Cleopatra Hospitals Group S.A.E.
H1 2024 EARNINGS RELEASE

Cairo, Egypt | September 1st, 2024

Cleopatra Hospitals Group Reports Record 1H2024 Results

CHG achieves record half-year performance, sustains volume growth momentum and expands margins across its facilities

2Q2024 Financial & Operational Highlights[1]

EGP 1,191 mn Total Revenue (+47% y-o-y)	EGP 428 mn Gross Profit (+67% vs. 2Q23; 36% Margin; +4% margin expansion)
EGP 337 mn Adjusted EBITDA[2] (+68% vs. 2Q23; 28% Margin; +3.5% margin expansion)	EGP 231 mn EBIT (+77% vs. 2Q23; 19% Margin; +3% margin expansion)
EGP 162 mn Net Profit (+53% vs. 2Q23; 14% Margin; +1% margin expansion)	EGP 0.11 Earnings Per Share (+53% vs. 2Q23 EPS)
+295,047 Cases Served[3] (+8% y-o-y)	

1H2024 Financial & Operational Highlights[1]

EGP2,372 mn Total Revenue (+50% y-o-y)	EGP 864 mn Gross Profit (+66% vs. 1H23; 36% Margin; +3% margin expansion)
EGP 690 mn Adjusted EBITDA[2] (+67% vs. 1H23; 29% Margin; +3% margin expansion)	EGP 507 mn EBIT (+86% vs. 1H23; 21% Margin; +4% margin expansion)
EGP 367 mn Net Profit (+72% vs. 1H23; 15% Margin; +2% margin expansion)	EGP 0.25 Earnings Per Share (+72% vs. 1H23 EPS)
+597,030 Cases Served[3] (+9% y-o-y)	

Cairo, 1st of September 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 period ended 30 June 2024.

1H2024 Performance Highlights:

- CHG's consolidated top-line reached EGP 2,372mn in 1H2024 and EGP 1,191mn in 2Q2024, 50% higher than 1H2023 and 47% higher than 2Q2023, **setting new historical records on both quarterly and half-year performances**. This growth was fueled by a significant rise in patient volumes and an improved case-mix across the Group's facilities, bolstered by strategic price adjustments implemented earlier in the year. The strong performance builds on the momentum from the first quarter, with operational leverage playing a significant role in sustaining the Group's success, despite the typically low seasonality during Ramadan and Eid holidays in the first semester of the year.

[1] *Performance includes: CHC, CSH, NBH, & ASH, as well as East and West Cairo Polyclinics, El Katib 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] *Cases served includes number of inpatients, paid outpatient visits and ER visits.*

- CHG's focus on organic growth underpins its robust volume trajectory, enhancing its facilities' ability to manage patients' complete treatment cycles. This strategy resulted in a 9% increase in cases served in 1H2024, driven by increases in outpatient visits and inpatient volumes, which rose by 11% and 7% respectively, highlighting the **upsurge in overall patient volumes**. On a quarterly basis, cases served increased by 8% year-over-year in 2Q2024.
- **All CHG facilities reported substantial revenue growth**, averaging over 45% for both the quarterly and half-year periods, supported by healthy increased volume and optimized case mix. Leading this growth were Al Katib, Cairo Specialized, and Nile Badrawi Hospitals, with 1H2024 increases of 93%, 57%, and 56%, respectively. In 2Q2024, these hospitals recorded growth rates of 67%, 55%, and 49%, respectively. Renovation programs at CSH and NBH, aimed at fully integrated the Centers of Excellence (COEs), significantly boosted cases served, with CSH seeing over 6% growth in 2Q2024 and 9% in 1H2024, and NBH experiencing approximately 15% growth in both periods. CHG's strategy to position Al Katib Hospital as a surgical center of excellence, launched in January 2022, continues to fuel high volume growth across inpatient, outpatient, diagnostic and surgical services. The Polyclinics also contributed significantly to top-line growth, with expansions of 31% in 1H2024 and 32% in 2Q2024.
- **Cleopatra October Hospital, CHG's recent addition, continues to surpass expectations in revenue and margins**, reporting 12% quarter-on-quarter growth, reaching EGP 52mn in 2Q2024, and a total of EGP 99mn in 1H2024. The hospital achieved a gross profit margin of 18%, within just nine months of operations, aligning with projections to exceed its annual budget by more than 25%. Cleopatra October also recorded a positive EBITDA margin of 2%, reflecting CHG's operational excellence.
- CHG's effective cost and operational efficiency strategy, including shared services and cost avoidance measures, led to further **profitability margin expansion in 1H2024 compared to 1H2023**. The gross profit margin improved by 3 percentage points, EBIT by 4 points, EBITDA by 3 points and net profit margin by 2 points. Margin expansion was also evident on a quarterly basis, with gross profit up by 4 percentage points, EBIT by 3 points, EBITDA by 3.5 points, and net profit by 1 point.
- **CHG reported strong consolidated net profits**, amounting to EGP 367mn in 1H2024, representing a 72% y-o-y growth. Net Profit for 2Q2024 reached EGP 162mn, marking a 53% y-o-y increase. Despite recent capital structure changes due to investments in CHG New Cairo (Sky) Hospital, renovations at Cleopatra October Hospital and increased capacity utilization at CSH and NBH, net profit margins remained strong at 15% for 1H2024 and 14% for 2Q2024.

