Cleopatra Hospitals Group Reports FY2023 Results

CHG Reports Record Revenue with Margin Expansion; The Group's Newest West Cairo Flagship Hospital, Cleopatra October, Exhibits Rapid Growth Trajectory

4Q2023 Financial & Operational Highlights[1]

EGP 1,063 mn Total Revenue (+49% y-o-y)	EGP 366 mn Gross Profit (+54% vs. 4Q22; +1% margin expansion)
EGP 276 mn Adjusted EBITDA[2] (+40% vs. 4Q22; 26% Margin)	EGP 186 mn EBIT (+61% vs. 4Q22)
EGP 124 mn Net Profit (+39% vs. 4Q22)	EGP 144 mn Normalized Net Profit[3] (+61% vs. 4Q22;)
+6% Outpatient Consultations Volume Growth	+7% Inpatients Volume Growth
+309,866 Cases Served[4] (+1% y-o-y)	EGP 0.09 Earnings Per Share (+39% vs. 4Q22 EPS)

FY2023 Financial & Operational Highlights[1]

EGP 3,595 mn Total Revenue (+38% y-o-y)	EGP 1,209 mn Gross Profit (+38% vs. FY22; +1% margin expansion)
EGP 954 mn Adjusted EBITDA[2] (+35% vs. FY22; Flat margin of 27% vs. FY22)	EGP 649 mn EBIT (+46% vs. FY22)
EGP 469 mn Net Profit (+32% vs. FY22)	EGP 503 mn Normalized Net Profit[3] (+46% vs. FY22)
+11% Outpatient Consultation Volume Growth	+9% Inpatient Volume Growth
+1,166,272 Cases Served[4] (+7% y-o-y)	EGP 0.32 Earnings Per Share (+32% vs. FY22 EPS)

Cairo, 17th of March 2024

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 year ended 31 December 2023.

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[1] Performance includes: CHC, CSH, NBH, & ASH, as well as East and West Cairo Polyclinics, El Katib Hospital, Queens Hospital, October Hospital, and Bedaya IVF. Queens Hospital performance is recorded as discontinued operations in the consolidated audited financial statement.
[2] 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.
[3] Normalized Net Profit adds back interest expense and excludes interest income from the consolidated Income Statement.
[4] Cases served includes number of inpatients, paid outpatient visits and ER visits.

Cairo, Egypt | March 17th, 2024

FY2023 Performance and YTD Feb 2024 Highlights:

- CHG reached a historic achievement with its quarterly revenue exceeding EGP 1 billion for the first time, a 49% increase from 4Q22, leading to a record annual consolidated revenue of EGP 3.6 billion in FY23, up 38% from FY22.
- All CHG hospitals saw growth exceeding 30%, with notable performance boosts from El Katib and October Hospitals contributing to the year's success. The focus on organic growth resulted in a 7% rise in cases served, reaching a new high of 1.2 million, with outpatient and inpatient numbers increasing by 11% and 9% respectively, and surgical procedures growing by 5% year-over-year.
- In both 4Q23 and FY23, CHG successfully increased its gross profit and operating margins amid market challenges. The gross profit margin stood at 34%, and the EBIT margin at 18%, each improving by one percentage point from the previous year. Despite a slight compression in EBITDA margin to 26% in 4Q23 from 28% in 4Q22 due to Cleopatra October's consolidation, the annual margin remained stable at 27%.
- CHG's strategic management of its supply chain and demand planning, along with advanced cost management practices, led to operational efficiencies that mitigated market volatility and enhanced profitability. Efforts to manage rising costs of medical consumables, alongside improvements in salary, wages, and doctor fees ratios, resulted in an increase in Gross Profit Margins to 34% for both FY23 and 4Q23, up from 33%.
- CHG reported a significant 39% quarterly and 32% yearly increase in net profits. Excluding interest, normalized net income climbed to EGP 503 million in FY23, with profit margins widening to 14% from 13% in FY22, and to EGP 144 million in 4Q23, with margins also expanding to 14% from 13% in 4Q22.
- YTD Feb 2024 revenue continues from the strong trajectory of 2023 with revenue growth exceeding 55% year over year supported by volume and price initiatives across the group.

FY2023 Strategic Updates:

- CHG's hospitals and facilities each reported growth rates above approximately 30% in FY23, with standout performances like Cairo Specialized Hospital experiencing a top-line increase of over 47%, benefiting from renovations and investments in Centers of Excellence (COEs). This growth was driven by strategic pricing adjustments in 2023, along with increases in volume and case mix across both established and developing assets.
- The Group's COEs, aimed at providing comprehensive patient care from diagnosis to treatment and follow-up within key specialties, have played a crucial role in CHG's continuous growth and improved capacity utilization for better profitability. These centers have been key to the accelerated growth of major assets like Nile Badrawi Hospital post-renovation, Al Katib Hospital after its transformation, Cairo Specialized Hospital upon completing its renovation program, and Cleopatra October Hospital, especially after its successful integration into CHG's operational and financial systems.
- Cleopatra October Hospital, now fully integrated into CHG's financial and operational reports, has shown a significant ramp-up and monthly growth since its inauguration under CHG management. With its advanced Physiotherapy and Rehabilitation facilities, alongside surgical theatres, an emergency room, medical capabilities, and integrated COEs, the hospital is establishing itself as the leading tertiary hospital in West Cairo, with a special focus on Orthopedics & Neurology and related sub-specialties. As CHG's flagship in West Cairo, there are plans to double its capacity by the end of the year to meet the growing monthly patient volume.
- Sky Hospital, set to be CHG's flagship facility in East Cairo, is located in the upscale area of New Cairo and is nearing its soft launch in late 2024. It will feature a range of COEs and the latest medical technologies, aiming to set a new standard in healthcare delivery in Egypt, aligned with international best practices. Designed with a focus on excellence, including expansive and innovative patient pathways and layouts, Sky Hospital is expected to become CHG's largest asset by bed count.

