Cleopatra Hospitals Group S.A.E.
1H2023 EARNINGS RELEASE

Cairo, Egypt | September 3rd, 2023

Cleopatra Hospitals Group Reports 1H2023 Results

CHG Achieves Record Half-Year Results Driven by Strong Revenue Growth, Surpasses Pre-Pandemic Profit Margins Through Strategic Initiatives, and Expands Presence in East and West Cairo.

2Q2023 Financial & Operational Highlights[1]

EGP 808 mn Total Revenue (+34% y-o-y)	+34% Core Business Growth
EGP 257 mn Gross Profit (+34% vs. 2Q22)	EGP 200 mn Adjusted EBITDA[3] (+35% vs. 2Q22)
EGP 130 mn EBIT (+48% vs. 2Q22; 16% margin vs.15% in 2Q22)	EGP 106 mn Net Profit (+43% vs. 2Q22; 13% margin vs.12% in 2Q22)
EGP 101 mn Normalized Net Profit[4] (+48% vs. 2Q22; 12% margin vs.11% in 2Q22)	+15% Outpatient Consultations Volume Growth
+8% Inpatients Volume Growth	+272,621 Cases Served[5] (+10% y-o-y)
EGP 0.07 Earnings Per Share (+59% vs. 2Q22 EPS)	

1H2023 Financial & Operational Highlights[1]

EGP 1,585 mn Total Revenue (+28% y-o-y incl. Covid)	+36% Revenue Growth (excl. Covid)
EGP 520 mn Gross Profit (+26% vs. 1H22)	EGP 414 mn Adjusted EBITDA[3] (+26% vs. 1H22)
EGP 275 mn EBIT (+35% vs. 1H22; 17% margin vs.16% in 1H22)	EGP 213 mn Net Profit (+20% vs. 1H22; 13% margin vs.14% in 1H22)
EGP 213 mn Normalized Net Profit[4] (+35% vs. 1H22; 13% margin in both periods)	+12% Outpatient Consultations Volume Growth
+11% Inpatients Volume Growth	+547,470 Cases Served[5] (+8% y-o-y)
EGP 0.15 Earnings Per Share (+33% vs. 1H22 EPS)	

[1] Performance includes: CHC, CSH, NBH, & ASH, as well as East and West Cairo Polyclinics, El Katib Hospital, Queens Hospital, and Bedaya IVF. Queens Hospital performance is recorded as discontinued operations in the consolidated audited financial statement.
[2] Based on CHG internal calculations, management estimates CHG's core business performance by excluding all Covid related revenue from its facilities across the first quarter of 2022 periods. Covid revenues include direct revenues from Queens, in addition to indirect revenues from diagnostics and consultations related to suspected covid patients across the Group's other assets.
[3] Adjusted EBITDA: Earnings before Interest, Tax, Depreciation and Amortization adjusted for provisions, impairments, LTIP, acquisitions expenses, pre-operating expenses and excluding contributions from other income.
[4] Normalized Net Profit adds back interest expense and excludes interest income from the consolidated Income Statement.
[5] Cases served includes number of inpatients, paid outpatient visits and ER visits.

Cairo, 3rd of September 2023

Cleopatra Hospital Group S.A.E. (CLHO.CA on the Egyptian Exchange), Egypt's leading private hospital group by number of hospital beds and number of operating hospitals, reported today its consolidated results for the quarter ended 30 June 2023.

1H2023 Performance Highlights:

- Record Revenues Achieved: CHG's Q2 revenues reached EGP 808mn and H1 revenues totalled EGP 1,585mn, representing a 34% YoY growth for Q2 and 28% growth YoY for H1. Excluding COVID-related revenue from Q1 2022, CHG's core business soared with a 36% growth in 1H23, fuelled by a significant increase in patient volumes and diversified case mix across its healthcare facilities.
- Strategic Focus Pays Off: CHG's targeted approach on organic growth has bolstered the company's ability to offer end-to-end patient care, reflected in an 8% overall increase in cases served for H1 2023. This comprises robust growth rates in different areas: 12% for outpatients, 11% for inpatients, and 6% for surgical procedures. These figures underscore CHG's commitment to delivering comprehensive, high-quality healthcare.
- Profitability & Margins Preserved: Management has skilfully balanced the growth of its core business with the profitability of COVID-related services. Notable strides have been made in shielding margins from inflation and supply chain pressures. Gross profit and EBITDA margins remained stable on both a quarterly and half-year basis, with a one-point expansion in EBIT margins. Operational efficiencies, cost management, and strategic price increases since January 2023 contribute to this stability.
- Sustainable Productivity Demonstrated: CHG's Salaries & Wages to Revenue ratio improved to 17%, and Doctor fees to Revenue ratio improved to 16%. These enhancements highlight the company's commitment to achieving sustainable productivity gains.
- Robust Growth in Net Profits: CHG reported a 43% quarterly increase and a 20% half-yearly increase in net profits. Net profit margins improved by one point to 13% in 1Q23, while 1H23 maintained a strong 13% margin, experiencing a minor decline of one point YoY. Normalized net income for 1H23 stood at EGP 213mn, maintaining a 13% margin, and EGP 101mn for 2Q23, with a margin of 12% compared to 11% in 2Q22.

1H2023 Strategic Updates:

- Continued Growth Across Facilities: All CHG hospitals experienced strong YoY growth in patient volumes and optimized case mixes. Cairo Specialized (CSH), Nile Badrawi (NBH), and Al Sherouk (ASH) hospitals each reported top-line growth rates over c.30% for both Q2 and H1 2023. CSH stood out with a nearly 30% and 25% increase in cases served during Q2 and H1 2023, respectively, contributing to a robust top-line expansion of over 40% in both periods. Targeted investments and strategic capacity enhancements have management confident in maintaining this positive momentum.
- Al Katib Hospital's Strong Turnaround: Transformed in January 2022, Al Katib Hospital (AKH) posted an extraordinary top-line growth of over 200% in H1 2023 and a monthly CAGR of 14%, powered by triple-digit growth in inpatient, outpatient, and surgical volumes. Within 18 months post-transformation, AKH has shown significant gains across all profitability metrics, including Gross Profit, EBITDA, and Net Profit. The hospital is expected to surpass its pre-pandemic performance and is leveraging CHG's extensive patient referral network to capture previously untapped patient segments.
- New Flagship Facilities Show Promise: Cleopatra October, CHG's new West Cairo facility, although in a pre-operating phase, displays significant growth potential. Initially focused on Physiotherapy, Rehabilitation, and Long-Term Care, the facility is on track to evolve into a full-scale tertiary hospital by the latter half of 2023, featuring Centres of Excellence in Neurology, Orthopaedics, and Cardiology. Additionally, development continues on Sky Hospital, slated to become CHG's flagship facility in East Cairo, with a soft opening aimed for early 2024.

