CLEOPATRA HOSPITALS GROUP
CHG

Cleopatra Hospitals Group S.A.E.
2Q2022 EARNINGS RELEASE

Cairo, Egypt | August 2022

Cleopatra Hospitals Group Reports 2Q2022 Results

CHG delivered strong first half year performance despite COVID-19 contribution end in Q2'2022; margins stood in line with Group's historical averages and above pre-pandemic levels.

2Q2022 Financial & Operational Highlights[1]

EGP 605 mn Total Revenue (-6% y-o-y)	+16% Non Covid Revenue Growth
EGP 74 mn Net Profit (12% margin vs 15% in 2Q21)	EGP 148 mn Adjusted EBITDA[2] 25% margin EBITDA[3]: 23% margin
+17% Surgical Procedures y-o-y Growth	+247,388 Cases Served[4] (+2% y-o-y)

1H2022 Financial & Operational Highlights[1]

EGP 1,242 mn Total Revenue (-3% y-o-y)	+16% Non Covid Revenue Growth
EGP 177 mn Net Profit (14% margin vs 16% in 1H21)	EGP 328 mn Adjusted EBITDA[2] 26% margin EBITDA[3] 25% margin
+12% Surgical Procedures y-o-y Growth	+507,972 Cases Served[4] (+6% y-o-y)

EGP 0.27
Proforma LTM EPS
(+11% vs. LTM Q2'22 EPS[5])

Cairo, 21st August 2022
Cleopatra Hospital Group S.A.E. (CLHO.CA on the Egyptian Exchange), Egypt's leading and largest private hospital group by number of hospital beds and number of operating hospitals, reported today its consolidated results for the quarter ended 30 June 2022.

1H2022 Performance Highlights

- **Total Group Revenues** reached EGP 1,242mn in 1H2022, 3% down from 1H2021 as a solid 16% year-on-year increase in non-COVID-19 related revenue contribution help partially offset a 66% year-on-year decline in COVID-19 related services during the first 6 months of the year, despite low seasonality impact during Ramadan and Eid holidays.
- **Inpatient volumes** maintained their strong growth trajectory increasing by 8% on a half year basis, **surgical procedures and cardiac catheterization procedures also increased by 12% and 8% respectively during the same period.** Outpatient volumes also grew by 9% during 1H2022, reflecting patient volume trends within the group's facilities and centres of excellence.
- **Margins** remained in line with pre-pandemic levels, as materially reduced COVID-19 services were partially offset by enhanced cost and operational efficiencies across the Group's non-COVID-19 hospitals.

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[1] Consolidated figures include the newly added East and West Cairo Polyclinics, Queens and El Katib Hospitals, as well as the newly added Bedaya IVF center.
[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] EBITDA does not adjust for impairments booked during the period.
[4] Cases served includes number of in-patients, outpatient visits and ER visits.
[5] EPS calculation includes accumulated net income for the last 4 quarters over CLHO's outstanding shares, while proforma EPS incorporates the effect of cancelling the company's acquired treasury stocks to date.

- **Net profit** was EGP 177mn during the first half of 2022 with a margin of 14%, down 2 percentage points compared to the same period in 2021. The first half of 2021 reflects a temporary high base effect as it includes strong contribution from both COVID-19 hospitals and COVID-19 related revenues across the group as well as reduced interest income in 2022. CHG continued utilizing its cash balances for its treasury share **buyback** program and as of the 11th of August 2022 has accumulated over 9.7% of the Company's outstanding share capital. Pro-forma LTM EPS reached EGP 0.27 per share pro-forma for the **cancellation** of the treasury shares as planned, delivering **11% accretion** to the Group's investors.
- Management continued to invest in its **long-term strategy**, effectively adapting its offering to the evolving needs of patients with a focus on patient safety and quality of outcomes while making significant headway with the introduction of **Robotic Surgery** in ASH and on its **digital transformation** strategy which is delivering an increasingly integrated and seamless healthcare experience to patients.