FY2024 Strategic Guidance:

- Management aims to accelerate CHG's consolidated top-line growth over the next 5 years on the back of the growing core business, consistent operational optimization, and strategic expansion of service offerings across the Group's assets.
- Cleopatra October in West Cairo and Sky Hospital in East Cairo are positioned as two flagship facilities that will double CHG's operational capacity fostering double-digit volume growth for the coming years. Management aims to continue to employ asset-light agreements that require minimal capital expenditure to further expand CHG's network across Egypt to deliver best in class care and value to patients across Egypt.
- CHG's medical value tourism initiative is starting to bear fruit, driven by the Group's compelling value and quality offerings.
- The Group prioritizes maintaining its profit margins to ensure long-term growth. Alongside refining the cost structures for wages, salaries, and doctor fees, CHG aims to strategically control medical supply expenses by persistently implementing supply chain strategies that reduce Purchase Price Variances. At the same time, the management is dedicated to hiring leading medical experts and providing them with cutting-edge medical technologies, bolstering the development and capabilities of its Centers of Excellence.

Management Comment

Reflecting on FY23, a pivotal year for Cleopatra Hospitals Group, our collective accomplishments underscore the commitment, resilience, and visionary approach of our team. Achieving over EGP 1 billion in quarterly revenue and a record annual revenue of EGP 3.6 billion, while serving an unprecedented 1.2 million cases, not only signifies a landmark in our history but also affirms our dedication to excellence, innovation, and accessibility in healthcare. This remarkable growth across our network, with each facility surpassing its growth objectives, highlights the effectiveness of our strategy focused on organic expansion, which propelled our core operations to grow by more than 40% in FY23. Overcoming market obstacles to improve operational efficiency and profit margins without sacrificing service quality or breadth has reinforced our position as Egypt's premier healthcare provider.

Embracing innovation, we have made significant investments in establishing Centers of Excellence throughout our network, in line with our goal to offer comprehensive healthcare services in a unified model. The rapid growth and success of these centers have surpassed our expectations, enhancing patient care across key specialties and contributing to growth across all our assets and service lines. This approach has not only diversified our case mix for inpatients and outpatients but also increased our capacity for complex surgical procedures, elevating our group to new levels of success. Looking ahead, we plan to invest EGP 2 billion in capital expenditures over the next 18 months to further expand and enhance our services. With Cleopatra October Hospital emerging as a leading healthcare facility in West Cairo and Sky Hospital nearing its launch in 2024, we remain committed to extending our influence in the Egyptian healthcare sector.

In conclusion, I express my profound appreciation to our dedicated team, patients, and partners for their trust, diligence, and support, which have been crucial to our success. Together, we are excited to continue building on our accomplishments, driving forward with innovation, and setting new standards for community health and well-being.

Dr. Ahmed Ezzeldin
Group CEO

The Group's Strategic Development Pillars

CARDIOVASCULAR CENTER OF EXCELLENCE
NEUROLOGY CENTER OF EXCELLENCE
SPINE SURGERY CENTER OF EXCELLENCE
NEPHROLOGY CENTER OF EXCELLENCE
PHYSIO-REHAB CENTER OF EXCELLENCE
ORTHOPEDIC CENTER OF EXCELLENCE
CLEOPATRA BREAST CARE We Think Pink
CLEODENT CENTER OF EXCELLENCE
UROLOGY CENTER OF EXCELLENCE
ONCOLOGY CENTER OF EXCELLENCE
RoboSurge CHG Robotic & Advanced Surgeries

Centers of Excellence Capture Entire Patient Journeys and Drive Organic Growth Across CHG