Management Comment

Our first half has been exceptionally strong, culminating in revenues surpassing the EGP 1.58bn threshold. This milestone puts us firmly on the path to outperform our yearly financial projections. Our remarkable 28% year-on-year growth has been spearheaded by targeted investments in our Centres of Excellence and a carefully executed commercial strategy that spans across a wide array of healthcare services. This approach forms the cornerstone of our sustained growth, driving up case volumes and refining the case mixes throughout our Group.

Our second quarter broke previous revenue records, achieving EGP 808mn in quarterly and EGP 1.58bn in half-year revenues. If we set aside the one-time boost from COVID-related revenues in Q1 2022, our core business exhibited a strong 36% growth for the first half of the year driven by healthy volume growth across the Group. The diversity and quality of our healthcare services set us up for long-term success. While we are vigilant in the face of industry-wide and economic challenges, we've managed to maintain our profit margins consistent with historical trends. Our ongoing efforts focus on optimizing our extensive patient network and integrated healthcare services while continuing to invest in the patient experience. With a deep understanding of market dynamics, superior data analytics, and proactive planning, we are well-positioned to realize our ambitious agenda.

As we look ahead, several promising initiatives drive our optimism. By the end of this year, we plan to soft-launch Sky Hospital in East Cairo, gradually ramping up its services until it is fully operational later next year. Additionally, Cleopatra October in West Cairo is undergoing a significant transformation to become a comprehensive tertiary hospital. Our expanded network now has a broader geographical reach, with a strong focus to attract patients from across Africa and the Middle East through our expanded efforts in medical value tourism. Our primary goal remains enhancing patient care and patient safety of outcomes through innovation and cutting-edge facilities to expand access to affordable high quality medical services in Egypt. Leveraging our interconnected network and digital transformation initiatives, we aim to fuel growth across all verticals. The dedication of our team and the strong partnerships we've nurtured are vital to driving our growth strategy forward.

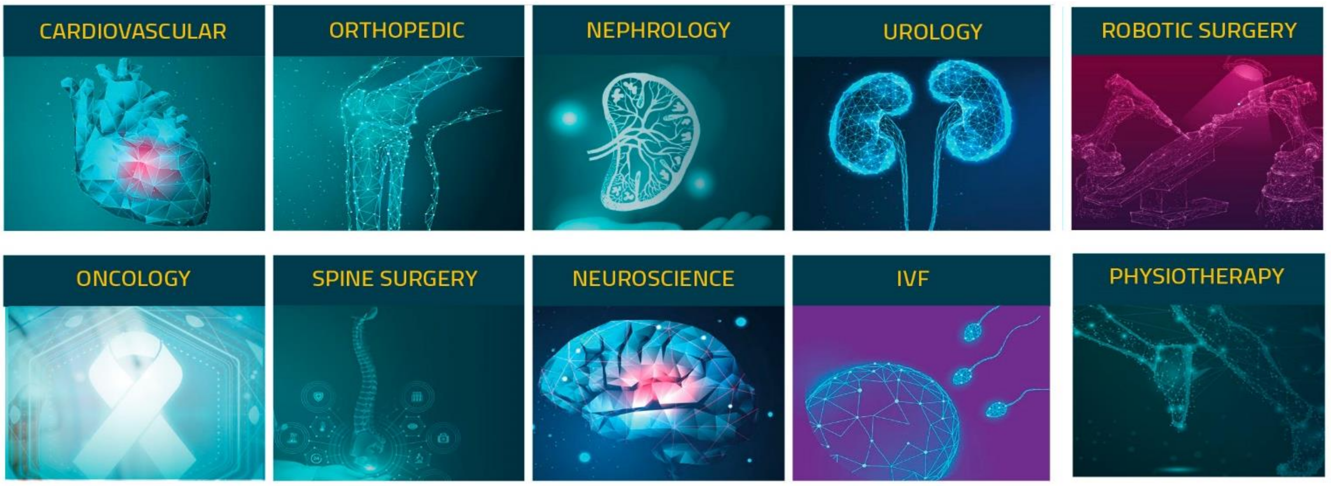
Dr. Ahmed Ezzeldin
Group CEO

The Group's Strategic Development Pillars

Management has maintained its focus on expanding the Group's range of services, increasing its overall capacities, and placing strong emphasis on its referral network's efficacy. These efforts are coupled with the goal of creating a more streamlined and technologically advanced healthcare services provider. Reflecting the company's growth objectives, CHG previously announced an expansion of its presence in West Cairo. This expansion was realized through an 18-year agreement for Haven Hospital in the 6th of October district towards the end of 2022. The hospital was subsequently introduced to the public under the CHG brand and management in 2023, rebranded as Cleopatra October. In parallel, progress is being made on Sky Hospital, a key project for the Group that further expands its geographic footprint on the eastern side of Cairo on the back of an innovative Brownfield facility that is geared to set a new standard in healthcare delivery in Egypt. Anticipated to launch fully by the end of 2024, the hospital is set to undergo a soft launch early 2024.

Management's ongoing focus remains on investing directly in the Group's Centers of Excellence across the board in line with management's vision of comprehensive treatment solutions under one roof. El Katib Hospital's transformation to a general hospital setup with an edge of being an efficient surgical hub continues to prove successful within the Group. The hospital's top line has been growing at a monthly CAGR of 14% since it was setup in January 2022. El Katib has been reflecting an unprecedented ramp up performance whereby the hospital managed to generate operating profitability in just 18 months since its complete transformation to a general hospital setup. Cleopatra Hospital has also made strides by renovating its ICU capacity, a move designed to enhance its ability to manage complex cases. Additionally, ASH and CSH have demonstrated robust growth throughout the first half of 2023. This growth is attributed to the consistent growth in capturing complete patient journeys on the back of their established Centers of Excellence. These advancements have not only fine-tuned their case mixes but also bolstered overall volume growth.

Medical Tourism & CHG's Centres of Excellence (CoE)



Management's focus on maximizing its assets' abilities to oversee complete patient journeys, coupled with strategic initiatives harnessing digitalization and state-of-the-art technology that allow the Group to operate at high quality operating levels in line with leading global players, solidifies its standing as the preferred healthcare service provider for medical tourism in Egypt. To showcase its exceptional offerings, CHG has established an International Business Unit under the Commercial Business department. This unit is dedicated to highlighting CHG's high-calibre facilities and Centers of Excellence that comprehensively address patient treatment pathways. These offerings present compelling value propositions that outshine regional competitors, all while upholding global quality benchmarks. Core to these digitalization endeavours are electronic health records, telemedicine solutions, and enhanced connectivity. These initiatives collectively enhance access to care and optimize desired medical outcomes. Through the harmonious interplay of digitalization and exceptional medical services, CHG guarantees an unparalleled healthcare experience for international patients.