1H2022 Strategic Updates

- **Cleopatra (CHC), Cairo Specialised (CSH), and Al Shorouk Hospitals (ASH) all witnessed steady growth in the first half of the year supported by expanding volume and increasingly optimized case mix.** Meanwhile, at Nile Badrawi Hospital (NBH), extensive upgrading to outpatient clinics and ER department weighed down on volumes during the period. **NBH's performance is expected to normalize in the second half of 2022** as management introduces new services and inaugurates its outpatient department unlocking the hospital's full revenue generating potential.
- In line with management's post-COVID-19 strategy for **El Katib Hospital**, the hospital has been gradually ramping up patient volumes focusing on positioning the facility as a surgical centre of excellence within the Group. Revenue has been growing at a CAGR exceeding 33% since January 2022. Management initiated the post-COVID-19 strategy for **Queens Hospital's** in April, with the facility currently shut down to allow for the necessary repurposing works. Upgrades are in progress, and once complete, the facility will house centres of excellence that will further complement CHG's Group service offerings.
- **CHG's polyclinics** maintained their strong performance in 1H2022 with 11% growth in their top line compared to the same period in 2021. This growth comes on the back of cases served that expanded by 25% throughout the first half of 2022.
- **Bedaya**, the Group's IVF brand, reported a 50% year-on-year increase in revenues during 1H2022 to reach EGP 30mn. Higher revenues also drove improvements in Bedaya's profitability, with gross profit and EBITDA margins rising by 7 and 11 percentage points in 1H2022, respectively.
- Despite the rising inflation and supply chain disruptions, CHG's proactive efforts to secure competitive rates and build up ample stock of key supplies continue to **protect the Group's margins** throughout the remaining of 2022. **Additionally, management performed a complete study on its costs and expenses across the Group, which resulted in cost efficiencies that aim to further protect the Group's margins.**
- During the quarter, the Group continued to deliver on its **infrastructure investment** agenda. At **CSH**, the Group completed the upgrading of the facility's outpatient department and inaugurated its latest Orthopaedic Centre of Excellence that is complimented by the hospital's fully loaded diagnostics department and renowned consultants. At **NBH**, the ongoing upgrading of its outpatient and ER areas are expected to be completed in 2H2022, after which the hospital will roll out an expanded service offering for patients as part of the hospital's new rebranded market positioning. The Group has commenced the procurement of its second LINAC in preparation for NBH hospital to house the Group's Oncology Centre of Excellence.
- **CHG launched RoboSurge**, the nation's first private robotic surgery unit. **Robotic Surgery** is a major step forward in the performance of advanced and complicated surgeries, further advancing the development of the Egyptian healthcare sector.
- At the Group's new brownfield facility, **Sky Hospital**, the fit-out program is progressing on schedule and the Group expects to start operations by the end of 2023. CHG will operate the new 200-bed facility for a total period of 27 years, extending a full roster of services to employees of the petroleum sector companies as well as to the wider patients' base in East Cairo. In parallel, CHG is currently studying several **opportunities for expansion** in West Cairo as it looks to grow its bed capacity in this currently underserved region of Greater Cairo.

Management Comment

Cleopatra Hospitals Group continued its push towards normalization post-COVID and executing its clearly defined growth strategy. During the first half of the year we delivered revenues in excess of EGP 1,242mn, in-line with pre-pandemic levels, and with strong margins at all levels of profitability. More specifically, **our top-line was supported by a solid 16% year-on-year growth at our non-COVID-19 business during H12022,** driven by a significant increase in inpatient, outpatient, surgeries and cardiac catheterization volumes. Further down the income statement, we recorded **solid margins at all levels of profitability, in line with pre-pandemic averages.** This was in large part thanks to the proactive cost control and efficiency enhancement strategy which was put in place at the beginning of the year and has shown remarkable success ever since.

In parallel, we continued our execution of our growth strategy. This quarter witnessed continued progress made towards establishing an oncology CoE to be housed at NBH, El Katib Hospital's gradual ramp up following its conversion to a surgical centre of excellence, and progress at Sky Hospital's site. Additionally, the Group procured two more MRI devices to add to the group's existing diagnostic capabilities allowing CHG to perform higher value radiology procedures at greater volumes. Finally, I am proud to announce that **CHG launched RoboSurge**, the nation's first **private robotic surgery unit**. As it is currently housed in ASH, robotic surgeries are a major step forward in the performance of advanced and complicated surgeries and will further advance the development of the Egyptian healthcare sector and cement CHG's position at the helm of the private healthcare industry. As this unit is capable of performing various complicated procedures with incredible precision; within our Group, it completes two of our major Centres of Excellence – Urology Centre of Excellence at ASH as well as the Group's Surgical Centre of Excellence at AKH which is currently ramping up impressively.

As we cross the half-way mark of 2022 and our normalization phase has fully set in, our strategy and focus remain unchanged. On the organic front, we will look to continue **driving broad-based growth across all facilities,** leveraging the increasing integration of our network and our strengthened digital capabilities to create new cross-selling opportunities, drive cost savings and efficiencies, and ultimately enhance our patients' experience with no compromises whatsoever. At the same time, **we remain committed to expanding our network.** On this front, we are actively exploring growth opportunities in West Cairo to expand our capacity and footprint further in parallel to our efforts in East Cairo.