CHG has been focusing on establishing Centers of Excellence across its network, aligning with its vision for holistic healthcare delivered through a one-stop-shop model. These centers, designed to manage complete patient care journeys within key specialties all under one roof, from diagnosis through treatment and follow-up, have significantly contributed to CHG's sustained growth and optimized capacity utilization for maximum profitability. Being set-up simultaneously across the Group's assets, this strategic initiative has not only enhanced CHG's core business trajectory but also invigorated growth across all ancillary services, including pharmacies and diagnostics services. Remarkably, these Centers of Excellence have become pivotal in accelerating the growth of key assets such as Nile Badrawi Hospital post-renovations, Al Katib Hospital following its transformation, Cairo Specialized Hospital as it completed its renovations program and delivered exceptional growth and profitability expansion, and finally Cleopatra October Hospital, notably after its effective integration into CHG's operational and financial framework. The strategic investment in Centers of Excellence is crucial for sustaining CHG's core business growth in the coming years. They also proved to be pivotal in the context of management's establishment of an International Business Unit within its Commercial Business department, highlighting a value proposition that stands out regionally and meets global quality benchmarks. By offering a comprehensive range of services under one roof, these centers not only streamline the patient care journey but also ensure high-quality, unique, accessible, and specialized treatment across various medical specializations. This approach significantly contributes to maintaining optimum capacity utilization and profitability levels on the back of the Group's competitive edge of consultants' network and latest medical technology, reaffirming its market leadership and promises future growth by enabling CHG to consistently adapt to evolving healthcare demands and expand its service offerings strategically.

Cleopatra October Hospital Consolidated into FY23 Results



In November 2022, Cleopatra Hospitals Group embarked on a long-awaited strategic expansion into West Cairo's Sixth of October district by entering into an 18-year usufruct agreement with Haven Hospital, a state-of-the-art hospital with world class equipment focusing on rehabilitation and physiotherapy offerings. This agreement led to the unveiling of Haven Hospital as Cleopatra October Hospital in 2023, setting the stage for its effective management by CHG as well as its integration into CHG's healthcare network seamlessly. Throughout 2023, Cleopatra October transitioned from its pre-operational phase into being fully integrated and consolidated into CHG hub and spoke financial and operational model, and thus embarking on its steep ramp-up journey.

The transformation of Cleopatra October was marked by the inauguration of one stop-stop-shop specialized Centers of Excellence and supportive services in Orthopedics, Neurology Physiotherapy, Rehabilitation, and Long-Term Care. These centers, along with the operational launch of state-of-the-art diagnostics and surgical theatres, outpatient, inpatient, and emergency departments, underscored the hospital's evolution into a comprehensive tertiary care facility. In January & February 2024, Cleopatra October's revenue and volumes across all segments surged, evidencing the steepness of its ramp up trajectory. In anticipation of continued demand, management plans to expand the hospital’s capacity of inpatient and ICU beds, further bolstering its ability to serve a wider patient base and capitalize on its steep growth trajectory. Cleopatra October’s business model that leverages the strength of its centers of excellence and access to world class consultants has delivered a higher-than-average outpatient to surgical conversion ratio to date, complemented with a refined case mix that enables the hospital to generate healthy profitability margins and further bolster its ramp up trajectory. This expansion is part of a broader strategy to nearly triple its top line of EGP 65 mn. in FY23 by FY24. As the hospital continues to cement its position as a key player in West Cairo and the wider Egyptian healthcare landscape, it represents a critical element of CHG’s vision to revolutionize healthcare delivery and position it as a potential medical tourism hub.

Sky Hospital in its Final Stages Pre-Operation

CHG is in its final stages of Sky Hospital’s fitouts program. Management aims to further expand its footprint deeper into the eastern side of Greater Cairo by virtue of this transformative project. This innovative Brownfield facility is strategically located in the heart of East Cairo's newly developed affluent district, New Cairo. Considering its unique smart engineering and departmental layout that is structured to envelope a conglomerate of Centers of Excellence, each with its own look, feel, and SOPs is poised to redefine healthcare delivery in Egypt. Sky is anticipated to have a soft launch mid-2024.

Al Katib Hospital Cements its Market Positioning;

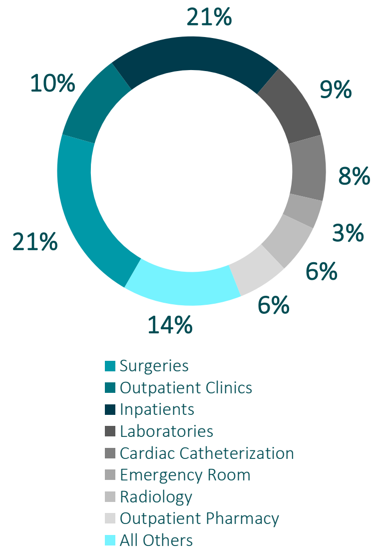
Al Katib Hospital (AKH), since its transformation in January 2022, has been assuming a key role of CHG's strategy to diversify its service offerings and tap into new addressable patient bases. Growing with a steady monthly CAGR of 13% since January 2022, AKH transitioned from its initial role as a COVID-19 treatment facility to a specialized surgical center, supported by key centers of excellence in Nephrology, Urology, and Breast Care. This transformation reflects CHG's commitment to high-quality 360-degree service delivery. In FY23, AKH reported strong growth, with revenues reading EGP 135 million, marking 175% growth versus FY22’s top line of EGP 49 mn.