Polyclinics & CHG’s Pharmacy Business

The Group strategically positioned its two polyclinics in underserved suburban areas of Cairo to meet the healthcare needs of residents in newly developed regions, where access to high-quality medical services has been lacking and residential population growth is exponentially growing. In 2Q23, both polyclinics generated a revenue of EGP 26mn, marking an impressive growth of 34% compared to the same period in 2022. Over the course of the first half of 2023, the polyclinics' revenue reached EGP 52mn, reflecting a substantial growth of 33% compared to the first half of 2022. These positive results come on the back of quarterly growth of over than 16% and 18% in paid outpatient visits in 2Q23 and 1H23 respectively. These figures are supported by a strategic pricing overhaul that maintains the trajectory of volume expansion while also ensuring sustainable improvements in margin across the financial statement. That said, and coupled with management's focus on enriching the polyclinics' range of services that is aligned with their vision for their latest hospital addition Cleopatra October, management has been placing special emphasis on physiotherapy services and other niche specialties that complement the Group’s Centers of Excellence service offerings. As a result, the polyclinics continue to maintain their volume growth trajectories enabling their Gross Profit and EBITDA margins to expand by 8 and 4 percentage points respectively for both to read over 28% in 1H23. Furthermore, they are expected to accelerate the ramp-up of the Sky and Cleopatra October hospitals by virtue of their close geographic proximity to both hospitals and established patient base since inception. The Group's management is exploring innovative polyclinic models that can be situated adjacent to flagship hospitals, similar to the successful implementation of Al Sherouk Hospital's polyclinic model. Al Sherouk Hospital's success in this approach is evident as outpatient and patient referral growth rates continue to rise.

The Group's Pharmacy business comprises CHG Pharma and outpatient pharmacies. Collectively, this business line generated EGP 89mn in revenue, reflecting a strong 38% growth during 1H23 compared to the same period in 2022. CHG Pharma, which complements the polyclinics and IVF services, contributed EGP 26mn to this total, marking a 23% growth in revenue for 1H23. Moreover, the hospitals' Outpatient Pharmacies played a significant role in this growth, achieving a remarkable EGP 63mn in revenue. This segment saw substantial expansion, with a 45% increase in revenue during the same period. One factor contributing to this growth is the implementation of a more integrated approach that leverages the Group’s well integrated network and its mature ERP/HIS system Clinysis. This initiative aims to enhance patient record-keeping, enabling better tracking of treatment cycles and promoting pharmacy services, particularly for patients requiring ongoing care. In the first half of 2023, the pharmacy business as a whole accounted for 6% of the total consolidated revenue, up from 5% in the same period in 2022. The consistent growth of both CHG Pharma and outpatient pharmacies, combined with efforts to optimize outpatient pharmacy operations, aligns well with the Group's broader strategy of expanding diagnostics and pharmacy services.

Al Katib Hospital’s Transformation Journey & Discontinued Operations at Queens Hospital

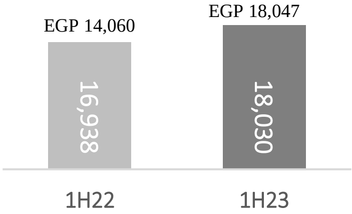
Since its transformation into a multidisciplinary Surgical Center of Excellence in January 2022, AKH has undergone steady progress during its ramp-up phase. Initially serving as a designated COVID-19 treatment facility for West Cairo, the hospital has exhibited remarkable growth. Demonstrating a monthly Compound Annual Growth Rate (CAGR) of 14% from January 2022 to June 2023, AKH has emerged as an efficient surgical hub that serves the entire Group. This ascent is attributed to its ability to attract an increasing influx of patients. Within just 18 months since its transformation, AKH has achieved significant advancements in profitability across Gross Profit, EBITDA, and Net Profit levels. This impressive feat underscores the hospital's operational excellence in delivering high-quality surgical care. Looking ahead into 2023, as AKH's ramp-up journey continues, management anticipates exceeding its pre-pandemic performance. To facilitate this growth, AKH has been expanding its array of surgical services.

In early 2019, Queens Hospital joined CHG's roster of medical facilities with the intention of expanding Cleopatra Hospital’s capabilities and positioning Queens Hospital as a specialized Center of Excellence considering its optimum sized capacity of 50 beds. This strategic inclusion was part of CHG's broader efforts to expand its range of comprehensive services. However, the emergence of the COVID-19 pandemic in early 2020 prompted a significant strategic pivot. Queens Hospital underwent a transformation into a dedicated COVID-19 treatment facility just like El Katib Hospital but focused on serving East Cairo. Notably, this decision highlighted CHG's pioneering role within Egypt's private healthcare sector by operating standalone isolation hospitals, while running the rest of the Group’s facilities in safe Covid free environments. This approach allowed for the continued provision of non-COVID-related services to all patients, effectively minimizing contamination risks across the network. With the pandemic's subsiding in early 2022, CHG embarked on a post-COVID-19 transformation strategy for Queens Hospital. However, considering the Group's ongoing geographical expansion plans and the evolving economic landscape in Egypt, management made the strategic choice to discontinue operations at Queens Hospital. Consequently, it was excluded from CHG's consolidated financials as well. This decision aligns with the Group's growth-oriented investment focus, which centers on Cleopatra October and Sky Hospital. These newer facilities offer an avenue to present management's vision to the public more effectively, particularly in regions with significant service gaps. Over its two-year tenure within CHG, Queens Hospital contributed revenues exceeding EGP 250mn and achieved net profits surpassing EGP 60mn. These solid returns followed an initial investment of approximately EGP 25mn for the acquisition of the business's operations. It's worth noting that the discontinuation of operations at Queens Hospital resulted in a net loss of EGP 4mn on CHG’s 1H23 income statement on the back of writing off the asset’s lease, certain current & non-current assets, and tax implications.

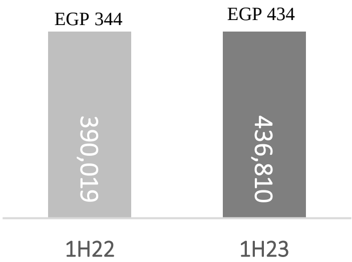
Cleopatra October & Sky Hospitals

In alignment with CHG's strategic expansion in West Cairo, the Group entered an 18-year usufruct agreement with Haven Hospital's proprietors towards the end of 2022. The hospital was then unveiled as Cleopatra October in 2023 upon its successful integration, becoming CHG's flagship facility in West Cairo. While currently in a pre-operating phase and not yet accounted for in the consolidation, Cleopatra October holds immense potential for growth. Specializing initially in Physiotherapy, Rehabilitation, and Long-Term Care, the facility is on track to transform into a full-scale tertiary hospital in the latter half of 2023. Plans are in motion to establish Centers of Excellence in Neurology, Orthopaedics, and Cardiology, aimed at comprehensively addressing patients' specialized needs. Simultaneously, CHG is progressing with Sky Hospital, a landmark project set to expand the Group's footprint on the eastern side of Cairo. This innovative Brownfield facility is poised to redefine healthcare delivery standards in Egypt. While a full launch is anticipated by the end of 2024, a soft launch is planned for early 2024.