I am very proud of all our employees' and partners' continued efforts with implementing our normalization mandate and helping set CHG on its track to deliver on its clearly defined growth strategy. **I look forward to building on it to continue creating additional value for patients, stakeholders, and the wider Egyptian healthcare industry.**

Ahmed Ezzeldin
Group CEO

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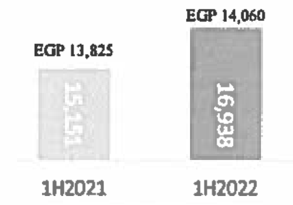
Number of Surgical Procedures

(Rev/Procedure)



Number of Paid Consultations

(Rev/Visit)

Number of Inpatients

(Rev/Inpatient)

Number of ER Visits

(Rev/visit)

Operational and Strategy Review

During 2Q2022 CHG embarked on the next phase of its multi-faceted growth strategy that was undertaken in 2021 to enhance the quality of the group's offering while building a more efficient and technologically enabled organization.

CHG inaugurated RoboSurge, the first private specialized centre for advanced robotic surgery in Egypt and is currently housed at ASH. This development in the group allows for further advancements to the Group's Urology and Surgical Centres of Excellences' capabilities. As the Group is striving towards supporting NBH's growth potential and normalization of patient volumes, management pushed forward with its establishment of its Oncology Centre of Excellence at the hospital by finalizing the design plans for the centre and successfully procuring a second LINAC device to complement the centres service offering. The group has also successfully continued the ramp-up of its polyclinics and pharmacy businesses and maintained the same positive post-COVID-19 rebound trajectory at Bedaya.

Finally, CHG also pushed forward with its post-COVID-19 strategy at El Katib Hospital, patient volumes and activity are gradually ramping up with a key focus on urology, general surgery and internal medicine volumes growth.

Revenue Stream Diversification

Polyclinics and Pharmacy (CHG for Medical Services & CHG Pharma)

The Group's 2 polyclinics are strategically located at highly underserved suburban regions of Cairo and purposed to supply CHG's feeder network with patients from remote regions of Cairo that lack access to quality healthcare services. As they continue to outperform management's expectations on all fronts, the Group's polyclinics generated EGP 40mn in revenue during 1H2022, recording growth of 11% compared to the same period in 2021. This growth comes on the back of cases served that expanded by 25% throughout the first half of 2022 in comparison with the same period in 2021. In addition to their continuous ramp up in volumes, the polyclinics were also able to significantly improve their profitability levels on the gross profit and EBITDA margin levels, both reading double digit figures of over 20% on the back of CHG's horizontally integrated framework. With confidence in their quarter-on-quarter improvements, we continue to place high emphasis on their further growth potential considering their unique service offering that supports the Group in ramping up its centres of excellence within each of our hospitals sustainably.

CHG's polyclinic pharmacy business (CHG Pharma), which complements its polyclinics and IVF offering and enables the Group to serve its patients across the entire treatment cycle, witnessed revenue growth of 31% year-on-year to EGP 21mn in 1H2022. Heading forward in 2022, growth is expected to accelerate supported by the new Clinisys platform which allows CHG to consolidate patient records under one system allowing it to better track patients' full treatment cycles and cross-sell pharmacy services.

Finally, CHG's outpatient pharmacy services, which comprises of all outpatient pharmacies located across the entire CHG network, reported year-on-year top-line growth of 26% in 1H2022. This saw the segment's contribution to the consolidated revenue rise by one percentage point year-on-year to 5% for the period. The continued growth reported by the Group's polyclinics and CHG pharma is in line with CHG's vision of creating a 360-degree platform capable of generating solid growth across its diagnostics, pharmacy, and polyclinics business to complement its conventional hospitals offerings.

Diagnostics Services (Laboratory and Radiology)

The Group's laboratory and radiology volumes in 1H2022 contracted 8% and 7% year-on-year, respectively. The subdued performances came on the back of lower COVID-19-related volumes. In fact, excluding both direct and indirect COVID-19-related volumes, non-covid laboratory and radiology revenues expanded by an estimated 30% and 20% respectively. This strong potential growth by both segments is directly attributable to

CHG's investments in state-of-the-art diagnostic technology over the past several years as part of management's revenue diversification and one-stop-shop strategies.

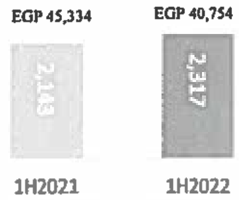
Furthermore, CHG is currently in progress of a centralized operational model to its diagnostics business lines that is expected to drive further untapped synergy across the Group. This project acts as a nucleus to the Group operating a first of its kind fully loaded diagnostics focused entity, that will aim to further drive volumes up the Group's feeder network complimenting its polyclinics.

Bedaya for Medical Services
Continuing on from the performance displayed in 1Q2022, Bedaya has reported a 50% year-on-year increase in revenues during 1H2022 to reach EGP 30mn. The growth is testament to Bedaya's successful integration in the Group's network enabling the venture to make full use of the Group's resources.

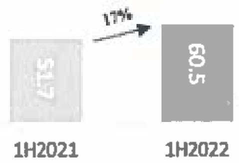
Bedaya's successful post-COVID-19 rebound has also resulted in a significant year-on-year increase in its related diagnostics revenues during 1H2022. Higher revenues also drove improvements in Bedaya's profitability, with gross profit margin rising by seven percentage points to 39% in 1H2022 and EBITDA margin reaching 18% marking an 11% improvement from the same period in 2021.