1H2024 Strategic Updates:

- **Construction at CHG's new East Cairo flagship facility, CHG New Cairo (Sky) Hospital, is progressing well and is expected to be ready for a soft launch by the last quarter of 2024**. This facility is set to become the largest in the Group, with an anticipated full capacity of approximately 240 beds by the end of 2025. Similar to CHC, CHG New Cairo (Sky) Hospital will host a multitude of Centers of Excellence, aiming to be recognized for premium quality, cutting-edge technology, and superior patient care in line with international best practices. Through efficient structuring and value engineering we are optimistic to deliver CHG's new flagship at a construction cost of $200k / bed vs. the Egyptian average of $350k / bed.
- **Cleopatra October Hospital**, now fully integrated in CHG's operational and financial systems, **is progressing well in its ramp-up phase following its transformation into a full-scale tertiary musculoskeletal hospital**. It boasts the highest surgical referral rates within the Group from its outpatient department. With advanced Physiotherapy and Rehabilitation facilities, alongside surgical theatres, an emergency room, and integrated Centers of Excellence, the hospital is establishing itself as the leading tertiary hospital in West Cairo, with a focus on Orthopedics & Neurology and related specialties. Plans are underway to expand its bed capacity by at least an additional 30 beds during FY2024.

Management Comment

Our strategic focus in the last few years on organic volume growth and expanding bed capacity has yielded significant results, with half-year revenues surpassing EGP 2.3 billion with healthy operating leverage across the group. By enhancing operational efficiencies and broadening our network footprint, we've achieved notable increases in patient volumes, optimized case mixes, and revenue growth across various functions. These advancements highlight the successful execution of our strategies and the positive impact of our investments in technology, staff development, and process improvements. As a result, we've seen substantial enhancements in overall performance, further solidifying CHG's position as the leading healthcare provider in Egypt.

Looking forward, we are excited about several upcoming developments. We plan to elevate Cleopatra October's service offerings by integrating new capabilities and increasing bed capacity by 30 beds in 2024. Additionally, we anticipate the soft launch of Cleopatra New Cairo (Sky) Hospital by the end of the year, with full operational capacity expected in the following year. These expansions, which emphasize capital-efficient projects, will add over 300 beds to the Group and create more than 750 jobs, reinforcing our commitment to healthcare excellence and economic growth. As our current new bed capacity projects reach completion, our focus will shift towards generating strong cash flows and reducing capital expenditure by prioritizing projects with high returns and efficient capital use.

Furthermore, capitalizing on our strong management team, we have successfully entered the Saudi Arabian market and will soon commence operations at our first facility in the region, thereby adding a new revenue stream in hard currency to our P&L. This, along with our medical value tourism strategy, strategically positions us to capitalize on external growth opportunities.

At CHG, we remain dedicated to enhancing patient experiences through innovative healthcare solutions and cutting-edge facilities. Our integrated network and advanced digital capabilities continue to drive growth across all facilities. We are committed to expanding access to quality healthcare to more patients and their families in Greater Cairo. We look forward to building on this momentum as we continue to deliver exceptional care and achieve new milestones.

Dr. Ahmed Ezzeldin
Group CEO

Strategy Overview

Throughout the first half of 2024, Management at CHG has continued to execute on its comprehensive growth strategy. The leadership team has been focused on expanding the Group's service offerings, boosting overall capacity, and enhancing the efficiency of its referral network to become a more streamlined and technologically advanced healthcare provider.

Reflecting the Group's inorganic growth strategies, recent developments highlight this approach. Notably, CHG expanded into West Cairo with operating Cleopatra October Hospital in 2023, positioned to be the largest regional long-term care and rehabilitation tertiary care hospital, and the upcoming launch of CHG's East Cairo flagship Hospital, CHG New Cairo (Sky) Hospital. CHG New Cairo (Sky) Hospital, an innovative project, aims to set new standards in healthcare delivery in Egypt, with a soft launch planned for late 2024 and full operation expected by 2025. Beyond Greater Cairo, CHG successfully landed its first operational contract in the Kingdom of Saudi Arabia, the first footprint towards its regional expansion strategy.

Cleopatra October Hospital, the leading regional tertiary care hospital





Cleopatra October is CHG's flagship hospital, finally connecting West Cairo with the group's outstanding healthcare network. Joining the group relatively recently back in 2022, the hospital has consistently expanded its scope and reach ever since. Originally, the hospital has been largely focused on rehabilitation and physiotherapy services, but CHG has successfully transformed it into a fully comprehensive advanced healthcare facility, catering to the needs of a much wider range of patients. The hospital now hosts three Centers of Excellence, including the biggest Physio-Rehab Center of Excellence in Egypt. Spanning over 30,000 square meters, Cleopatra October is well equiped for its plan to reach a total bed capacity of 300 beds in the long-term, starting with an initial increase in bed capacity of 30 beds by year-end. Cleopatra October has also integrated Polyclinics west under its umbrella, increasing patient accessibility in the region of West Cairo from Al Sheikh Zayed district to the Sixth of October district.