The Group’s Polyclinics and Pharmacy Business

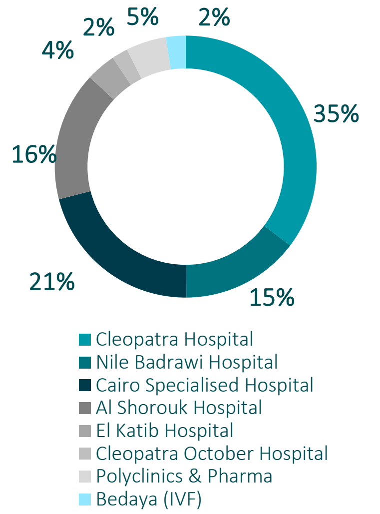
Expanding its referral network, CHG has two polyclinics strategically located in underserved suburbs of Cairo, offering essential healthcare to residents that previously were challenged by the scarcity of and lack of access to high-quality medical services within their vicinities. These polyclinics continue to drive substantial growth in line with their historical performances, with revenues reaching EGP 115 mn in FY23, a 31% increase from the previous year. This surge is attributed to higher patient volumes, strategic pricing, and expanded service offerings. CHG has refined their offered services to complement and help drive referrals to its Centers of Excellence and ramping up hospitals, especially when considering the recent addition of physiotherapy and other key diagnostic services that met dire demand in East and West Cairo’s newly developed districts. Consequently, CHG's outpatient pharmacy business witnessed a remarkable 53% revenue increase to EGP 220 mn in FY23. Management's holistic service approach and the integration of CHG's network with the Clinysis ERP/HIS system have boosted pharmacy business growth, improving record-keeping and care continuity. By FY23, this strategy increased the pharmacy segment's revenue contribution to 6% of CHG's total, up from 5% in FY22, by capturing a more significant portion of patient treatment cycles.

Financial Review

Contribution by Segment (FY23)



Revenue by Hospital (FY23)



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

Revenue Analysis

The Group maintained its upward momentum with its revenues hitting new heights. CHG recorded a historic quarterly revenue of EGP 1,063 mn in 4Q23, leading to an annual top line of EGP 3,595 mn for FY23. This marks remarkable 49% growth in 4Q23 versus 4Q22, and 38% growth in FY23 versus FY22. This performance was driven by core business growth as CHG's centers of excellence continue to capture more of its patients' treatment cycles and optimize each of CHG hospital's patient bases and case mixes.

CHG's performance in FY23 reflects its strategic focus in expanding its organic business, which includes the Group's ability to offer comprehensive care throughout patients' treatment journeys. With management progressing at this front, CHG reported growth that was fuelled by strategic price increases that were implemented throughout 2023, that are complemented with 7% increase in cases served that are preferably optimized. Evidently, notable rises in outpatient, inpatient, and surgical procedure volumes were reported, which grew by 11%, 9%, and 5% respectively, compared to FY22. Management's commercial strategy enabled CHG to magnify the impact of its core business growth as they continue to optimize the Group's case mixes; thereby maximizing the commercial potential of CHG's capabilities.

Quarterly Revenue & Core Business Progression

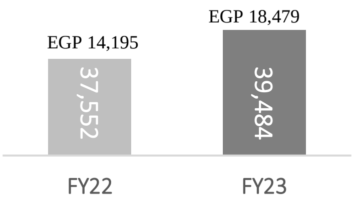
	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Revenue *(in EGP mn)*	637	605	661	712	777	*808*	*948*	**1,063**
Y-o-y Growth	*1%*	*-6%*	*6%*	*10%*	*22%*	*34%*	*43%*	***49%***
Paid Outpatients	200,275	189,744	214,647	238,977	219,011	217,799	250,208	**252,365**
Y-o-y Growth	*12%*	*5%*	*12%*	*12%*	*9%*	*15%*	*17%*	***6%***
Surgical Procedures	8,206	8,732	10,252	10,362	9,109	8,921	10,856	**10,598**
Y-o-y Growth	*7%*	*17%*	*9%*	*14%*	*11%*	*2%*	*6%*	***2%***
Inpatients	12,366	12,941	14,734	15,147	14,067	13,944	16,081	**16,230**
Y-o-y Growth	*5%*	*11%*	*11%*	*15%*	*14%*	*8%*	*9%*	***7%***
Cath Lab Patients	1,214	1,103	1,000	1,271	1,289	1,240	1,341	**1,467**
Y-o-y Growth	*4%*	*13%*	*-17%*	*27%*	*6%*	*12%*	*34%*	***15%***

CHG's Segmental Performance Analysis:

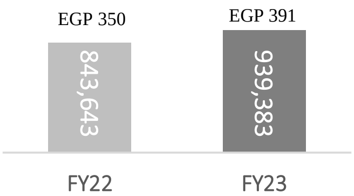
CHG's outpatient and emergency departments are key growth drivers for the Group's inpatient services, surgical procedures, and Catheterization labs, acting as initial touchpoints for potential patients. Paid outpatient visits and emergency patients together contributed 13% to the overall revenue in FY23. Revenue from paid outpatients grew by 25%, with their average revenue per patient (ARP) increasing by 12%. Emergency patients' revenue saw a 35% rise, with a corresponding 57% increase in ARP. Strategic enhancements at Cairo Specialized and Nile Badrawi Hospitals, including optimizing outpatient services and expanding emergency care capacity, have bolstered these segments. The implementation of comprehensive service strategies and outpatient optimizations has resulted in substantial revenue growth, demonstrating CHG's effective management and commitment to expanding access to quality healthcare.