The impressive performance of Bedaya highlights CHG's proven track record of seamlessly integrating new facilities onto the Group's operating frameworks, ensuring strong and rapid value generation. At Bedaya, the successful conclusion of the integration process has already driven major efficiency improvements across all aspects of its operations and business lines.

Number of Catheterizations
(Rev/catheterization)



Polyclinics and CHG Pharma Revenue Progression | EGP mn



Historical figures have been adjusted to account for standardization of KPI reporting across all facilities as the introduction of a unified ERP system across the group facilities throughout 2021.

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

Technology and Centres of Excellence (CoE) Updates

CARDIOVASCULAR CENTER OF EXCELLENCE
UROLOGY CENTER OF EXCELLENCE
ORTHOPEDIC CENTER OF EXCELLENCE
NEUROLOGY CENTER OF EXCELLENCE
ONCOLOGY CENTER OF EXCELLENCE
RoboSurge

Robotic Surgery (RoboSurge)
On June 8, CHG became the first private healthcare provider in Egypt to introduce a robotic surgery unit within their network. Robotic surgeries are a major step forward in the performance of advanced and complicated surgeries and will further advance the development of the Egyptian healthcare sector. CHG is constantly looking to introduce the latest medical technologies into its facilities, providing our patients with access to the most advanced practices available. The technology will be used across a wide range of medical fields including Urology, General Surgery, Oncology, Bariatric, and Gynecology.

Oncology CoE
One of CHG's clearly defined growth strategy pillars is the establishment of multi-discipline centres of excellences. These CoE's aim to provide more advanced and specialized health care services to CHG's patients by combining pioneering technologies and international best medical practices.

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The first of these centres is the oncology CoE which will be housed at the NBH facility – one of CHG's 4 flagship hospitals - the center will provide the full spectrum of oncology and ancillary services including radiotherapy, expanding the group's service offering and elevating the quality of care and service across the Group.

CHG is currently procuring a new state-of-the-art LINAC to add to the existing oncology capabilities at NBH. This LINAC will be the 2nd active LINAC at NBH and will bolster CHG's radiotherapy patient volumes and cement NBH as a reference centre for oncology in Egypt.

Diagnostic Technology Upgrades

In line with CHG's growth strategy, which focuses on an enhanced patient experience, CHG has successfully procured 2 new MRI devices to add to the group's existing one. This addition to the growing roster of the group's medical technology will allow CHG to meet the soaring demand of quality radiology diagnostics within any of the Group's main hospitals, as well as compensate for the COVID-19 related radiology procedures in the near term.

Optimisation and Expansion of Capacity (Facilities Updates)

Queens Hospital

Owing to a widespread decline in infection rates across the country, Queen's saw a significant decline in volumes and revenues in 1Q2022, consequently management opted to kickstart the facility's post-COVID-19 strategy, with the facility shutting down to allow for the necessary repurposing works to begin. Management envisions the hospital to play a key role within the Group, positioning the hospital as the missing piece to the puzzle between Cairo Specialized Hospital and Cleopatra Hospital, perfectly complementing their service offerings by virtue of well-equipped Centres of Excellence.

El Katib Hospital

In line with management's post-COVID-19 strategy for El Katib Hospital, the hospital has been gradually ramping up patient volumes and activity with a focus on urology, general surgery and internal medicine, strategically positioning the facility as a surgical centre of excellence within the Group. Upon the conversion of Al Katib hospital to a non-covid facility, revenue has been growing at a CAGR of 33% since January 2022 as reflected in the following table:

EGP (000')	Jan	Feb	Mar	Apr	May	Jun
Total Revenues	985	3,397	1,810	2,327	3,423	5,569

Facility Upgrades

Upgrades at Nile Badrawi Hospital continued in 2Q2022, namely in its outpatient and ER departments. Consequently, the hospital has been witnessing some challenges in its patient-facing areas as management has temporarily relocated these services. The hospital's marketing and sales efforts to promote its outpatient offerings has been put on hold until the second half of the year, during which the Group is expecting to inaugurate the new clinics.

Management is confident that once the temporary disruptions subside, the upgrades will drive significant long-term improvements in both patient volumes and service quality.