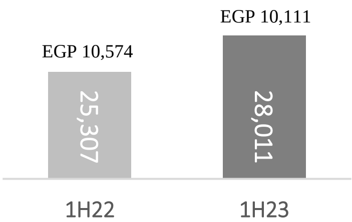
Number of Surgical Procedures
(Rev/Procedure)



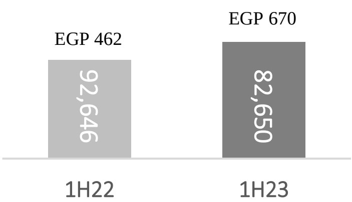
Number of Paid Consultations
(Rev/Visit)



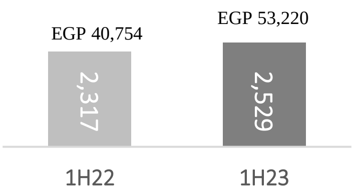
Number of Inpatients
(Rev/Inpatient)



Number of ER Visits
(Rev/visit)



Number of Catheterizations
(Rev/catheterization)



All KPI figures refer to the consolidation of all CHG hospitals as well as the Group's East and West Cairo Polyclinics) and excludes Bedaya while taking into account elimination entries.

Financial Review

Revenue

CHG has seamlessly continued its upward growth trajectory through 2Q23, recording EGP 808mn in revenue, showcasing a remarkable 34% increase compared to the same period in 2Q22. As a result, the Group's consolidated performance for 1H23 surged by a robust 28%, reaching an unprecedented top-line figure of EGP 1,585mn. In 1H22, the Group's consolidated revenues encompassed Covid-related revenue due to Queens Hospital's Covid designation during the initial quarter of 2022. If we exclude this direct Covid-related revenue (amounting to EGP 30mn) and factor out the indirect Covid contribution from diagnostics and consultations for suspected Covid cases across CHG's other assets (amounting to EGP 42mn), the remarkable growth of 36% in 1H23 compared to 1H22 becomes all the more evident. The strength of CHG's core business was also apparent in its volumes, whereby during the second quarter of 2023, the Group recorded 10% growth in cases served, and 8% growth on a half year basis. This performance was mainly driven by y-o-y growths in Outpatients, Inpatients, and Surgical Procedures volumes that all grew by 12%, 11%, and 6% respectively.

Quarterly Revenue Progression – in EGP Mn

EGP mn	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Total Revenues	637	605	661	712	777	**808**
Y-o-y Growth	*1%*	*-6%*	*6%*	*10%*	*22%*	**+34%**

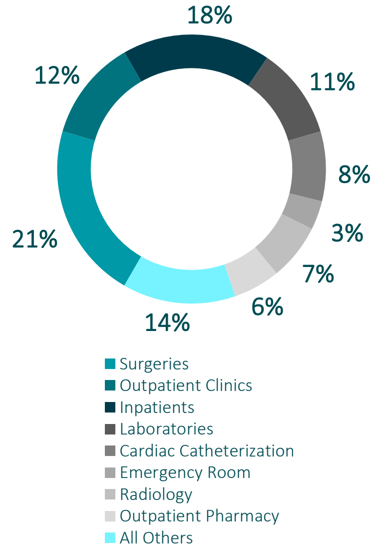
Quarterly Core Business Volumes Progression – Consolidated Volumes

EGP mn	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Paid Outpatient visits	200,275	189,744	214,647	238,977	219,011	**217,79**
Y-o-y Growth	*12%*	*5%*	*12%*	*12%*	*9%*	***15%***
Surgical Procedures	8,206	8,732	10,252	10,362	9,109	**8,921**
Y-o-y Growth	*7%*	*17%*	*9%*	*14%*	*11%*	***2%***
Inpatients	12,366	12,941	14,734	15,147	14,067	**13,944**
Y-o-y Growth	*5%*	*11%*	*11%*	*15%*	*14%*	***8%***

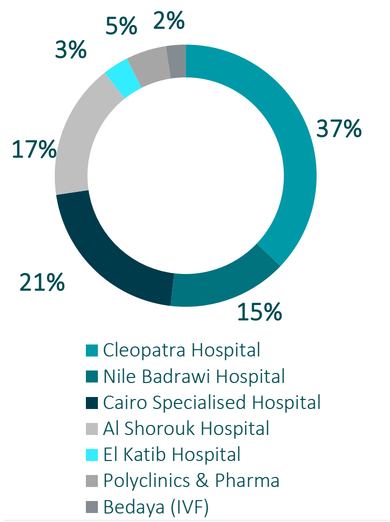
Revenue Breakdown by Segment

CHG's consolidated revenue was substantially driven by its inpatient services and surgical procedures, accounting for 17% and 21% of the total revenue in 2Q23, and 18% and 21% in 1H23, respectively. The inpatient services segment exhibited healthy growth, with a y-o-y revenue increase of 8% in 2Q23 compared to 2Q22, driven by an 8% rise in inpatient volumes. This trend led to a 5% growth in 1H23 versus 1H22, stemming from an 11% growth in inpatient volumes during the initial six months of 2023 relative to the same period in 2022. The Group effectively managed to offset the revenue high base effect created by the significant Covid-related inpatient revenue in the first quarter of 2022, which was characterized by higher average revenue and longer than average length of stays. The surgical revenue segment also continued its impressive trajectory, displaying a substantial 32% increase in 2Q23 relative to the corresponding period of the prior year, and a remarkable 34% surge in 1H23 compared to 1H22. This achievement was propelled by volume growth in both quarterly and half-year periods, involving more intricate surgical cases that are catered to by CHG's expanding Centers of Excellence that allow the Group's facilities to source and treat surgical patients effectively. The Group's continuous investments in its Centers of Excellence underscore its holistic approach, enabling its hospitals to serve as comprehensive healthcare destinations from outpatient and emergency care through to the completion of entire treatment journeys. This integrated strategy has led to sustainable volume growth in both surgical procedures and inpatient care. A similar success story is evident in catheterization procedures on the back

Contribution by Segment (1H23)

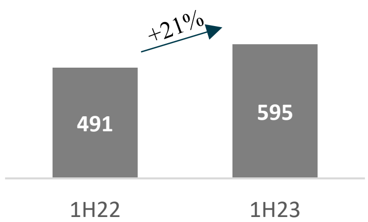


Revenue by Hospital (1H23)



**Polyclinic revenue includes both East and West Cairo Polyclinics (CHG for medical services) in addition to the polyclinic pharmacies segment (CHG Pharma)*

CHC Revenue Growth (EGP mn)



of the Group's Cardiology Center of Excellence, which allowed for substantial growth in Cauterizations conducted, contributing 9% and 8% to the Group's consolidated revenue in 2Q23 and 1H23, respectively. This growth is attributed to a 12% rise in quarterly procedures and 9% in half-yearly procedures, demonstrating the efficacy of CHG's approach in driving consistent revenue growth while providing high-quality healthcare services across various specialties.

