd Symposium of Clinical Pharmacy**

In September the symposium was held with the participation of renowned health professionals from MEDICA, the Mayo Clinic, and the health sector in México.

The main topics were: pharmacovigilance in oncology, pharmacogenomics for patient-centered care, the importance of pharmacovigilance in the newborn and pharmaceutical care for geriatric patients, among others.



- **New Hemodialysis Clinic**

In August, MEDICA inaugurated the new Hemodialysis clinic in partnership with *Clinica Santa Carmen*.

In MEDICA we have the possibility of offering the best care to our patients with treatments that can prolong their quality of life for many years.



- **Internal medicine updates symposium.**

In the symposium was held with the participation of more than 450 doctors, the group of speakers was made up by 22 national professors and six professors from the Mayo Clinic, all of them with a high academic level.

The program had curricular value endorsed by the *American College of Physicians*.

- **Innovation**

At the end of 2Q19, MEDICA incorporated smart rooms equipped with the voice assistant "Alexa" to provide greater comfort and security to our patients.

This project will be extended to an entire hospital floor soon.





- **Social responsibility**

In May and for the second year in a row, the *Fundación Clínica Médica Sur*, together with the *Mission: BRAIN* foundation, supported two surgical interventions for patients with brain tumors, a 1 year and 5-month-old child and a woman of 34 years old.

MEDICA continues to focus its efforts to create bridges towards improving the health and well-being for those who need it most.



- **Cutting-edge medical equipment**

At the beginning of 2019, MEDICA launched two state-of-the-art medical equipment, that are among the best in Mexico and Latin America: X-ray *YSIO MAX* and *PET CT BIOGRAPH mCT FLOW* with an investment of \$46.0 million pesos, both of them offer the best diagnosis at the best price, in less time, with more detail and precision than any other, in addition to reducing radiation by 50% for the benefit of our patients.



- **Operating rooms remodeling**

MEDICA ended the remodeling of seven operating rooms that include an *endosuite*, with a total investment greater than \$50.0 million pesos.

High precision equipment was incorporated that contributes to our patient's safety and makes a difference in each surgery.



- **La Vida Sigue:**

MEDICA announced its advertising campaign called "*la Vida sigue*" (life goes on) where the feelings and actions that make us move forward are translated into images and sounds, it is the reason for being of MEDICA and a pride in helping our patients to improve their health and lives.



## Financial summary 4Q19 y 2019

### • Revenues

During 4Q19 and 2019, less dynamism was observed in the Mexican economy, due to the slowdown in consumption, the slower pace in job creation; as well as a decrease in public and private investment. These factors had an impact on the purchasing power of the patients.

In addition, the Company's revenues were affected by the cancellation of the federal government's main medical expense insurance policy with the MetLife insurance company that was carried out in early 2019.

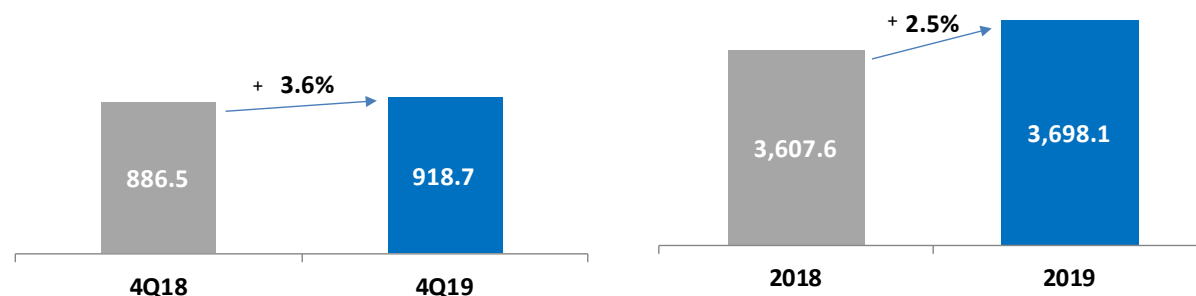
MEDICA implemented price containment strategies and reached agreements with the main insurance companies to get a greater number of patients, however, the reduction derived from the cancellation of the aforementioned government policy, while the Group's sales corresponding to 4Q19 were increased 3.6% compared with 4Q18, reaching \$ 918.7 million pesos. The group's income for 2019 totaled \$ 3,698.1 million pesos, 2.5% more than the previous year.