Sky Hospital

Sky Hospital is a c. 200-bed brownfield hospital located in East Cairo's Fifth Settlement area. In December last year, CHG finalized an agreement with three state-owned petroleum companies to finish and operate Sky Hospital for a 27-year concession. CHG is looking to use Sky Hospital to capture a share of the neighbourhood's growing patients base as well

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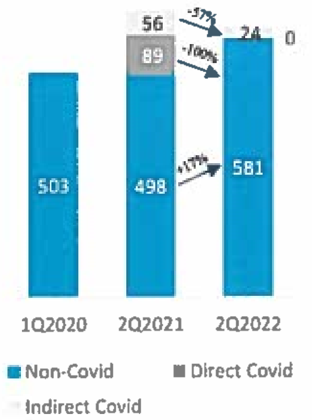
as a bigger commercial share from the petroleum sectors' employees. These represent a significant and stable stream of future revenues for the Group, in conjunction to the region's other patients. Sky Hospital's full-service offerings will be available for the Group's other contractual and out-of-pocket patients allowing CHG to take advantage of the growth opportunity offered by the currently underpenetrated neighbourhood. The hospital's site is now fully under CHG's control with contractors already on sight and working to deliver on phase one of the hospital's launch strategy which the Group expects to complete by year-end 2023. It is worth highlighting that the Sky Hospital deal entailed no upfront acquisition costs for the Group, with the three state-owned companies retaining ownership of the building and receiving a share of the facility's revenues. This makes it an attractive and asset light expansionary model for the Group, which it aims to continue to employ in future growth opportunities.

Financial Review

Revenue

Revenue by Service Type
(EGP, mn)



The breakdown of COVID-19-related revenues between direct and indirect is based on internal calculations carried out by management to better assess the performance of individual services.

The Group reported revenue of EGP 605mn during the second quarter of 2022, recording EGP 1,242mn for the first half of the year. On a quarterly basis, revenues came 6% lower year-on-year, while on a half-year basis revenue recorded was 3% lower when compared with the first half of 2021. This anticipated slight decline in revenue came in light of a drop in COVID-19-related revenues, noting that during the first half of 2022 revenues were supported by a solid 16% year-on-year increase in non-COVID-19 related revenues, which partially offset the expected decline in direct and indirect COVID-19 business. This solid performance from the Group's non-COVID business during the first 6 months of the year came despite low seasonality expectations during Ramadan and Eid holidays.

As business is normalizing once again to pre-pandemic growth trends, management has been able to track patients throughout their full journeys within the Group's facilities by virtue of the Group's rolled out HIS/ERP system Clinisys. Accordingly, management was able to effectively measure COVID's impact on CHG. The Group was able to identify indirect COVID-19 revenues across its non-COVID facilities, in addition to the straightforward direct COVID-19 revenue that is generated by virtue of CHG's COVID dedicated treatment facilities. Indirect COVID revenues include both, revenues generated by suspected COVID-19 patients at its regular facilities, as well as tests performed as part of the extraordinary protocols introduced during the pandemic (for example, chest CTs for all surgical patients). Meanwhile, direct COVID-19 revenues include revenues generated by the Group's COVID-19 facilities, which in 1H2021 were Queens and El Katib Hospitals and in 1H2022 only included Queens Hospital that was shut down during April for upgrading and accordingly offered minimal contribution.

During 1H2022 cases served grew by 6% year-on-year, driven by an increase of 9% and 8% in both outpatient clinics and inpatients respectively, which offset a decline in the Group's emergency patients of 5%, considering indirect COVID impact on the Group's emergency departments. In turn, the Group's conducted surgical procedures grew by an impressive 12% during the first half of 2022 in comparison to 2021's first half of the year. This performance serves as further evidence to the growth potential offered by CHG's organic non-COVID healthcare service offerings, as well as evidence to the fact that the Group is well on its path to post-COVID normalization to pre-pandemic patient volume trends. Moreover, in consideration of 1H2021's high base effect, it is worth noting that during 2021 65% of COVID-19-related revenues were recorded during the first half of the year and hence comparative performance of non-COVID-19 services is expected to further improve throughout the remaining half of the year.

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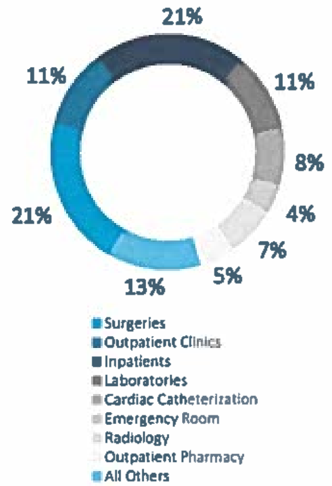
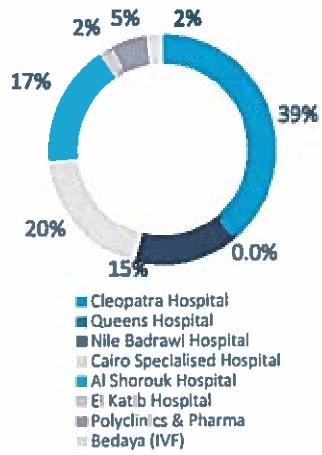
Contribution by Segment (2Q22)



Revenue by Hospital (2Q22)