PHYSIO-REHAB CENTER OF EXCELLENCE

ORTHOPEDIC CENTER OF EXCELLENCE

NEUROSCIENCE CENTER OF EXCELLENCE

The hospital boasts an exceptional standard of excellence across all its functions, reflecting CHG's commitment to providing top-notch healthcare. It features state-of-the-art Surgery rooms and Emergency rooms fully equipped with cutting-edge technology, ensuring superior care for patients. Surgeries in Cleopatra October constitute 5% of total surgery volumes in CHG for 2Q2024, with one of the highest ARPs in the Group. Recently, the hospital's outpatient department has undergone a comprehensive renovation program, which is attracting top-tier medical consultants. In the first half of the year, Cleopatra October served over 14,000 inpatient, outpatient and emergency cases. Simultaneously CHG plans to develop its diagnostics department and establish a top-of-the-line radiology department in the short-term, equipped with pioneering imaging technologies, to ensure a full-fledged patient experience. With a particular focus on specialized medical services, the hospital emerges as a key destination for medical tourism, catering to a broad spectrum of patients seeking advanced healthcare solutions, highlighted by the hospital's various subspecialities.

HYDROTHERAPY | PEDIATRIC | SPORTS | ORTHO | LYMPHEDEMA | NEURO

In 1H2024, Cleopatra October's revenue and volumes across all segments surged, recording an impressive EGP 99mn in revenues, on the way to significantly supersede our initial guidance of EGP 150 - 170mn for FY2024. Surgical revenues in 2Q2024 alone increased sixfold compared to 1Q2024, signifying the steepness of the hospital's ramp up trajectory. 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. As a result, Cleopatra October hospital enjoys the highest surgical average revenue per patient of the Group, as well as the highest referral rates from the Outpatient department, in only 3 quarters of full operations, empowering the hospital to reach healthy profitability margins. The hospital recorded positive EBITDA margin in 2Q2024, an impressive outcome, contrasting sharply with the market's expectation of negative margins for hospitals in the first phase of operation.

CHG New Cairo (Sky) Hospital, the newest addition and East Cairo's flagship Hospital

240+ Beds

7 OR's + 2 Cardiac Cath Labs

New Onco-Extension with 2 LINAC's

2,000+ New Jobs Created (once fully operational)

1 mn Patients Capacity

Launch Date Phase 1 (110 beds): Q4 2024

Launch Date Phase 2 (240 beds): FY2025

In line with CHG's strategy to meet growing demand for quality healthcare services that stems from underserved regions, the Group is in the process of launching a top tier hospital in East Cairo that will introduce c.240 new beds to the market over a phased operation in Q4 2024 with an initial 100 beds, followed by an additional 140 beds in FY2025. CHG New Cairo (Sky) Hospital is poised to house a conglomerate of Centers of Excellence, augmented by unmatched medical technology, underscoring CHG’s commitment to high-quality 360-degree service delivery. The hospital will feature 7 highly innovative operations rooms and 2 cardiac catheterization laboratories. Additionally, a new Onco-Extension dedicated to advancing oncology care will be developed. This extension will be equipped with two cutting-edge Linear Accelerators (LINACs), essential for providing precise and effective radiation therapy for cancer patients. CHG New Cairo (Sky) Hospital stands as a testament to the Group’s unwavering dedication to delivering world-class medical services to both petroleum patients and the wider East Cairo community. Its strategic phased launch showcases a meticulously crafted plan designed to provide outstanding patient experiences. This approach ensures that the hospital is well-positioned for a rapid and successful ramp up period.

Leveraging CHG’s Expertise to Expand into New Markets

CHG capitalizes on its management team's extensive and well-rounded expertise in hospital operations and turnaround strategies to establish a new revenue-generating business line. This approach is evident as the Group secured its inaugural contract in the Kingdom of Saudi Arabia, marking a significant milestone. Under this agreement, CHG delivers both pre-operational and operational services for a new 200-bed rehabilitation and long-term care (LTC) facility set to open in Riyadh in late 2024. The contract encompasses service fees along with performance-based incentives – that cover all the Group’s costs – for implementing CHG's fully integrated operational model at the new facility.

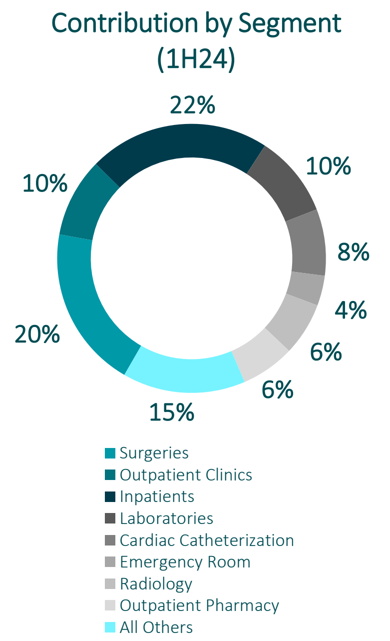
CHG is in the final phases of launching this new facility, Mumtada Hospital, poised to become a leading rehabilitation and long-term care purpose-built ecosystem in Saudi Arabia. The facility will boast a differentiation approach of comprehensive rehab and LTC service offerings across key subspecialities, including Neurology, Orthopedic and Cardiology divisions. Services will range from outpatient diagnostics to post-acute rehabilitation, supported by round-the-clock monitoring and homecare transition. Currently, the Group has successfully appointed the first layer of the management team for the facility and established the hospital’s brand and marketing strategy. CHG is now prepared to commence operations in late 2024, utilizing its expertise in various operational areas. This includes implementing effective Health Information Systems (HIS), optimizing shared services, staffing solutions and outsourcing strategies, as well as supply chain management and planning. Additionally, advisory support will be leveraged to ensure a smooth and efficient launch.