CHG's patient base is anchored by two crucial pillars: outpatients and emergency patients. These segments serve as fundamental drivers of growth in the Group's inpatient services, surgical procedures, and Cath labs, acting as the initial touchpoints for potential patients at CHG's facilities. In terms of contribution to overall revenue, these segments accounted for 12% and 4% respectively on a quarterly basis, and 12% and 3% on a half-yearly basis. The second quarter of 2023 witnessed remarkable growth in both outpatient and emergency revenues, experiencing substantial increases of 51% and 35% respectively. This trend further supplemented these segments' half year performances with growth rates of 41% for outpatients and 29% for emergency revenue compared to the same period in 2022. This growth story is further illuminated by CHG's dedicated focus on delivering comprehensive, specialized, and unique services. The result has been a noteworthy 15% growth in outpatient volumes during 2Q23, translating to a 12% growth in volume during 1H23 in comparison to 1H22. On the other hand, emergency volumes experienced a decline of 9% in 2Q23 and 11% in 1H23. It's important to contextualize this decline within the context of the high base effect of Covid patients seeking emergency care during the pandemic. As we progress through 2023, which serves as a comparable year and as the pandemic subsided, this effect will gradually diminish.

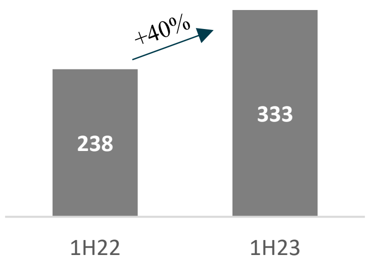
The Group's diagnostic segments, encompassing laboratories and radiology, made up 11% and 7% respectively of the Group's consolidated revenues in both 2Q23 and 1H23. During the quarter, laboratory volumes showed a modest 3% growth, while radiology volumes experienced a slight 1% decline. However, on a half-yearly basis, both laboratory and radiology volumes saw declines of 3% and 6% respectively. The Group's diagnostics face significant high base effects in 1H22 due to Covid-related revenue and protocols indirectly contributing to the Group's 1H22. Yet, strategic pricing measures have been adopted by management to ensure these segments' revenue contributions remain robust within the overall growth while also fostering volume recovery in 2023. Consequently, laboratory and radiology revenues witnessed impressive growth of 36% and 33% respectively in 2Q23, and 23% and 21% on a half-year basis. The Group's commitment to enhancing diagnostic capabilities and associated services remains strong, with an aim to regain their pre-Covid growth momentum through the support of the Group's growing Centers of Excellence.

Performance by Facility

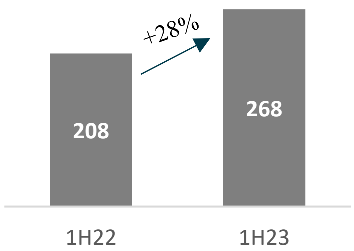
Cleopatra Hospital:

In 2Q23, CHC recorded revenue of EGP 302mn, reflecting 26% growth compared to the same period in 2022. Over the half-year, CHC's top line expanded by 21%, totaling EGP 595mn. The growth was primarily fueled by increased volumes in the hospital's core services, alongside enhanced profitability levels due to hospital's evolving patient case mixes. CHC observed growth in surgical procedures, inpatients, and outpatient volumes by 3% during 1H23, as the hospital's Centers of Excellence continued their ramp-up. Particularly, CHC's Cardiology Center of Excellence played a pivotal role in driving Cath lab volumes, resulting in a 13% growth in Cardiac Catheterizations in 1H23 and a remarkable 56% surge in Cath lab revenue compared to 1H22.

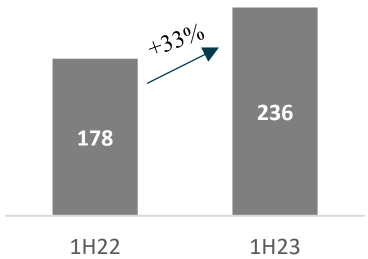
CSH Revenue Growth
(EGP mn)



ASH Revenue Growth
(EGP mn)



NBH Revenue Growth
(EGP mn)



Cairo Specialized Hospital:

CSH has continued its remarkable performance in 2023, reporting revenue of EGP 170mn in 2Q23 and EGP 333mn in 1H23, marking impressive top-line growth rates of 43% and 40% respectively. This growth was propelled by significant increases in volumes across the spectrum. In comparison to 1H22, inpatients, surgical procedures, outpatients, emergency patients, and catheterizations conducted all exhibited growth exceeding c.20%. This surge in volumes underscores the hospital's capacity to attract and serve diverse case mixes more comprehensively than it previously did. Investments in expanding service offerings, renovations, and optimizing capacities have been pivotal for CSH's success. In 1H23, the hospital's growing volumes and refined case mixes contributed to a two-percentage-point expansion in its EBITDA margin.

Al Sherouk Hospital:

ASH demonstrated robust y-o-y growth in 2Q23, marking 31% increase in its top-line revenue on a quarterly basis and 28% on a half-year basis, totaling revenues of EGP 137mn and EGP 268mn respectively. As the third-largest contributor to the Group's consolidated revenue, accounting for 17% on both a quarterly and half-year basis, ASH has sustained positive momentum from the previous year, solidifying its position among top contributors, alongside CHC and CSH. Strategic efforts by management to enhance profitability have yielded positive outcomes for ASH. Emphasizing operational efficiencies and optimizing surgical case mixes has led to improvements in profitability, evidenced by a one-percentage-point increase in 1H23 compared to 1H22 in the hospital's EBITDA margin, also evident at ASH's surgical revenue that experienced an impressive growth of over 35% in 1H23. This level of efficiency is bolstered by ASH's adjacent polyclinic setup, which has substantially increased outpatient flow and referrals throughout the hospital. The convergence of strategic initiatives, efficient case management, and capacity expansions underscores ASH's pivotal role within the Group's consolidation and growth ambitions. The hospital is expected to maintain and potentially expand this margin enhancement through the year's end and beyond.