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

Quarterly Revenue Progression

EGP mn	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total Revenues	633.2	643.6	623.8	648.7	636.9	**604.8**
Y-o-y Growth	26%	89%	16%	6%	1%	**-6%**

Revenue Breakdown by Segment

On a by service basis, CHG's inpatient services and surgeries were the highest contributors to the Group's top line in 1H2022, with shares of 22% and 20% respectively of total revenues for 1H2022. Revenues from CHG's inpatient segment declined 22% year-on-year on a half year basis due to lower inpatient revenues generated by COVID-19 patients which on average had higher Average Revenue per Patient and longer average length of stay in 1H2021. The volume of inpatients served on a half year basis increased by 8% year-on-year as the Group conducted 12% more surgical procedures and 8% more Cardiac Catheterization procedures during the period. In terms of revenue, surgical procedures reflected 10% revenue growth while Cardiac Catheterization reflected a decline of 3%. The growth in surgical volumes and revenues was bolstered by the Group's efforts to leverage its increasingly ramped up centres of excellence, which ultimately attracts a growing number of higher-priced procedures to the Group's network while effectively enhancing its case mixes.

Volume growths in inpatients, surgical procedures, and cardiac catheterizations are also attributed to growth in the Group's outpatients, as they are considered to be one of the main feeders to these business lines. Revenues from CHG's outpatient services grew by 6% in 1H2022, with the segment making up 11% of the Group's revenue for the six-month period. In terms of volumes, outpatients grew by 9% during 1H2022, reflecting patient volume trends' rebound towards normalization. It is important to highlight that according to internal management calculations; outpatient revenues expand by approximately 15% year-on-year on a half year basis when excluding COVID-19 impact from both periods.

As for the Group's diagnostics business lines, laboratories and radiology revenues both declined by 7% and 12% and contributed by 11% and 7% respectively to the Group's consolidated top line. In terms of volumes, both tests conducted also declined by 8% and 7% respectively, being core affected business lines from loss of indirect COVID revenues and volumes. Here it is worth noting that as part of the Group's COVID-19 safety protocols, all the Group's patients had to previously undergo certain diagnostic screenings. This protocol has since been amended, leading to a drop of diagnostic revenues and volumes for the period. In fact, excluding indirect COVID-19 revenues from both periods, CHG's radiology department revenues expanded by around 20%, comparing 1H2022 versus 1H2021, and laboratory revenues expanded by 30% for the same period based on internal management calculations.

Finally, indirect COVID impact on the Group's Emergency Department was also reflected on its related patient volumes as they declined by a slight 5% in 1H2022. However, in terms of revenue, Emergency revenues grew by 10% during the same period, contributing by 3% of the Group's consolidated top line. This reflects the group's constant improvements in its quality of service, with strong potential of further attracting patients to CHG's emergency departments across Cairo.

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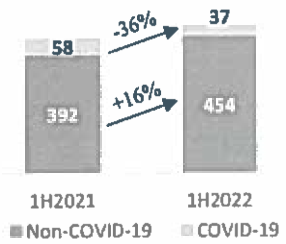
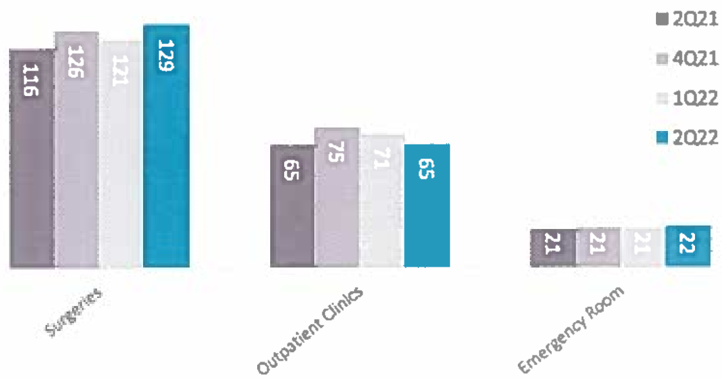
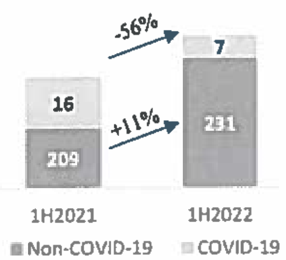
CHC Revenue Breakdown (EGP mn)



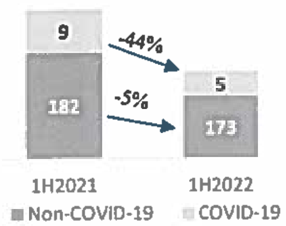
Quarterly Revenue Progression by Segment



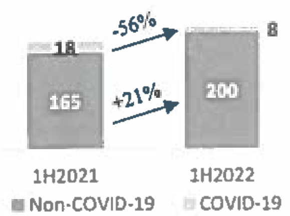
CSH Revenue Breakdown (EGP mn)