Such increase in 4Q19 and 2019, was driven by increased activity in clinical services, such as: The Oncology Center, the Gamma Knife Radiosurgery Unit, Radiotherapy and Gastroenterology.

In the diagnostic segment, the PET CT (positron emission tomography) and Imaging unit recorded higher volume, while in both areas MEDICA incorporated the latest equipment at the beginning of 2019 as described in the Hospital's achievements section. There was also higher income in the *Centro Integral de Diagnóstico y Tratamiento "CIDyT"* compared to the previous year.

In hospitalization, the number of patients discharged to home was 13,070, which remain virtually unchanged compared to 2018, were MEDICA treated 13,071 patients.

Figures in million pesos



### • Operating income

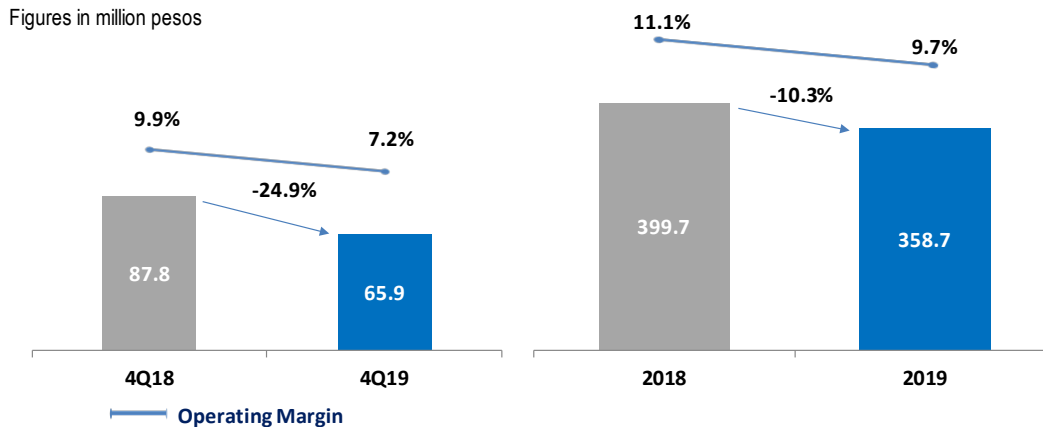
During 4Q19 and 2019 MEDICA made significant efforts to control costs and optimize labor expenses, which were partially offset by higher expenses in: advertising, professional services, as well as increases in property tax for the update of appraisals, in accordance with changes in local regulations.

In the Diagnosis business, in 4Q19 negotiations were carried out to improve the maintenance costs of medical equipment, however, the results of laboratory business were affected by the restructuring process of personal carried out at the end of the year, as well as the expense in consulting to optimize the processes of administration and internal control.

In annual terms, the operating income also was affected by the closure of 24 non-profitable laboratory branches mainly in the southeast of the country as reported in 3Q19.

During 4Q19 operating income decreased 24.9% recording \$65.9 while operating margin decreased from 9.9% to 7.2%.

Regarding 2019, the operating income was \$358.7 million pesos with an operating margin of 9.7%.



#### • EBITDA

The Earnings before interest, taxes, Depreciation and amortization *EBITDA* in 4Q19 increased 4.0% compared to 4Q18 recording \$152.2 million pesos.

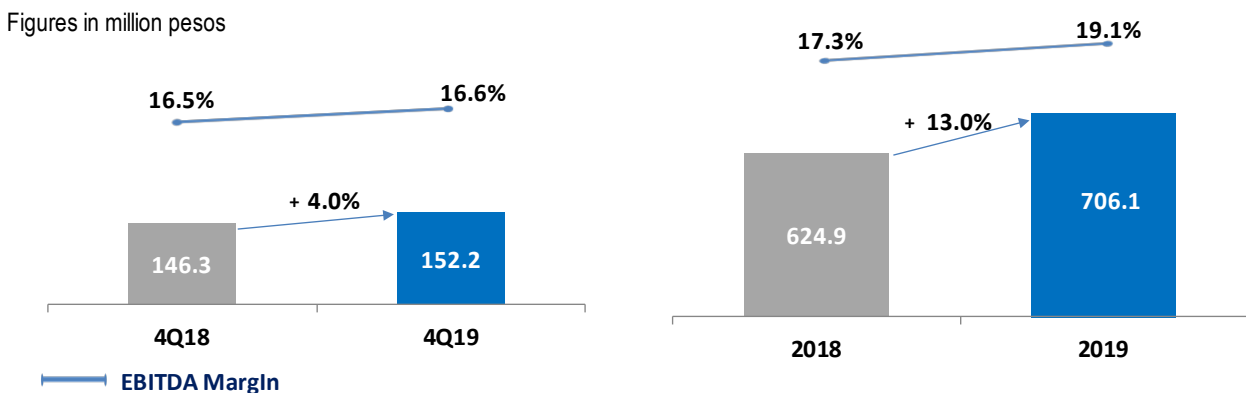
The improvement in EBITDA was due mainly to savings described in the Operating income section, as well as the changes in accounting standards derived from the implementation of the IFRS16 accounting standard.