Nile Badrawi Hospital:

Leveraging the strategic enhancements undertaken throughout 2022 to fortify NBH's capacity and refine its comprehensive healthcare approach, NBH marked impressive growth in its top-line revenue, surging by 39% in 2Q23 and 33% in 1H23 compared to the same periods in 2022. This strategic uplift has allowed for NBH's contribution to CHG's consolidated revenue to read 15%, underpinned by a corresponding 15% growth in cases served during the quarter and an 11% rise on a half-year basis. The successful launch of NBH's revamped outpatient department in late 2022 played a pivotal role in driving over 20% growth in the hospital's paid outpatient visits, on a quarterly and half year basis. NBH's case mix has evolved positively, mirroring the progress seen at ASH.

Al Katib Hospital:

AKH continues to ramp up, recording EGP 29mn in 2Q23 and EGP 54mn in 1H23. Since its transformation into a multidisciplinary Surgical Center of Excellence in January 2022, AKH has undergone steady progress during its ramp-up phase. Initially serving as a designated COVID-19 treatment facility for West Cairo, the hospital has exhibited remarkable growth. Demonstrating a monthly Compound Annual Growth Rate (CAGR) of 14% from January 2022 to June 2023, AKH has emerged as an efficient surgical hub that serves the entire Group. This ascent is attributed to its ability to attract an increasing influx of patients. Within just 18 months since its transformation, AKH has achieved significant advancements in profitability across Gross Profit, EBITDA, and Net Profit levels. This impressive feat underscores the hospital's operational excellence in delivering high-quality surgical care. Looking ahead into 2023, as AKH's ramp-up journey continues, management anticipates exceeding its pre-pandemic performance. To facilitate this growth, AKH has been expanding its array of surgical services. As the hospital benefits from the Group's extensive patient referral network, as well as ASH top management assuming full management of the hospital, it captures a segment of patients that might not be accessible to the Group's other assets due to capacity or coverage limitations. Leveraging its pre-COVID expertise in dialysis and kidney transplantation, AKH has established a one-stop-shop Nephrology Center of Excellence, resulting in exponential growth in patient volumes. The hospital has also introduced a comprehensive Breast Center of Excellence and enhanced its existing unique Urology service offerings. These strategic additions have contributed to the hospital's robust growth in surgical procedures and inpatient services.

AKH's Quarterly Performance Progression

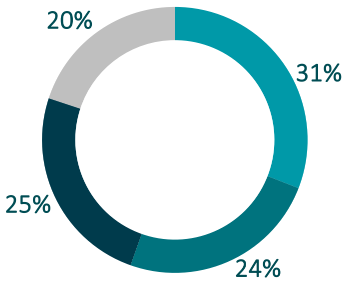
	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Total Revenue – EGP mn	6	11	14	17	25	**29**
Q-o-q Growth – (%)	-	*83%*	*24%*	*25%*	*45%*	***+13%***
Cases Served – (#)	*1,400*	*2,470*	*3,697*	*3,147*	*4,531*	***4,492***
Q-o-q Growth – (%)	-	*76%*	*50%*	*-15%*	*44%*	***-1%***

CHG's Polyclinics & Bedaya:

In 2Q23, both polyclinics generated a revenue of EGP 26 million, marking an impressive growth of 34% compared to the same period in 2022. Over the course of the first half of 2023, the polyclinics' revenue reached EGP 52 million, reflecting a substantial growth of 33% compared to the first half of 2022. These positive results come on the back of quarterly growth of over than 16% and 18% in paid outpatient visits in 2Q23 and 1H23 respectively. These figures are supported by a strategic pricing overhaul that maintains the trajectory of volume expansion while also ensuring sustainable improvements in margin across the financial statement. The polyclinics have also expanded their physiotherapy capacities, in conjunction with Cleopatra October Hospital's rehabilitation Center of Excellence and their key role in ramping up the hospital's service offering. That said, on the back of their volume growth trajectories, the polyclinics' Gross Profit and EBITDA margins expanded by 8 and 4 percentage points respectively for both to read over 28% in 1H23. The polyclinics play a vital role in the Group's broader strategy of ramping up the Group's Centers of Excellence, by attracting patients from remote regions in both East and West Cairo and ultimately referring them the Group's facilities when appropriate to capture their entire treatment journeys.

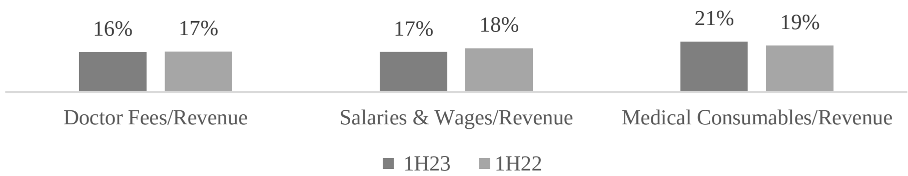
That said, the Group's fertility solutions venture Bedaya, has recorded quarterly and half year revenues of EGP 15mn and EGP 34mn respectively, marking a growth rate of 3% in 2Q23 and 13% in 1H23 versus the same periods in 2022. With Bedaya playing a key role in management's medical tourism agenda, the venture is well placed to grow its contribution to the Group's top line consolidation from its current 2% on a quarterly and half year basis.

COGS Breakdown (1H23)

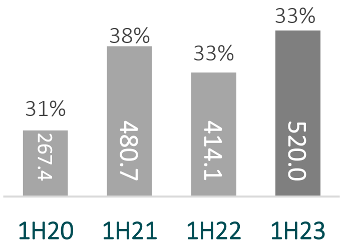


Cost of Goods Sold & Gross Profit

Throughout 2Q23 and 1H23, the Group recorded total cost of goods sold (COGS) amounting to EGP 551 million and EGP 1,065 million respectively, signifying increases of 34% and 29% respectively. Notably, management adeptly maintained the Group's COGS/Sales ratio at 68% on quarterly basis and 67% on a half-year basis, thereby preserving Gross profit margins of 32% and 33% for 2Q23 and 1H23 respectively and compared to the same period in 2022. This strategic approach aligns with historical trends and effectively adapts to prevailing macroeconomic conditions.



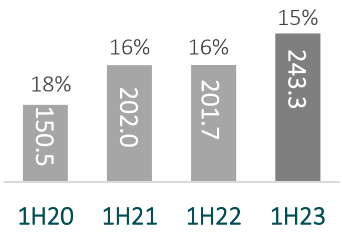
Consolidated Gross Profit, GPM (EGP mn | %)



Maintaining profitability margins, as CHG's multi-faceted optimization strategy continues to mature, management realized efficiency in the Group's Wages & Salaries component of its cost structure, as well as in its Doctors' Fees. The Group recorded 36% growth in Group's core business revenue throughout 1H23, on the back of a one percentage point improvement in the Salaries & Wages-to-revenue ratio with a strong focus on efficiency. Management expects further improvements in its wages & salaries efficiency as initiatives like managing staff replacements and implementing the shared services initiative will continue to offer further room for optimization as they mature. Consequently, the Doctors' Fees to revenue ratio improved by one percentage point in 1H23 relative to 1H22 on the back of improved case mixes across the Group. Finally, medical supplies places minor pressures on the Group's medical supplies to revenue ratio. Despite the proactive efforts of management to secure competitive rates and build substantial stockpiles of critical supplies at a Group level, the Group's Medical Supplies/Revenue ratio saw a slight increase of two percentage points, reading 22% for the quarter and 21% for the half year. Leveraging the expertise of the Group's seasoned supply management and procurement teams, the delivery of medical supplies occurred with minimal Purchase Price Variances (PPV) relative to market rates, minimizing the impact on the Group's structure. Furthermore, Bedaya IVF venture's cyclicality coupled with 2022's diagnostics related consumables create a high base effect on the medical supplies to revenue ratio, which is expected to fade as CHG progresses in 2023.