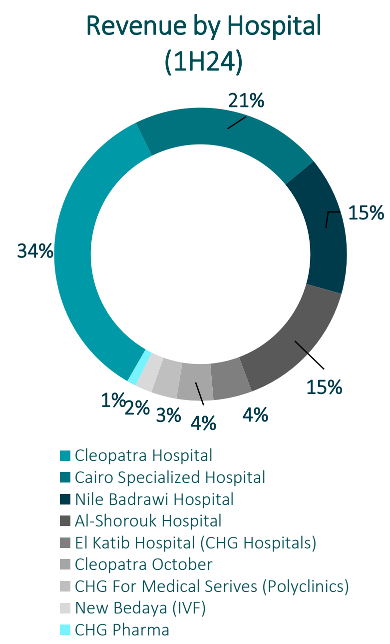
By leveraging the management team’s proven track record in optimizing hospital performance and driving successful transformations, the Group aims to offer management services to other healthcare facilities in the region. This strategic move not only positions the Group as a leader in hospital management but also creates a new revenue stream by providing valuable insights and solutions to enhance the operational efficiency and financial performance of hospitals.

Cleopatra Hospital Group as a Hub for Medical Tourism

Cleopatra Hospitals Group is emerging as a premier destination for medical tourism, attracting patients from around the region due to its fully integrated Centers of Excellence and exceptional quality of patient care and specialized services. The Group has employed an experienced Medical Value Tourism (MVP) team, fully dedicated to optimizing the medical tourism experience, including personalized patient care, streamlined logistics, and comprehensive support services for international patients seeking high-quality medical treatments. Currently, the team's primary focus is showcasing Cleopatra October as the leading tertiary care hospital in the region, as well as promoting Bedaya’s IVF Center of Excellence. These Centers of Excellence are equipped with state-of-the-art technology and staffed by leading experts, ensuring top-tier care and tailored solutions for patients seeking advanced fertility treatments and specialized physiotherapy and long-term care services. CHG’s commitment to delivering world-class healthcare, coupled with a patient-centric approach and tailored services for international visitors, underscores its growing prominence in the global medical tourism landscape.

Financial Review





**Polyclinic revenue includes both East and West Cairo Polyclinics (CHG for medical services).*

Revenue Analysis

During the first half of 2024, the Group recorded consolidated revenues of EGP 2,372mn compared to EGP 1,585mn in 1H2023. On the quarterly level, The Group further has continued its upward growth trajectory, scoring EGP 1,191mn, up 47% from 2Q2023. The growth was primarily fueled by increased volumes in all its facilities' core services, alongside enhanced profitability levels due to the ever-evolving patient case mixes, supported by targeted price hikes which were enacted in January 2024, in line with the Group's commercial strategy. The strength of CHG's core business is also evident in its volumes; whereby total cases served surged by 9% in the first half of 2024 reaching a record high 597k cases vs. 1H2023.

Semi Annual Revenue Progression – in EGP Mn

EGP mn	1H22	2H22	1H23	2H23	1H24
Total Revenues	1,242	1,373	1,585	2,011	**2,372**
Y-o-y Growth	*-3%*	*8%*	*28%*	*46%*	**50%**

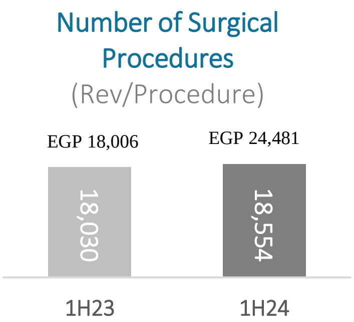
Segmental Performance Analysis:

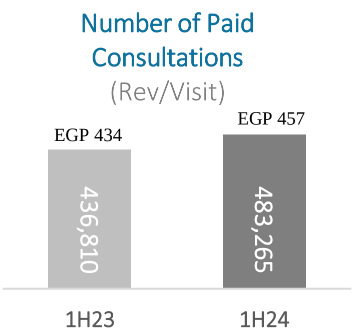
CHG's inpatient services, along with surgical and cardiac catheterization procedures contribute the highest to overall revenue, holding a total of 49% in 1H2024. Revenues of inpatient services saw an 81% rise, with an impressive 69% surge in average revenue per patient (ARP). Surgical procedure revenue grew by 40%, with both ARP and volume increasing by 36% and 3%, respectively. Simultaneously, Catheterization lab revenue rose by 44%, with ARP up by 43% and volume by c. 1%. This showcases the importance of these segments to the Group's business model and strategic outlook.

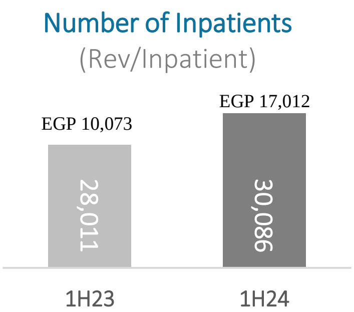
In parallel, emergency and outpatient cases contributed 13% to the Group's consolidated revenue. Emergency services achieved the second highest revenue growth rates, recording 58% increase with a 56% rise in ARP. Meanwhile, Outpatient cases saw a 11% rise in volumes in the first half of the year, with a 5% increase in ARP. Notably, the diagnostics department substantially supported the increase in revenues, whereby revenues of laboratory and radiology services grew by 33% and 43% respectively, with an increase of 13% and 25% increase in ARPs respectively. The diagnostic department is instrumental in driving the Group's growth trajectory as it supports the Group's strategy of capturing the entire patient journey as a one-stop-shop.