The standard of IFRS16 mainly benefits the results of the diagnostic business.

The EBITDA margin in 4Q19 remained in line with 4Q18, as it increased slightly from 16.5% to 16.6%

In annual terms, 2019 EBITDA was \$706.1 million pesos with an operating margin of 19.1%

The effect of the IFRS 16 in 2019 was equivalent to \$90.0 million pesos.



*EBITDA: Earnings before interest, taxes, depreciation and amortization reflects the effects of IFRS16*



## • Comprehensive Financing Cost (CFC)

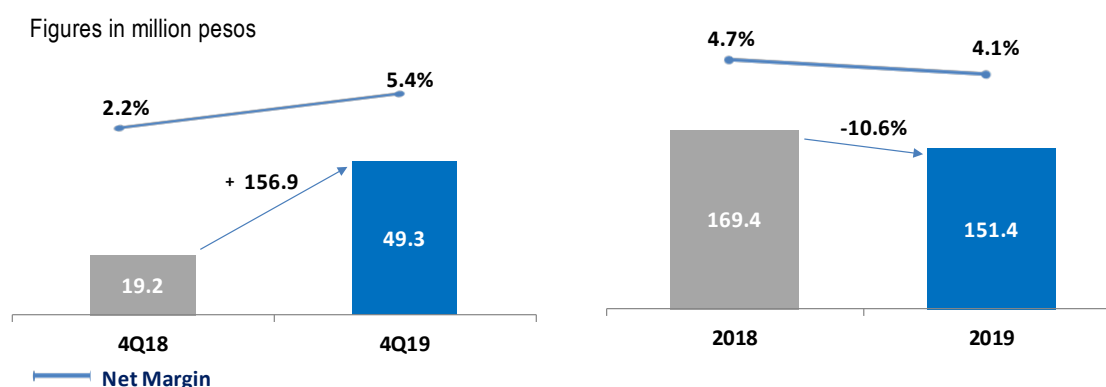
During 4Q19 MEDICA recorded CFC of \$39.5 million pesos vs \$29.3 in 4Q18 due to debt reduction and lower interest rates; however, they were compensated for the incorporation of the effects of the IFRS16 accounting standard related to the interest of the lease liability. Giving a marginal increase of \$ 10.3 million pesos.

In annual terms, in 2019 the CFC was higher by \$32.7 million pesos compared with the previous year, due mainly to the reimbursement made by MEDICA to Sordo Madaleno Group, which included \$14.3 million of interest as reported in 1Q19 and due to the effect of the incorporation of the IFRS16 mentioned above.

## • Net Income

4Q19 net income was \$49.3 million pesos, 156.9% higher than 4Q18 due to lower deferred taxes in the period, meanwhile, the 4Q19 net margin was 5.4%.

At the end of 2019, the net income of the Company reached \$151.4 million pesos with a net margin of 4.1%, due to lower operating income as well as the increased paid interest mentioned previously.



## • Debt

At the end of 4Q19, the net debt of MEDICA was \$948.5 million pesos, slightly lower than 4Q18 that was \$954.1 million pesos.

Following is the debt profile at the end of December:

	4Q18	%	4Q19	%
Fix rate	525.4	43%	503.6	41%
Variable rate	600.0	49%	719.1	59%
<b>Total</b>	<b>\$ 1,125.4</b>		<b>\$ 1,222.7</b>	
Cash	171.4		274.5	
<b>Net debt</b>	<b>\$ 954.1</b>		<b>\$ 948.2</b>	

Regarding the credit agreements covenants, at the end of 4Q19 Médica Sur is in full compliance.