G&A Expenses

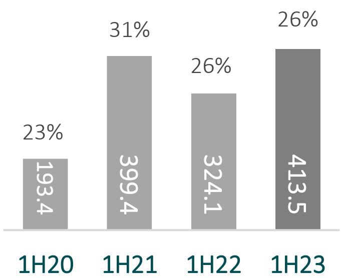
SG&A, SG&A/Sales (EGP mn | %)



CHG's General and Administrative (G&A) expenses encompass non-medical staff costs, senior management expenses, commercial outlays, and group-level professional consulting fees. In 2Q23, G&A expenses totalled EGP 128mn, signifying a 29% increase compared to the corresponding period in 2Q22. Over a half-year duration, CHG reported G&A expenses of EGP 243mn, reflecting a 21% growth relative to the same period in 2022. Notably, the Group's Selling, General, and Administrative (SG&A) to sales ratio demonstrated a noteworthy 1% improvement, reading 15% for 1H23 in contrast to 1H22. This enhancement was propelled by robust cost-cutting and avoidance strategies meticulously executed by management. Additionally, the Group's efficient implementation of operational processes played a pivotal role, enabling all facilities to augment their G&A ratio to revenue, even amid challenging macroeconomic conditions. These strategic measures have effectively counteracted cost pressures stemming from inflationary trends, thereby upholding CHG's financial robustness and resilience.

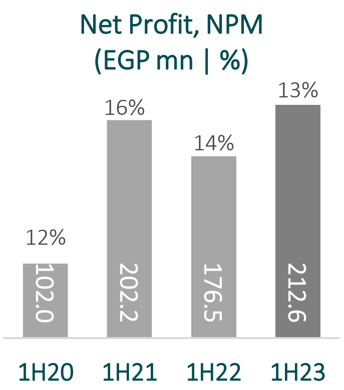
EBITDA

EBITDA, % (EGP mn | %)



CHG's adjusted EBITDA for the second quarter stood at EGP 200mn, marking an impressive 35% growth while maintaining a steady margin of 25% in comparison to 2Q22. Over a half-year period, the Group achieved an adjusted EBITDA of EGP 414 million, reflecting a 26% growth rate at a consistent margin of 26% relative to 1H22. Management's commitment to efficiency has effectively safeguarded the Group's profitability margins, underscoring its financial resilience. The strategic emphasis on cost control and optimization, combined with the inherent strength of the Group's integrated platform, has enabled CHG to navigate the challenges posed by ongoing economic uncertainties.

Through the implementation of a structured and balanced approach to price adjustments, and by dynamically pricing billable consumables in response to market fluctuations throughout 2023, management has ensured a continuous flow of credit and cash patients without compromising financial stability. This approach has not only mitigated the impact of the loss of high-margin Covid-related business but has also contributed to the expansion of the Group's overall margins through sustainable growth in its core business operations.



Net & Normalized Profits

CHG's consolidated net profit for 2Q23 amounted to EGP 106mn, representing growth of 43% compared to the same period in 2022. The associated margin improved by 1% to read 14% in 2Q23. On a Half year basis, CHG recorded Net Profit of EGP 213mn growing by 20% compared to the first six months of 2022. Notably, the Group's Income Statement saw a substantial 106% increase in interest expenses in 1H23 due to ongoing interest rate hikes and the Group's recent capital structure optimization efforts incurring debt to support the Group's expansionary plans. Simultaneously, there was a 45% decrease in interest income resulting from the company's previous treasury buyback program as well as investments in the Group's current facilities during the period, which depleted a sizeable portion of its cash and cash equivalents. Normalizing net income to exclude the impact of interest on both periods' income statements, CHG's normalized net income stood at EGP 213mn, representing strong 35% growth compared to the same period in 2022, with a stable associated margin of 13% compared to 1H22.

CAPEX

The Group's investment in its infrastructure and feeder network has been a priority, with a particular focus on its centers of excellence operating model. As such, the total CAPEX outlays in 1H23 amounted to EGP 325mn. It is noteworthy that this figure includes down payments for CAPEX purchases that are yet to be delivered, demonstrating the Group's proactive approach in anticipating potential price shocks for timely delivery of expansionary plans hedging against unforeseen circumstances.

–Ends–

ABOUT CLEOPATRA HOSPITALS GROUP S.A.E.

The Group is the largest private hospital group in Egypt by number of hospital beds and number of operating hospitals. The company holds majority stakes and operates seven leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital, Al Sherouk Hospital, El Katib Hospital, Sky Hospital, and Cleopatra October Hospital offering a full array of general, emergency healthcare services and rehabilitation services. The Group also operates two polyclinics located in strategic neighbourhoods of East and West Cairo and holds a majority stake in Bedaya for Medical Services, Egypt's leading IVF and Fertility Centre.

Shareholder Information

EGX: CLHO.CA
Listed: June 2016
Shares Outstanding: 1,445 million

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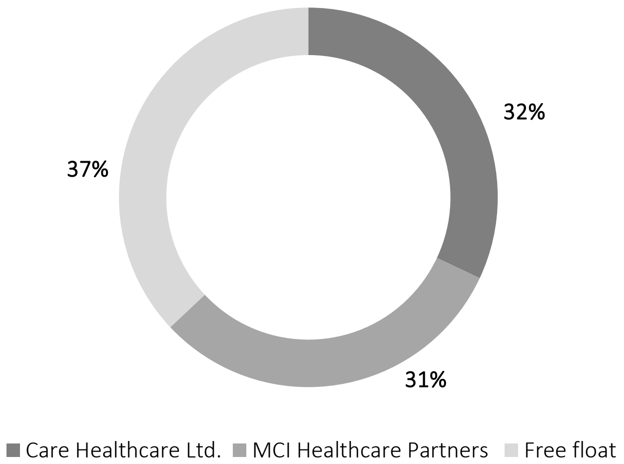
Shareholder Structure

(as of August 2023)



Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "anticipates", "assumes", "believes", "could", "estimates", "expects", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would", or, in each case, their negatives, or other similar expressions that are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions, and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate, or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal, or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations, and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly to the total figure given.