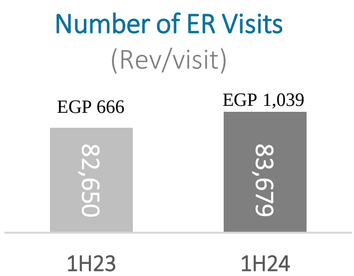
Driven mainly by the rigorous renovation programs at CSH and NBH that are aimed at fully integrating the Centers of Excellence at both facilities, total cases served in 1H2024 significantly rose by 9% and 15%, respectively. For CSH, this was attributable to an impressive 75% surge in inpatient revenue and 28% rise in surgical revenue, accompanied by an 11% increase in inpatient volumes. Similarly, NBH witnessed a spike of 63% in inpatient revenues, with an 8% increase in volumes, while surgical revenues rose by 65% with a 10% increase in number of surgeries. The results from the first half of 2024 highlight the successful implementation of transformation initiatives within CHG facilities, and we expect the Group's results in the near future to continue reaping from these efforts.

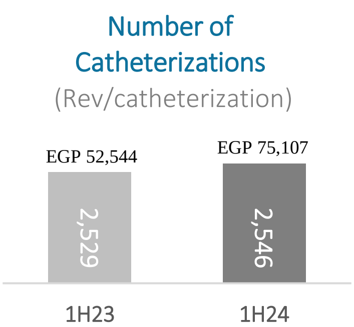
Transformed in January 2022, AKH posted an extraordinary top-line growth of 93% in H1 2024, powered by triple-digit growth in inpatient and outpatient revenues of 129% and 269% respectively, accompanied by a robust growth in their respective volumes of 16% and 87%. AKH was able to leverage on CHG's extensive patient referral network











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.

to successfully position itself as a Surgical Center of Excellence with Nephrology and Breast Care specializations.

Cleopatra October, despite being in its third quarter of operations, contributed by 4% of total revenues in 1H2024, whereby total revenues recorded EGP 99mn. On a quarterly level, the hospital's revenues expanded by 12% q-o-q reaching EGP 52mn, primarily driven by the accelerated ramp up of all services, in line with CHG's strategy to build a full-scale tertiary musculoskeletal hospital. Surgical revenue amazed with over 600% increase, while volumes rose by 51%.

Profitability Analysis

Cost of Goods Sold & Gross Profit

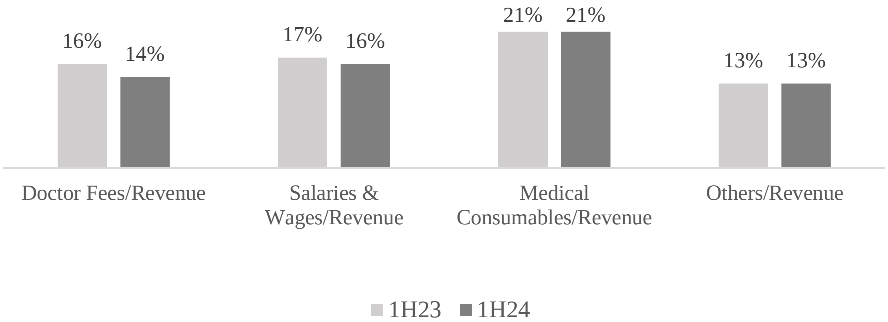
Throughout 2Q2024 and 1H2024, the Group recorded total cost of goods sold (COGS) amounting to EGP 763mn and EGP 1,509mn respectively, signifying increases of 38% and 42% respectively. On a semi-annual level, this was a remarkable 8 percentage points lower than the increase in total revenues of 50%, demonstrating operational leverage.

Notably, management expertly maintained the Group's COGS/Sales ratio at 64% on both quarterly and half-year periods, thereby preserving Gross profit margins of 36% for both 2Q2024 and 1H2024. This demonstrates management's ability to optimize major cost components in light of Egypt's current inflationary environment, played a crucial role in mitigating the impact of rising medical consumables costs.

In terms of COGS, all components saw a marginal improvement, showcasing the Group's ability to enhance its preferred case mixes and leverage on CHG's Shared Services that allow for further cost optimization. In terms of doctor fees, the Group reported a 2%-point enhancement of Doctor Fees to Revenue ratio, reporting 14% in 1H2024, and 14% in 2Q2024. In parallel, Salaries and Wages to revenue ratio improved by 1-percentage point in 1H2024 vs. 1H2023, recording 16% vs. 17%, which further demonstrates a dedication to bolstering productivity in a sustainable and efficient manner.

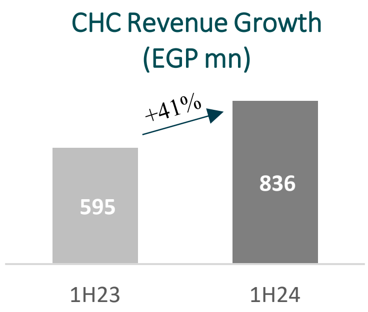
Post currency devaluation, CHG's seasoned supply management and procurement teams worked very diligently to secure competitive rates for critical inventory at Group level and minimize the effect of expected Purchase Price Variances (PPVs) relative to market rates on total inventory costs. Additionally, the Group was able to preserve Medical Consumables to revenues ratio at constant levels despite inflationary pressures.