Financial ratios	Contracted obligation	4Q18	4Q19*
Net Debt / EBITDA*	< 3.5x	1.5x	1.5x
Interest coverage (EBITDA* / Financial expense)	> 4.0x	4.5x	4.2x

\*2019 EBITDA reflects the effects of IFRS16

## Financial Annexes (unaudited)

Médica Sur, S.A.B. de C.V. and Subsidiaries

Consolidated Statements of Financial Position ended dec 31<sup>st</sup> 2018 and 2019.

	<u>2018</u>	<u>2019</u>	<u>Change % YoY</u>	<u>Change \$ YoY</u>
<b>Assets</b>	<b>5,463,685,826</b>	<b>5,829,851,759</b>	<b>6.7%</b>	<b>366,165,933</b>
<i>Current assets</i>	<i>1,050,455,748</i>	<i>1,096,050,757</i>	<i>4.3%</i>	<i>45,595,010</i>
Cash and Cash Equivalents	171,365,989	274,484,622	60.2%	103,118,633
Restricted Cash	0	0	-	0
Accounts Receivable	343,175,829	387,236,533	12.8%	44,060,704
Others Net Account Receivable	103,329,669	85,371,547	-17.4%	-17,958,123
Inventories	102,451,193	96,673,301	-5.6%	-5,777,891
Assets held for sale	330,133,067	252,284,754	-	-77,848,313
<i>Long Term</i>	<i>0</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>
Accounts and Documents Receivable (Net)	0	0	-	0
Investments in Unconsolidated Subsidiaries and Associated Shares	0	0	-	0
Other Invesments	0	0	-	0
<i>Property, Plant and Equipment (Net)</i>	<i>2,783,194,171</i>	<i>2,752,613,111</i>	<i>-1.1%</i>	<i>-30,581,060</i>
Property	2,656,286,227	2,372,594,590	-10.7%	-283,691,637
Industrial Machinery and Equipment	81,107,624	83,688,750	3.2%	2,581,126
Other Equipment	1,969,029,260	1,949,801,863	-1.0%	-19,227,397
Right-of-use asset	0	413,285,381	N/A	413,285,381
Accumulated Depreciation	-1,977,880,617	-2,008,905,444	1.6%	-31,024,827
Accumulated Depreciation Right-of-use asset	0	-100,420,370	N/A	-100,420,370
Constructions in Process	54,651,676	42,568,340	-22.1%	-12,083,335
<i>Investment properties</i>	<i>82,956,992</i>	<i>410,131,694</i>	<i>394.4%</i>	<i>327,174,702</i>
Land	52,165,613	382,298,680	632.9%	330,133,067
Buildings	30,791,379	27,833,014	-9.6%	-2,958,365
<i>Intangible Assets</i>	<i>1,547,078,915</i>	<i>1,571,056,197</i>	<i>1.5%</i>	<i>23,977,281</i>
<b>Total Liabilities</b>	<b>1,921,966,902</b>	<b>2,139,713,002</b>	<b>11.3%</b>	<b>217,746,100</b>
<i>Current Liabilities</i>	<i>764,471,618</i>	<i>875,476,559</i>	<i>14.5%</i>	<i>111,004,940</i>
Suppliers	217,223,170	238,188,549	9.7%	20,965,379
Short-term Bank Loans	32,000,878	325,511,273	917.2%	293,510,395
Short-term securities Loans	0	0	N/A	0
Accrued interest and commission	6,269,853	0	-100.0%	-6,269,853
Income tax payable	107,269,464	113,825,908	6.1%	6,556,444
Other Current Liabilities	401,708,254	190,769,112	-52.5%	-210,939,141
Short-term lease liability	0	7,181,716	N/A	7,181,716
<i>Long-term Liabilities</i>	<i>1,132,797,445</i>	<i>1,264,236,443</i>	<i>11.6%</i>	<i>131,438,998</i>
Bank Loans	1,087,932,457	898,017,145	-17.5%	-189,915,312
Accrued Interest	0	0	N/A	0
Other Credits	44,864,988	47,572,206	6.0%	2,707,218
Long-term lease liability	0	318,647,093	N/A	318,647,093
Deferred Income Taxes	24,697,839	0	-100.0%	-24,697,839
Other Liabilities	0	0	N/A	0
<b>Stockholders Equity</b>	<b>3,541,718,922</b>	<b>3,690,138,754</b>	<b>4.2%</b>	<b>148,419,832</b>
<i>Non-Controlling Interest</i>	<i>944,999</i>	<i>960,897</i>	<i>1.7%</i>	<i>15,898</i>
<i>Equity attributable to Equity Holders of the Company</i>	<i>3,540,773,923</i>	<i>3,689,177,856</i>	<i>4.2%</i>	<i>148,403,934</i>
Paid-in Capital Stock	517,869,032	517,869,032	0.0%	0
Premium in Share Placement	121,280,931	121,280,931	0.0%	0
Contributions for Future Capital Increases	124,628	124,628	0.0%	0
Retained earnings	2,532,746,275	2,702,392,840	6.7%	169,646,565
Reserve for Share Buyback Program	199,543,300	197,486,734	-1.0%	-2,056,566
Income of the year	169,295,460	151,406,140	-10.6%	-17,889,320
<b>Other Comprehensive Income</b>	<b>-85,704</b>	<b>-1,382,450</b>	<b>1513.1%</b>	<b>-1,296,746</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>5,463,685,823</b>	<b>5,829,851,755</b>	<b>6.7%</b>	<b>366,165,932</b>