Cairo, Egypt | September 3rd, 2023

Consolidated Statement of Income[2]

All figures in EGP mn	2Q2022	2Q2023	% change	H12022	H12023	% change
Revenues	605	808	34%	1211	1585	31%
Cost of sales	(409)	(551)	35%	(809)	(1063)	31%
Gross profit	**195**	**257**	31%	**403**	**522**	30%
Gross Profit Margin	*32%*	*32%*		*33%*	*33%*	
General & administrative expenses	(99)	(128)	30%	(200)	(243)	22%
Cost of acquisition activities	(0.1)	(0.1)	2%	(1)	(1)	-30%
Provisions	(3)	(3)	-2%	(8)	(7)	-16%
Other income	0.1	2	2,905%	2	3	39%
Discontinued Operations	(4)	(1)	-80%	6	(4)	-168%
EBIT	**89**	**126**	42%	**203**	**270**	33%
EBIT Margin	*15%*	*16%*		*17%*	*17%*	
Interest income	9	5	-42%	28	17	-38%
Interest expense	(7)	(16)	132%	(12)	(31)	163%
Profit before tax	**91**	**115**	26%	**218**	**256**	17%
PBT Margin	*15%*	*15%*		*18%*	*16%*	
Income tax	(17)	(9)	-46%	(41)	(41)	0%
Deferred tax	(1)	(0.3)	-53%	(1)	(2)	217%
Net profit after tax	**74**	**106**	43%	**176**	**213**	20%
Net Profit Margin	*12%*	*13%*		*15%*	*13%*	
Distributed as follows:						
Shareholders of the company	68	97	41%	164	191	16%
Minority rights	6	9	68%	12	21	78%
Profit for the period	**74**	**106**	43%	**176**	**213**	20%

Consolidated Statement of Comprehensive Income

All figures in EGP mn	2Q2022	2Q2023	% change	H12022	H12023	% change
Net Profit	74	106.0	43%	176	213	20%
Other comprehensive income	0.0	0.0		0.0	0.0	
Total comprehensive income for the year	**74**	**106.0**	43%	**176**	**213**	**20%**
Total comprehensive income attributable to:						
Owners of the company	68	97	41%	164	191	16%
Non-controlling interest	6	9	68%	12	21	78%
Total comprehensive income for the year	**74**	**106**	43%	**176**	**213**	20%

[2] *Queens Hospital discontinuation resulted in excluding all its costs and revenues from the Group's Income Statement as reflected in this statement of income.*

Consolidated Statement of Financial Position

All figures in EGP mn	31 December 2022	30 June 2023
Non-current assets		
Fixed assets	1,567.3	1,757.9
Intangible assets	423.4	408.3
Right of use	149.2	107.5
Payment under investment	4.2	4.2
Investment in associates	3.8	3.8
Total non-current assets	**2,147.9**	**2,281.8**
Current assets		
Inventory	108.0	199.9
Accounts receivables	505.4	659.8
Other receivables and debit balances	172.8	303.9
Due from related parties	3.2	3.6
Treasury bills	98.9	0.2
Cash	247.2	305.5
Total current assets	**1,135.5**	**1,472.9**
Total assets	**3,283.4**	**3,754.6**
Equity		
Share capital	800.0	722.7
Treasury Shares	(766.0)	(15.4)
Reserves	319.2	82.6
Retained earnings	1,517.4	1,208.7
Long term incentive plan	8.4	16.6
Equity attributable to the parent company	**1,878.9**	**2,015.1**
Non-controlling interest	148.4	167.2
Total equity	**2,027.4**	**2,182.3**
Non-current liabilities		
Non-current portion of borrowings	88.0	229.1
Creditors and other credit balances - non-current portion	-	-
Non-current portion of lease liability	155.5	97.4
Deferred tax liabilities	89.4	91.9
Total non-current liabilities	**332.9**	**418.5**
Current liabilities		
Provisions	25.3	14.4
Creditors and other credit balances	530.8	697.5
Current Portion of Borrowings	244.5	315.2
Current portion of lease liability	39.0	42.1
Other Liabilities	35.6	42.5
Current income tax	48.0	42.3
Total current liabilities	**923.1**	**1,153.9**
Total liabilities	**1,256.0**	**1,572.3**
Total liabilities & shareholders' equity	**3,283.4**	**3,754.6**

Consolidated Statement of Cash Flow

All figures in EGP mn	30 June 2022	30 June 2023
Cash flow from operating activities:		
Profit before tax	219.6	258.7
Adjustments for:		
Depreciation	63.4	73.5
Right of use depreciation	-	-
Amortization of intangible assets	7.9	7.9
Allowance for impairment of current assets	(35.1)	21.5
Provision	(2.6)	(10.9)
Capital gain/Loss	(0.2)	3.6
Credit / Debit Interest	(11.6)	20.8
Changes in current tax liability	(66.9)	(49.5)
Loss In Investments in subsidiaries	-	-
Share-based payments financial liabilities	8.3	8.2
Lease Write Off	-	(21.7)
Intangible Assets Write off	-	14.1
Operating profits before changes in assets and liabilities	**182.7**	**326.2**
Changes in working capital:		
Changes in Inventories	(18.5)	(92.0)
Change in trade receivables, debtors and other debit balances	30.3	(249.6)
Changes in Due from related parties	(1.4)	(0.5)
Change in trade and other payables	16.8	160.2
Employee Incentive Plan	-	-
Change in lease	5.8	8.4
Net cash flows generated from operating activities	**215.7**	**152.8**
Cash flow from investment activities:		
Proceeds from sale of fixed assets	1.4	0.7
Fixed assets purchased	(41.5)	(55.4)
PUC purchased	(73.0)	(213.1)
Advance payment for purchase of fixed assets	(1.1)	(56.7)
Fixed assets Suppliers	-	-
Payments under investment	(18.5)	-
Credit Interest Collected	22.1	13.7
Paid for Investment Associates	-	-
Net cash flows used in investing activities	**(110.6)**	**(310.7)**
Cash flow from financing activities:		
Treasury Shares	(641.7)	-
Dividends paid out	(65.1)	(61.9)
Cash Proceed from Overdraft	597.0	416.7
Cash Paid to Overdraft	(497.5)	(377.4)
Interest paid	(15.4)	(32.2)
Receipts from borrowings	-	172.5
Net cash flow from financing activities	**(622.7)**	**117.7**
Net change in cash & cash equivalents during the year	**(517.5)**	**(40.1)**
Cash and cash equivalents at the beginning of the year	847.5	347.4
Cash And Cash /equivalent In Acquired Subsidiaries at Beg. Of The Period	-	-
Cash & cash equivalents at the end of the year	**330.0**	**307.3**