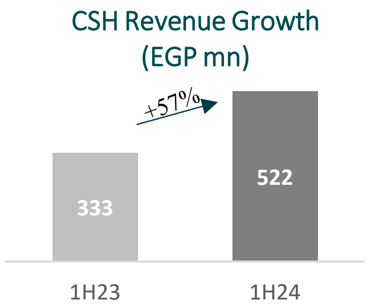
The Group's ability to maintain cost discipline amidst external challenges highlights its resilience and dedication to sustainable growth. Looking forward, management remains optimistic about future margin expansions as their optimization strategies continue to mature.

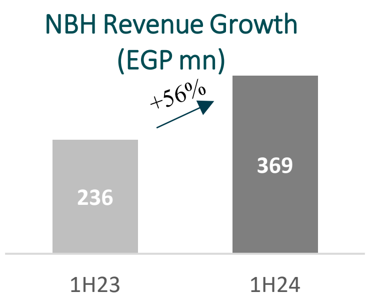


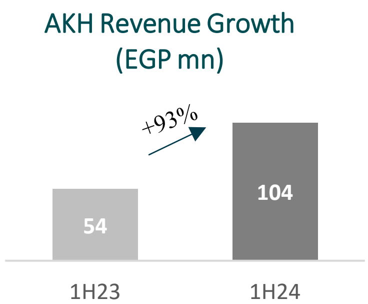
G&A Expenses

In 1H2024, despite a 44% increase in Selling, General and Administrative expenses (SG&A), management was able to maintain its financial discipline and continued to efficiently implement cost control techniques, which resulted in a 15% SG&A to Sales ratio in line with 1H2023. On a quarterly level, SG&A to Sales ratio stood at 16%, also in line with 2Q2023. This exhibits CHG's healthy financial position and stability, as well the management's ability to streamline operations and further integrate and leverage synergies.









EBIT & EBITDA

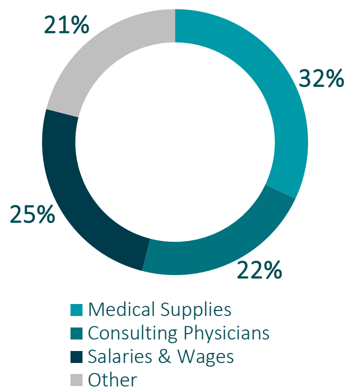
CHG's EBIT for the second quarter stood at EGP 231mn, marking an impressive 77% growth while improving margins by 3% in comparison to 2Q2023. Over a half-year period, the Group achieved an EBIT of EGP 507mn, reflecting growth rate of 86% at an expanded margin of 21% relative to 1H2023. Similarly, the Group reported Adjusted EBITDA of EGP 337mn, up to 68% compared to 2Q2023, with a higher by 3.5% margin of 28%. Over and above, for 1H2024 the Group saw an unprecedented Adjusted EBITDA of EGP 690mn, an increase of 67% y-o-y, while realizing an EBITDA margin of 29%, an improvement of 300 basis points compared to the first half of 2023.

Consequently, all CHG's facilities reported efficiencies in their margins in 1H2024 and 2Q2024, demonstrating their operational excellence. Notably, Cleopatra October recorded a positive EBITDA of 2% in 1H2024 and is on track to potentially exceed expectations with positive margins by the end of the year.
Moreover, the Group's largest asset, CHC, reported an EBITDA margin of 41% and 42% in 2Q2024 and 1H2024 respectively, the highest among all facilities, and a 6% margin expansion in both periods respectively. This is followed by CSH and ASH, which recorded EBITDA margins of 27% in 1H2024 and 26% in 2Q2024, respectively, a 3% margin enhancement for both assets during both periods. Similarly, NBH achieved an EBITDA margin of 24% in 1H2024 and 22% in 2Q2024. Leadership's commitment to a growth-driven vision is yielding significant value through strategic commercial and operational tactics. This approach ensures that the Group's profitability margins are well-protected and expanded while keeping the impact on overall profitability minimal after integrating new assets.

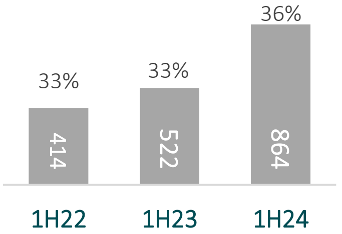
Net Profits

CHG's consolidated net profit for 1H2024 amounted to EGP 367mn, representing growth of 72% compared to the same period in 2023. The associated margin improved by 2% to read 15% in 1H2024. On a quarter year basis, CHG recorded Net Profit of EGP 162mn growing by 53% compared to the second quarter of 2023. The Group's recent capital structure optimization efforts led to a muted increase in interest expenses y-o-y, and enabled CHG to trickle down its efficiency strategies to net profit margins.