Consolidated Income Statements for the three months from  
Oct 1<sup>st</sup> to December 31<sup>st</sup>, 2018 and 2019 (amount in pesos)

	<u>4Q18</u>	<u>4Q19</u>	<u>Change % YoY</u>	<u>Change \$ YoY</u>
<b>Revenues</b>	<b>886,513,341</b>	<b>918,689,916</b>	<b>3.6%</b>	<b>32,176,575</b>
Cost of Sales	-641,273,404	-646,695,255	0.8%	-5,421,850
<b>Gross Profit</b>	<b>245,239,937</b>	<b>271,994,661</b>	<b>10.9%</b>	<b>26,754,724</b>
Selling and Administrative Expenses	-183,243,818	-187,419,433	2.3%	-4,175,616
Other Operating Expenses	25,771,802	-18,657,904	-172.4%	-44,429,707
<b>Operating Income</b>	<b>87,767,921</b>	<b>65,917,324</b>	<b>-24.9%</b>	<b>-21,850,598</b>
Foreign Exchange Gain (loss)	1,423,507	-1,986,399	-239.5%	-3,409,905
Interest Expense	-33,503,871	-40,567,246	21.1%	-7,063,374
Interest Income	2,829,514	3,033,900	7.2%	204,386
<b>Income before Taxes</b>	<b>58,517,071</b>	<b>26,397,579</b>	<b>-54.9%</b>	<b>-32,119,492</b>
Income Tax Expense	-39,338,816	22,874,934	-158.1%	62,213,750
<b>Continuous Operations Profit (loss)</b>	<b>19,178,255</b>	<b>49,272,513</b>	<b>156.9%</b>	<b>30,094,258</b>
Discontinued Operations Loss	0	0	-	0
<b>Net Income</b>	<b>19,178,255</b>	<b>49,272,513</b>	<b>156.9%</b>	<b>30,094,258</b>
Non-Controlling Income	24,033	-816	-103.4%	-24,849
<b>Controlling Income</b>	<b>19,202,287</b>	<b>49,271,697</b>	<b>156.6%</b>	<b>30,069,409</b>

Amounts in accordance with IFRS

## Consolidated Income Statements for the twelve months from Jan 1<sup>st</sup> to December 31<sup>st</sup>, 2018 and 2019 (amount in pesos)