Moreover, inpatient services, along with surgical and catheterization procedures, constituted 50% of CHG's total revenue in FY23. Inpatient services saw a robust 43% increase in consolidated revenue, supported by a 31% rise in ARP and a 9% increase in

Number of Surgical Procedures
(Rev/Procedure)



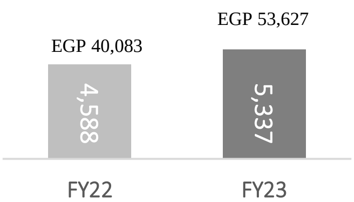
Number of Paid Consultations
(Rev/Visit)



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.

volume. Revenue from surgical procedures grew by 35%, with ARP and volume increasing by 30% and 5% respectively. Catheterization lab procedures experienced 55% revenue growth, with ARP and volume growing by 34% and 16%. This across-the-board growth was driven by strategies capturing more comprehensive stages of patients' treatment journeys and refined case mix optimizations. CSH's in-house centers of excellence for cardiology, orthopedic, and neurology have significantly contributed to over 39%, 50%, and 75% growths in the hospital's surgical, inpatient, and catheterization lab revenues respectively. Nile Badrawi followed a similar growth pattern, thanks to its oncology, nephrology, and cardiology centers of excellence, which led to over 40%, 30%, and 55% increases in the hospital's surgical, inpatient, and catheterization lab revenues respectively.

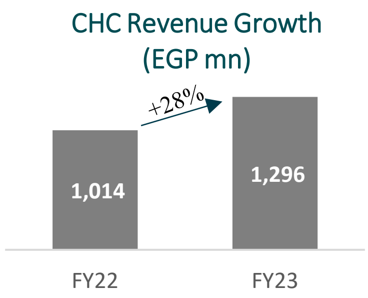
The Group's diagnostic segments, including laboratories and radiology, made up 9% and 6% of consolidated revenues in FY23, respectively. Despite significant challenges from high base effects due to Covid-related revenue and protocols being highly apparent in the first half of 2022 compared to the same period in 2023, strategic pricing measures implemented since January 2023, combined with the Group's commitment to enhancing diagnostic capabilities, helped narrow the gap in the second half of 2023. These strategic adjustments allowed the laboratory and radiology segments to report revenue growths of 20% and 18% in FY23 compared to FY22, with overall volume growths of 7% and 1% respectively, effectively closing the gap caused by high base effects. As 2023 transitioned to a COVID-19 free comparable year versus FY24, CHG aims to regain its pre-COVID growth momentum, supported by the continued ramp-up of its Centers of Excellence.

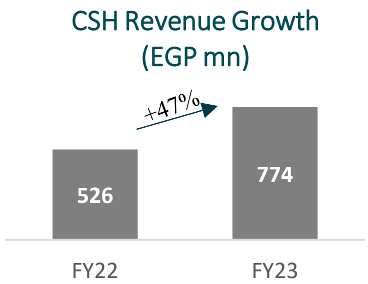
<u>Cleopatra October Hospital:</u>

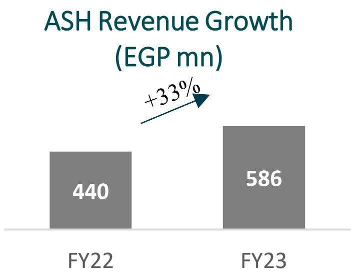
Cleopatra October plays a pivotal role in management's medical tourism agenda, leveraging its unmatched technological capabilities to stand as West Cairo's leading and most comprehensive tertiary care facility. Now fully integrated into CHG's framework and consolidated into its figures, the hospital has reported promising results in 4Q23, indicating a steep ramp-up trajectory. As management first assumed operations of the hospital, it was equipped with extraordinary rehabilitation and physiotherapy capabilities. CHG's leadership's vision was to complement the hospital's existing capabilities by inaugurating world-class outpatient and emergency setups, in addition to bolstering the hospital's unutilized operating theatres. To effectively allow the hospital to generate its own patient referral structure, management focused on setting up Neurology and Orthopaedic Centers of Excellence complemented with key sub-speciality focus to promote specialized care and multidisciplinary teams (MTDs). As a result, with strategically setting up these centers of excellence vertically on its existing capabilities, the hospital develops its referral network and optimizes its case mix for unmatched profitability margins sustainably. As the hospital reported EGP 65 mn in revenue for FY23, Cleopatra October's revenue surged to EGP 16 mn in January 2024, reflecting a sharp increase from monthly run rates in 2023. In anticipation of continued demand, management plans to expand the hospital's inpatient and ICU capacity, further bolstering its ability to serve a wider patient base and capitalize on its growth trajectory. Cleopatra October's business model leverages the strength of its centers of excellence, delivering a higher-than-average outpatient to surgical conversion ratio, complemented by a refined case mix that enables the hospital to generate healthy profitability margins and bolster its ramp-up phase. This expansion is part of a broader strategy to more than triple its top line of EGP 65 mn in FY23 by FY24.