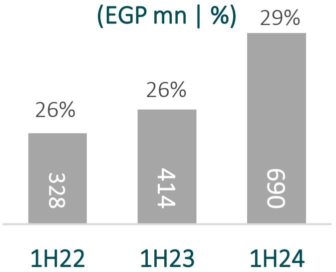
COGS Breakdown
(1H24)



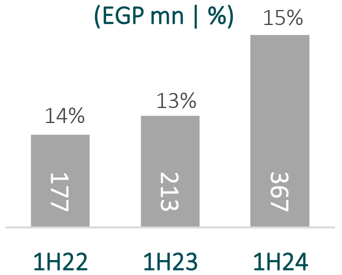
Gross Profit, GPM
(EGP mn | %)



EBITDA, Margin
(EGP mn | %)



Net Profit, NPM
(EGP mn | %)



CAPEX & Financing

The Group's investment in expanding and upgrading its network has been a priority. As such, the total CAPEX outlays in 1H2024 amounted to approximately EGP 1bn. It is noteworthy that this figure includes down payments for CAPEX purchases that are yet to be delivered of approximately EGP 270mn, demonstrating the Group's proactive approach in anticipating potential price shocks for timely delivery of expansionary plans hedging against unforeseen circumstances. The majority of CAPEX spent in 1H2024 is on CHG New Cairo (Sky) Hospital, amounting to approximately EGP 650mn, followed by c. EGP 190mn spent on Cleopatra Hospital for its renovation project.

Reported net financial debt in June 2024 amounted to EGP 1.4bn compared with EGP 516mn in FY2023. This surge aligns with the Group's expansion plan and investments in its new East Cairo flagship, CHG New Cairo (Sky) Hospital, as well as the ramp-up approach applied with Cleopatra October. Additionally, the renovation programs at Cleopatra Hospital, CSH, NBH, and AKH have also received significant attention from the Group's investments. Net debt includes EGP 1bn in non-current borrowings and EGP 439mn in current borrowings, offset by EGP 247mn in cash and cash equivalents. The application of IFRS 16 to leases contributed EGP 118mn to net financial debt as of 30 June 2024, of which EGP 74mn was non-current lease debt and EGP 44mn was current lease debt. These lease liabilities pertain to CHG's management and Polyclinic buildings.

Net cash decreased by EGP 111mn over the half-year, resulting from the company's previous treasury buyback program as well as investments in CHG New Cairo (Sky) and renovation projects across the Group's facilities during the period, which depleted a sizeable portion of its cash and cash equivalents.

–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, CHG New Cairo (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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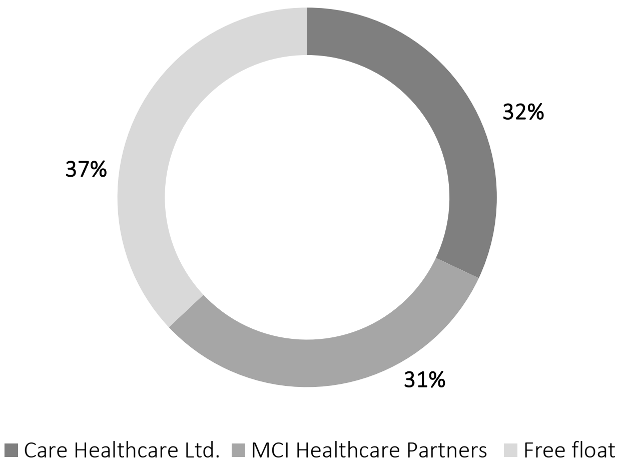
Shareholder Structure

(as of June 2024)



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

All figures in EGP mn	2Q2023	2Q2024	% Change	1H2023	1H2024	% Change
Revenues	807.7	1191.2	*47.5%*	1584.5	2372.4	*49.7%*
Cost of sales	(551.1)	(763.0)	*38.4%*	(1062.8)	(1508.5)	*41.9%*
Gross profit	**256.5**	**428.2**	***66.9%***	**521.7**	**863.8**	***65.6%***
Gross Profit Margin	*32%*	*36%*		*33%*	*36%*	
General & administrative expenses	(128.1)	(193.8)	*51.3%*	(242.8)	(349.6)	*44.0%*
Cost of acquisition activities	(0.1)	0.5	*0.0%*	(0.6)	-	*-100.0%*
Provisions	(3.2)	(7.1)	*121.7%*	(6.5)	(12.4)	*89.7%*
Other income	1.9	2.7	*40.2%*	2.7	5.0	*87.7%*
Intangible Assets Write Off	(14.1)	-	*-100.0%*	(14.1)	-	*-100.0%*
Discontinued Operations	17.1	-	*-100.0%*	12.7	-	*-100.0%*
EBIT	**130.1**	**230.5**	***77.3%***	**273.1**	**506.9**	***85.6%***
EBIT Margin	*16%*	*19%*		*17%*	*21%*	
Interest income	5.5	10.0	*82.5%*	17.2	23.1	*34.5%*
Interest expense	(16.3)	(27.3)	*67.5%*	(31.5)	(48.6)	*54.4%*
Profit before tax	**119.3**	**213.3**	***78.8%***	**258.7**	**481.4**	***86.0%***
PBT Margin	*15%*	*18%*		*16%*	*20%*	
Income tax	(12.9)	(55.3)	*327.5%*	(43.6)	(106.5)	*144.3%*
Deferred tax	(0.3)	4.1	*0.0%*	(2.5)	(8.1)	*223.8%*
Net profit after tax	**106.0**	**162.1**	***52.9%***	**212.6**	**366.8**	***72.5%***
Net Profit Margin	*13%*	*14%*		*13%*	*15%*	
Distributed as follows:						
Shareholders of the company	96.6	143.0	*48.0%*	191.2	325.2	*70.0%*
Minority rights	9.4	19.2	*103.6%*	21.4	41.6	*94.2%*
Profit for the period	**106.0**	**162.1**	***52.9%***	**212.6**	**366.8**	***72.5%***