	<u>2018</u>	<u>2019</u>	<u>Change % YoY</u>	<u>Change \$ YoY</u>
<b>Revenues</b>	<b>3,607,605,839</b>	<b>3,698,067,678</b>	<b>2.5%</b>	<b>90,461,839</b>
Cost of Sales	-2,486,689,922	-2,592,025,983	4.2%	-105,336,062
<b>Gross Profit</b>	<b>1,120,915,917</b>	<b>1,106,041,694</b>	<b>-1.3%</b>	<b>-14,874,223</b>
Selling and Administrative Expenses	-736,612,776	-713,865,887	-3.1%	22,746,889
Other Operating Expenses	15,379,269	-33,480,390	-317.7%	-48,859,659
<b>Operating Income</b>	<b>399,682,410</b>	<b>358,695,416</b>	<b>-10.3%</b>	<b>-40,986,994</b>
Foreign Exchange Gain (loss)	3,483,083	-2,538,174	n.a.	-6,021,257
Interest Expense	-144,587,215	-168,245,529	16.4%	-23,658,314
Interest Income	12,053,794	8,988,611	-25.4%	-3,065,184
<b>Income before Taxes</b>	<b>270,632,073</b>	<b>196,900,324</b>	<b>-27.2%</b>	<b>-73,731,749</b>
Income Tax Expense	-101,281,879	-45,478,287	-55.1%	55,803,592
<b>Continuous Operations Profit (loss)</b>	<b>169,350,195</b>	<b>151,422,038</b>	<b>-10.6%</b>	<b>-17,928,157</b>
Discontinued Operations Loss	0	0	0.0%	0
<b>Net Income</b>	<b>169,350,195</b>	<b>151,422,038</b>	<b>-10.6%</b>	<b>-17,928,157</b>
Non-Controlling Income	-54,738	-15,897	-71.0%	38,840
<b>Controlling Income</b>	<b>169,295,457</b>	<b>151,406,140</b>	<b>-10.6%</b>	<b>-17,889,316</b>

Amounts in accordance with IFRS

All the financial information presented in this report was prepared in accordance with the International Financial Reporting Standards.

## Analyst Coverage

In accordance with the provisions of BMV internal regulations in article 4.033.01 fracc. VIII regarding maintenance requirements, we inform that the Brokerage House/Credit Institution that provide analyst coverage to our shares is Grupo Bursátil Mexicano S.A. de C.V., Casa de Bolsa and Miranda Global Research as independent analyst.

## About Médica Sur

Médica Sur, S.A.B. de C.V. (BMV: Medica) is a hospital operator and an integrated provider of health care services and related services. The company provides these services through hospitals and laboratories. In Médica Sur, a group of doctors, medical professionals, nurses, hospital administration and operation meet and aims to offer a medical excellence service with human warmth guided by a strict ethic code and backed by medical equipment and infrastructure with cutting-edge technology.

## EBITDA

EBITDA is an indicator used in the financial analysis of the Company that is not recognized in IFRS but that is calculated based on the figures derived from the Company's financial statements. We calculate the EBITDA as the operating income plus depreciation and amortization.

For the 2019 figures; EBITDA Includes the effects of the IFRS16 lease accounting standard.

EBITDA is not a financial indicator under IFRS, nor is it an indicator of liquidity or performance, we believe that EBITDA can be useful to facilitate comparisons of operating performance between periods on a combined basis, but other issuers can calculate these metrics differently.

EBITDA should not be interpreted as an alternative to (i) net income as an indicator of the Company's operating performance or (ii) cash flow from operating activities as a measure of the Company's liquidity.

## Forward-Looking Statements

This press release contains certain forward-looking statements about the Company's results and outlook. These statements include, but are not limited to: (i) statements regarding our financial situation and results of operations; (ii) statements regarding our plans, objectives or goals, including statements regarding our activities; and (iii) statements regarding the underlying assumptions on which those statements are based. Statements about the future contain words such as "estimates", "expects", "forecasts", "plans", "predicts", "believe", "could", "should", "possible", "guidance" and other similar words, whether in first or third person, however, are not the only terms used to identify such statements. Such statements are subject to a number of risks, uncertainties and assumptions and we caution you that a number of important factors could cause actual results to differ materially from the objectives, expectations, estimates and intentions expressed in this press release. That information, as well as future reports issued by the Company or any of its representatives, whether verbally or in writing, may vary materially from actual results. These projections and estimates, which were prepared with reference to a specific date, should not be considered as fact. The Company has no obligation to update or revise any of these projections and estimates, whether as a result of new information, future events, or other associated events.

The information related to the future performance contained in this press release must be read together with the risks included in the section "Risk factors" presented to the CNBV by its initials in Spanish (*Comisión Nacional Bancaria y de Valores*).



### CONTACT

Investor Relations: **Arely Gutiérrez**

Phone: + 52 55 54247200 Ext 3425 [agutierrezg@medicasur.org.mx](mailto:agutierrezg@medicasur.org.mx)

Visit our investor relations website at: <https://inversionistas.medicasur.com.mx/>