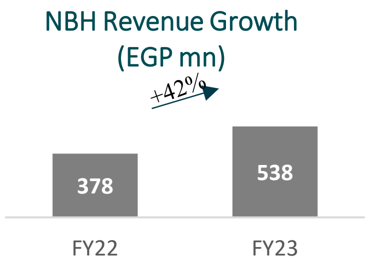
<u>CHG's Polyclinics and Bedaya Hospital:</u>

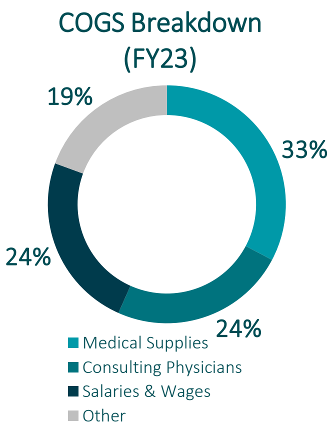
The polyclinics demonstrated remarkable resilience and growth in FY23, generating a combined revenue of EGP 115 mn, a significant 31% increase compared to FY22. This solid performance is attributed to a strategic pricing implementation in place since January 2023, successfully balancing volume expansion with sustainable margin improvements. The polyclinics have also expanded their physiotherapy capacities,









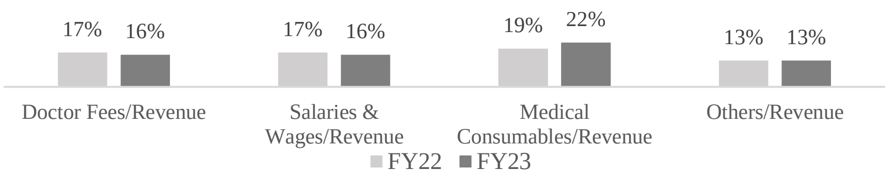


leveraging the expertise of Cleopatra October Hospital and playing a key role in referring patients to the hospital to complete their treatment journeys. Consequently, both polyclinics conducted over 90% more physiotherapy sessions and saw a 9% increase in paid outpatient visits. The polyclinics play a pivotal role in the Group's broader strategy of ramping up its Centers of Excellence by attracting patients from remote regions in both East and West Cairo, ultimately referring them to the Group's facilities when appropriate to capture the remaining stages of their treatment journeys. In addition to the polyclinics' success, the Group's fertility solutions venture Bedaya has also recorded impressive growth, generating EGP 84 mn in FY23, growing by 21% versus FY22. With Bedaya playing a key role in management's medical tourism agenda, the venture is well-positioned to grow its contribution to the Group's top-line consolidation from its current 2% in FY23.

Profitability Analysis

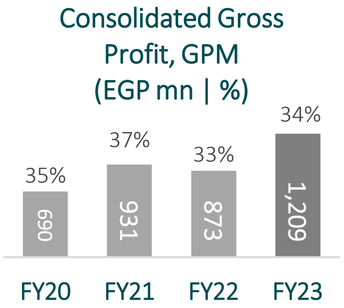
Cost of Goods Sold & Gross Profit

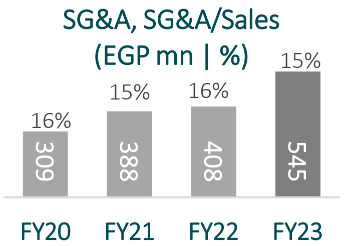
In the challenging economic landscape of FY23, CHG excelled in controlling its Cost of Goods Sold (COGS), which saw a 37% increase compared to 38% revenue growth, culminating in COGS of EGP 2,387 mn. This meticulous management expanded the gross profit margin by one percentage point to 34%. The Group's strategic focus on optimizing key cost components, including efficiency in managing salaries and wages as well as consultant fees, was pivotal in hedging against inflationary medical consumables costs. With regards to the Doctors' Fees to revenue ratio that continues to reflect improvement, is attributed to enhanced case mixes and a further capture of patient treatment stages that extend across the Group's services diaspora. Despite facing increases in the medical consumables cost, the Group's seasoned supply chain and demand planning teams remained proactive in stockpiling and securing competitive rates for all the Group's key inventory. This approach helped ensure the minimization of impact of Purchase Price Variances (PPVs) on CHG's cost structure and accordingly manage to soften the inflation's impact on CHG's cost structure with no compromise to management's ambition of consistent margin expansions. By keeping the COGS/Sales ratio steady at 66%, CHG's management is proactively navigating the macroeconomic terrain to safeguard profitability and uphold service quality, showcasing a balanced approach to growth and operational excellence. As management's optimization strategies remain early in implementation, they hint at potential for even greater efficiency gains in 2024 and beyond.

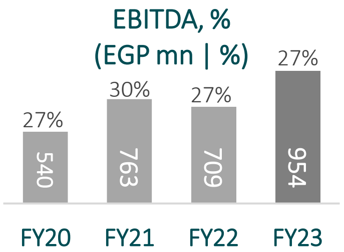


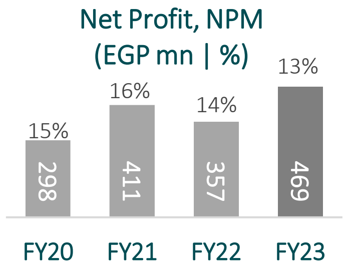
G&A Expenses

CHG demonstrated discipline and efficiency in managing General and Administrative (G&A) expenses amidst inflationary pressures through various cost avoidance techniques and tactical marketing strategies yielding high ROIs, thus preserving CHG's profitability. In FY23, G&A expenses amounted to EGP 545 mn, a 34% rise from FY22. With the optimization agenda evolving as CHG assets further integrate and leverage synergies, the Selling, General, and Administrative (SG&A) to sales ratio saw a nearly 1% improvement to 15% in FY23 compared to FY22. These strategies effectively mitigated cost pressures, ensuring the continuation of sustainable profitability for CHG.