Consolidated Statement of Comprehensive Income

All figures in EGP mn	2Q2023	2Q2024	% Change	1H2023	1H2024	% Change
Net Profit	106.0	162.1	*52.9%*	212.6	366.8	*72.5%*
Other comprehensive income	-	-		-	-	
Total comprehensive income for the year	**106.0**	**162.1**	*52.9%*	**212.6**	**366.8**	*72.5%*
Total comprehensive income attributable to:						
Owners of the company	96.6	143.0	*48.0%*	191.2	325.2	*70.0%*
Non-controlling interest	9.4	19.2	*103.6%*	21.4	41.6	*94.2%*
Total comprehensive income for the year	**106.0**	**162.1**	*52.9%*	**212.6**	**366.8**	*72.5%*

Consolidated Statement of Financial Position

All figures in EGP mn	31 December 2023	30 June 2024
Non-current assets		
Fixed assets	2,176.6	2,786.5
Intangible assets	407.3	406.3
Right of use	133.2	142.4
Payment under investment	-	-
Investment in associates	3.8	3.8
Total non-current assets	**2,720.9**	**3,339.0**
Current assets		
Inventory	292.0	340.1
Accounts receivables	648.5	953.4
Other receivables and debit balances	468.3	798.6
Due from related parties	0.5	0.3
Treasury bills	-	-
Cash	357.9	247.2
Total current assets	**1,767.1**	**2,339.6**
Total assets	**4,488.0**	**5,678.7**
Equity		
Share capital	722.7	722.7
Treasury Shares	(5.1)	(21.9)
Reserves	80.4	93.5
Retained earnings	1,435.6	1,650.6
Long term incentive plan	16.1	51.2
Equity attributable to the parent company	**2,249.8**	**2,496.2**
Non-controlling interest	196.5	226.1
Total equity	**2,446.3**	**2,722.3**
Non-current liabilities		
Non-current portion of borrowings	423.0	1,044.8
Creditors and other credit balances - non-current portion	-	-
Non-current portion of lease liability	85.9	73.9
Deferred tax liabilities	101.8	109.9
Total non-current liabilities	**610.7**	**1,228.7**
Current liabilities		
Provisions	20.3	18.0
Creditors and other credit balances	928.1	1,098.8
Current Portion of Borrowings	318.9	438.8
Current portion of lease liability	45.7	44.4
Other Liabilities	42.5	42.5
Current income tax	75.6	85.2
Total current liabilities	**1,431.1**	**1,727.7**
Total liabilities	**2,041.8**	**2,956.4**
Total liabilities & shareholders' equity	**4,488.0**	**5,678.7**

Consolidated Statement of Cash Flow

All figures in EGP mn	30 June 2023	30 June 2024
Cash flow from operating activities:		
Profit before tax	258.7	481.4
Adjustments for:		
Depreciation	73.5	87.3
Right of use depreciation	-	-
Amortization of intangible assets	7.9	1.0
Allowance for impairment of current assets	21.5	17.7
Provision	(10.9)	(2.3)
Capital gain/Loss	3.6	(0.5)
Credit / Debit Interest	20.8	30.7
Changes in current tax liability	(49.5)	(92.7)
Loss In Investments in subsidiaries	-	-
Share-based payments financial liabilities	8.2	35.1
Lease Write Off	(21.7)	-
Intangible Assets Write off	14.1	-
Operating profits before changes in assets and liabilities	**326.2**	**557.7**
Changes in working capital:		
Changes in Inventories	(92.0)	(48.5)
Change in trade receivables, debtors and other debit balances	(249.6)	(406.4)
Changes in Due from related parties	(0.5)	0.2
Change in trade and other payables	160.2	170.7
Employee Incentive Plan	-	-
Change in lease	8.4	(5.5)
Net cash flows generated from operating activities	**152.9**	**268.2**
Cash flow from investment activities:		
Proceeds from sale of fixed assets	0.7	0.6
Fixed assets purchased	(55.4)	(83.8)
PUC purchased	(213.1)	(613.6)
Advance payment for purchase of fixed assets	(56.7)	(270.1)
Fixed assets Suppliers	-	-
Payments under investment	-	-
Credit Interest Collected	13.7	17.6
Paid for Investment Associates	-	-
Net cash flows used in investing activities	**(310.7)**	**(949.4)**
Cash flow from financing activities:		
Treasury Shares	-	(16.8)
Dividends paid out	(61.9)	(113.2)
Cash Proceed from Overdraft	416.7	671.2
Cash Paid to Overdraft	(377.4)	(599.4)
Interest paid	(32.2)	(41.6)
Receipts from borrowings	172.5	720.1
Repayment of Borrowings	-	(50.2)
Net cash flow from financing activities	**117.7**	**570.1**
Net change in cash & cash equivalents during the year	**(40.1)**	**(111.0)**
Cash and cash equivalents at the beginning of the year	347.4	362.5
Cash And Cash /equivalent In Acquired Subsidiaries at Beg. Of The Period	-	-
Cash & cash equivalents at the end of the year	**307.3**	**251.5**