NBH Revenue Breakdown (EGP mn)



ASH Revenue Breakdown (EGP mn)



Revenue by Hospital

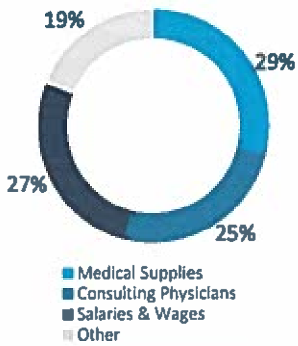
On a per hospital basis, CHC which includes Cleopatra Hospital and Queens Hospital, generated EGP 522mn in revenue during the first half of 2022. This figure includes EGP 30mn that were generated from Queens hospital's operations from January until it shut down in April. Reviewing Cleopatra Hospital's performance for the period without Queens, the hospital marked revenue growth of 9% and marks its highest ever half year performance. This comes on the back of the hospital's business lines' double digits growths during 1H2022 in comparison to the same period in 2021. On a non-COVID business performance basis, CHC's growth reads 16% based on internal calculations, fuelled by growths in surgeries, inpatients, and pharmacy revenues by 26%, 18%, and 36% respectively. Finally, CHC and Queens contributed by 42% of the Group's consolidated top line, with 39% attributed to CHC solely.

Being the second largest contributor to the Group's consolidated top line at 19%, Cairo Specialized Hospital saw its revenues expand by 6% in 1H2022, recording EGP 238mn in revenue. CSH's all business lines reported growth with the exception of diagnostics and catherization lab. This performance is expected to further improve during the second half of 2022, as the hospital's newly inaugurated COEs and fully renovated outpatient department continue to ramp up. In 1H2022, CSH's inpatient and surgical revenues grew by 23% and 16% respectively in 1H2022 vs. 1H2021 with expectations of further growth during the remainder of 2022. On a non-COVID business performance basis, CSH's growth reads 11% based on internal calculations

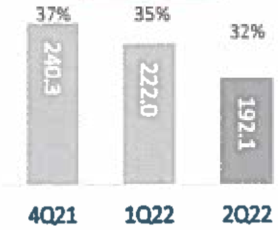
Nile Badrawi Hospital has been undergoing strategic upgrading since January 2022, and accordingly it has not been operating at its full capacity. That said, NBH managed to record EGP 178mn in revenue, a decline of 7% when compared to the hospital's performance during the same period in 2021. NBH contributed 14% to the Group's consolidated top line for the first half of 2022. However, on a quarterly basis, NBH managed to close the gap in comparison to their performance in 2021 recording 3% decline in 2Q2022 versus 11% decline in 1Q2022. NBH's performance is expected to normalise in the second half of 2022 as management introduces new services and inaugurates its outpatient department unlocking the hospital's revenue generating potential.

Al Shorouk Hospital saw its revenues rise by an impressive 13% year-on-year in the first half of 2022, recording EGP 208mn in 1H2022. ASH contributed 17% to the Group's consolidated top line for the period, being the next biggest contributor to the Group's

COGS Breakdown (2Q22)



Consolidated Gross Profit, GPM [EGP mn | %]



revenue after CHC and CSH. Throughout the pandemic, ASH took the opportunity to majorly renovate its inpatient rooms as well as other major patient areas across the hospital, inaugurated its new outpatient polyclinic setup, and complemented the facility with key medical CAPEX. This geared the hospital for its post pandemic phase in anticipation of non-COVID patients' rebound, further steeping its growth expectation from pre-pandemic levels. As a result, ASH offered the highest revenue growth from the Group's 6 hospitals, fuelled by well-rounded growth in its surgeries, outpatients, inpatients, emergency, and cardiac catheterization revenues by 16%, 18%, 16%, 17%, and 33% respectively.

After being transformed from a COVID-19 dedicated facility to a conventional non-COVID-19 hospital, El Katib soft launched during 1Q2022 and has been in its ramp up phase. During the first 6 months of 2022, the hospital reported a decline of 77% in revenues compared to the same period in 2021, contributing by 1% to CHG's consolidated top line. As the hospital continues to ramp up during 2H2022, as well as its high base comparative period that included patients with long average lengths of stays and higher than average revenue per patient fades, we believe AKH will begin to maintain healthy growth trends once again. To date, the hospital has been generating a month-on-month top line CAGR of over 30% since it kickstarted in January 2022. Operating as an efficient surgical hub, it has been attracting growing volumes supported by the Group's referral network.

The Group's polyclinics continue to serve their purpose in feeding our hospitals' feeder network with patients from Cairo's underserved suburban regions. Both polyclinics maintained their trajectories recording 11% growth in revenue during 1H2022 and contributing by 3% to the Group's top line for the period. However, it is also worth mentioning that the polyclinics' profitability has improved significantly over the period as well. Their gross profit margins improved by 4% while their EBITDA improved by 16%, on the back of efficiencies coupled with patient volumes rebound.