EBITDA

In FY23, CHG recorded record high adjusted EBITDA standing at EGP 954 mn, reporting strong 35% growth while maintaining a steady margin of 27% compared to FY22. The Group managed to maintain its profitability while consolidating Cleopatra October's negative EBITDA of EGP 23 mn, as the hospital embarks on its ramp up journey. Management's commitment to efficiency has effectively safeguarded the Group's profitability margins, as well as matured the Group's ability to absorb the impact of newly added assets with minimal bearing on overall profitability.

Net & Normalized Profits

CHG's consolidated net profit for FY23 amounted to EGP 469 mn, representing an impressive growth of 32% compared to FY22. Net profit margin however experienced slight compression of one parentage point to read 13% in FY23 versus 14% in FY22. While the Group's income statement saw a substantial 60% increase in interest expenses in FY23 due to ongoing interest rate hikes and the Group's recent capital structure optimization efforts, normalizing net income to exclude the impact of interest on both periods' income statements reveals a strong and growing underlying performance. After normalizing the impact of interest expenses, CHG's normalized net income stood at EGP 503 mn, representing a robust 46% growth compared to FY22. This strong performance is further underscored by a one percentage point improvement in the normalized net profit margin to 14% versus 13% in FY22.

CAPEX

In FY23, CHG invested EGP 825 mn in capital expenditures, with c.30% earmarked for CHG's new flagship facilities, Sky and October Hospitals. Management's proactive strategies aim to ensure timely progress on these projects. Over the next 18 months, CHG plans to invest an additional EGP 2 bn in growth CAPEX, funded through internal and existing banking sources. These investments will support the completion and soft launch of Sky Hospital in 2024 and expand Cleopatra October's capacities to accommodate its steep ramp-up trajectory. CHG is also further exploring polyclinic expansions that would expand CHG's referral network, extending its reach into underserved areas across Egypt. These expansionary plans aimed at infrastructure and human capital development will introduce over 300 beds to the Group's capacity and create over 750 jobs, underscoring CHG's dedication to healthcare excellence, community impact, and economic contribution in line with the mission to expand healthcare capacities and distribution, as well as enhance access to advanced medical technologies and quality healthcare services.

–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

For further information, please contact:

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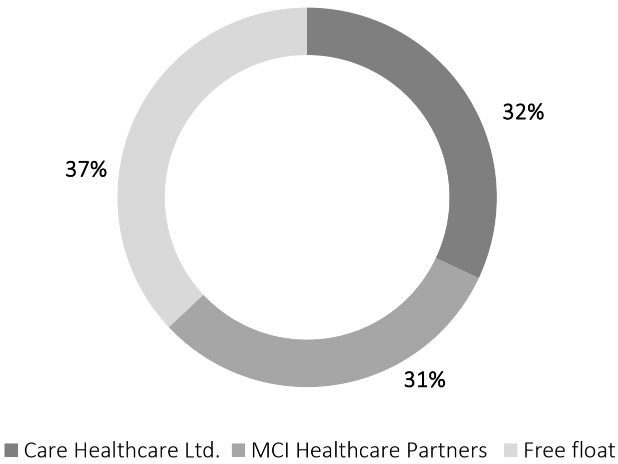
Shareholder Structure

(as of December 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.

Consolidated Statement of Income[2]

All figures in EGP mn	4Q2022	4Q2023	% change	FY2022	FY2023	% change
Revenues	712.2	1063	*49%*	2614	3595	*38%*
Cost of sales	(474.6)	(697)	*47%*	(1741)	(2387)	*37%*
Gross profit	**237.6**	**366**	*54%*	**873**	**1209**	*38%*
Gross Profit Margin	*33%*	*34%*		*33%*	*34%*	
General & administrative expenses	(109)	(173)	*58%*	(407)	(545)	*34%*
Cost of acquisition activities	(1)	(2)	*12%*	(4)	(2)	*-46%*
Provisions	(12)	(8)	*-32%*	(22)	(18)	*-22%*
Other income	1	3	*382%*	5	7	*38%*
Intangible Assets Write Off	0	0		0	(14)	
Discontinued Operations	0	0		0	13	
EBIT	**116**	**186**	*61%*	**444**	**649**	*46%*
EBIT Margin	*16%*	*18%*		*17%*	*18%*	
Interest income	12	7	*-45%*	49	28	*-43%*
Interest expense	(15)	(18)	*26%*	(44)	(70)	*60%*
Profit before tax	**113**	**174**	*55%*	**450**	**608**	*35%*
PBT Margin	*16%*	*16%*		*17%*	*17%*	
Income tax	(20)	(41)	*112%*	(85)	(126)	*48%*
Deferred tax	(4)	(9)	*140%*	(8)	(12)	*62%*
Net profit after tax	**90**	**124**	*39%*	**357**	**469**	*32%*
Net Profit Margin	*13%*	*12%*		*14%*	*13%*	
Distributed as follows:						
Shareholders of the company	79	107	*36%*	326	418	*28%*
Minority rights	11	17	*59%*	31	51	*65%*
Profit for the period	**90**	**124**	*39%*	**357**	**469**	*32%*

Consolidated Statement of Comprehensive Income

All figures in EGP mn	4Q2022	4Q2023	% change	FY2022	FY2023	% change
Net Profit	90	124	*39%*	357	469	*32%*
Other comprehensive income	0.0	0.0		0	0.0	
Total comprehensive income for the year	**90**	**124**	*39%*	**357**	**469**	*32%*
Total comprehensive income attributable to:						
Owners of the company	79	107	*36%*	326	418	*28%*
Non-controlling interest	11	17	*59%*	31	51	*65%*
Total comprehensive income for the year	**90**	**124**	*39%*	**357**	**469**	*32%*

[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	31 December 2023
Non-current assets		
Fixed assets	1,567.3	2,176.6
Intangible assets	423.4	407.3
Right of use	149.2	133.2
Payment under investment	4.2	-
Investment in associates	3.8	3.8
Total non-current assets	**2,147.9**	**2,720.9**
Current assets		
Inventory	108.0	292.0
Accounts receivables	486.3	648.5
Other receivables and debit balances	172.8	468.3
Due from related parties	3.2	0.5
Treasury bills	98.9	-
Cash	247.2	357.9
Total current assets	**1,116.5**	**1,767.1**
Total assets	**3,264.3**	**4,488.0**
Equity		
Share capital	800.0	722.7
Treasury Shares	(766.0)	(5.1)
Reserves	319.2	80.4
Retained earnings	1,517.4	1,435.6
Long term incentive plan	8.4	16.1
Equity attributable to the parent company	**1,878.9**	**2,249.8**
Non-controlling interest	148.4	196.5
Total equity	**2,027.4**	**2,446.3**
Non-current liabilities		
Non-current portion of borrowings	88.0	423.0
Creditors and other credit balances - non-current portion	-	-
Non-current portion of lease liability	155.5	85.9
Deferred tax liabilities	89.4	101.8
Total non-current liabilities	**332.9**	**610.7**
Current liabilities		
Provisions	25.3	20.3
Creditors and other credit balances	511.7	928.1
Current Portion of Borrowings	244.5	318.9
Current portion of lease liability	39.0	45.7
Other Liabilities	35.6	42.5
Current income tax	48.0	75.6
Total current liabilities	**904.1**	**1,431.1**
Total liabilities	**1,237.0**	**2,041.8**
Total liabilities & shareholders' equity	**3,264.3**	**4,488.0**

Consolidated Statement of Cash Flow

All figures in EGP mn	31 December 2022	31 December 2023
Cash flow from operating activities:		
Profit before tax	449.7	607.7
Adjustments for:		
Depreciation	133.1	152.4
Right of use depreciation	-	-
Amortization of intangible assets	15.9	9.0
Allowance for impairment of current assets	(42.7)	47.7
Provision	3.4	(5.0)
Capital gain/Loss	0.4	4.3
Credit / Debit Interest	2.7	28.4
Changes in current tax liability	(100.4)	(98.4)
Loss In Investments in subsidiaries	(0.4)	-
Share-based payments financial liabilities	16.5	22.3
Lease Write Off	-	(21.7)
Intangible Assets Write off	-	14.0
Operating profits before changes in assets and liabilities	**478.1**	**760.7**
Changes in working capital:		
Changes in Inventories	(57.0)	(184.1)
Change in trade receivables, debtors and other debit balances	(161.1)	(481.1)
Changes in Due from related parties	(2.6)	2.6
Change in trade and other payables	69.7	412.7
Employee Incentive Plan	(16.4)	-
Change in lease	8.4	10.8
Net cash flows generated from operating activities	**319.0**	**521.6**
Cash flow from investment activities:		
Proceeds from sale of fixed assets	2.2	2.6
Fixed assets purchased	(161.7)	(185.9)
PUC purchased	(189.6)	(582.7)
Advance payment for purchase of fixed assets	19.6	(56.6)
Fixed assets Suppliers	-	-
Payments under investment	1.5	-
Credit Interest Collected	41.0	24.9
Paid for Investment Associates	(11.2)	-
Net cash flows used in investing activities	**(298.3)**	**(797.7)**
Cash flow from financing activities:		
Treasury Shares	(681.2)	-
Dividends paid out	(67.9)	(64.9)
Cash Proceed from Overdraft	479.9	866.3
Cash Paid to Overdraft	(296.0)	(857.8)
Interest paid	(43.6)	(53.4)
Receipts from borrowings	88	400.9
Net cash flow from financing activities	**(520.8)**	**291.1**
Net change in cash & cash equivalents during the year	**(500.1)**	**15.0**
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	**347.4**	**362.4**