Finally, CHG's IVF venture, Bedaya, recorded 50% year-on-year revenue growth in 1H2022 and contributed to 2% of CHG's consolidated revenues. Bedaya's results continue to improve supported by the effective integration of the facility within CHG's operating and referral frameworks, as well as partial recovery of the business's medical tourism line of business. As a result, Bedaya's gross profit margin improved 7% during 1H2022 compared to the same period in 2021. On an EBITDA level, the facility reported 11% improvement in comparison to the same period in 2021.

COGS

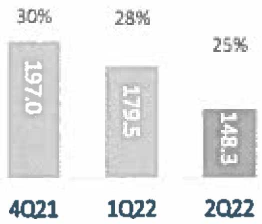
Costs of goods sold for 1H2022 reached EGP 828mn, up 4% year-on-year. COGS also increased as a percentage of total revenues, rising to 67% of total revenues from 62% in 1H2021.The Group's Consulting Physician fees and Staff Costs both increased by 8% and 5% respectively, while Medical Supplies' costs decreased by 6% by virtue of the Group's seasoned and well-integrated supply management and procurement teams.

As a share of revenues in 1H2022, Consulting Physician fee and Staff Costs stood at 17% and 18% respectively, compared to 15% and 17% during the first 6 months of 2021. That said, medical supplies are the largest component of the Group's COGS. Despite the rising inflation and supply chain disruptions, CHG remained proactive in securing competitive rates and build up ample stock of key supplies on a Group level. Accordingly, medical supplies read 19% of revenues for 1H2022, one percent down from 2021.

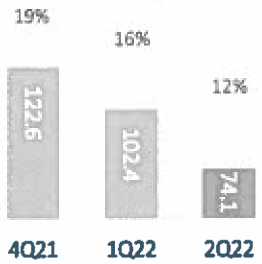
Gross Profit

In 1H2022, CHG recorded gross profit of EGP 414.1mn, a 14% year-on-year decline. Gross profit margin for the quarter stood at 33%, a five-percentage point decline versus the same period last year. It is worth noting that management's cost control and optimisation efforts introduced over the past two years, coupled by the power of the Group's integrated platform in playing a key role in partially absorbing the drop in the high-margin COVID-19-related business. The Group's agile business model allowed for a swift transition post

Adjusted EBITDA, Adj. EBITDA margin (EGP mn | %)



Net Profit, NPM (EGP mn | %)



the pandemic slowdown, whereby CHG maintained its organic business growth trends from Q1 2020. The Group's non-COVID facilities managed to generate EGP 412mn in 1H2022, marking 4% growth compared to the same period in 2021.

Cleopatra Hospital, which includes Queens Hospital, now contributes by 55% to CHG's consolidated gross profits. Of the 55%, 52% are attributed to Cleopatra Hospital and 3% to Queens Hospital compared to 41% and 12% respectively for the same period in 2021. CHC generated EGP 215mn in Gross Profits solely, while maintaining the same margin of 44% compared to 1H2021, well above the Group's averages. Meanwhile, Cairo Specialised Hospital contributed to 18% of consolidated gross profits for the quarter, 3% more than in 1H2021. Followed by Al Shorouk Hospital at 15% and Nile Badrawy Hospital at 10%. El Katib Hospital, as it ramps up its new service offerings, reported a gross loss during the six-month period that was absorbed by the Group's other assets' growth.

G&A Expenses

General and administrative (G&A) expenses consist of the company's non-medical staff costs, including those of senior management, commercial expenses, and group-level professional consulting fees. In 1H2022, G&A expenses stood at EGP 202mn, almost flat against 1H2021 in absolute figures and 16% of the Group's top line in both 1H2022 and 1H2021. This comes by virtue of the Group's cost cutting and avoidance strategies, when appropriate, and efficiencies that allowed the Group to maintain its G&A ratio to revenue throughout this turbulent macro environment.

EBITDA

CHG's adjusted EBITDA[2] stood at EGP 328mn for 1H2022, down 18% year-on-year on the back of the decline in gross profit. The Group's adjusted EBITDA margin stood at 26%, a five-percentage point year-on-year contraction.

It is important to highlight that the Group's non-COVID-19 facilities reported an adjusted EBITDA of EGP 327mn with an associated margin of 27%, continuing to demonstrate the solid profitability of the Group's regular non-COVID-19 business. However, it is also worth noting that the Group recorded EGP 9mn in provisions during 1H2022, 21% less provisions than in 1H2021. Meanwhile, impairments for the quarter came at EGP 18mn, down a solid 55% year-on-year reflecting the effectiveness of CHG's revenue recycle management framework. As both items are added back to the adjusted EBITDA, the Group's non-adjusted EBITDA stood at EGP 309mn with a 26% margin compared to EGP 360mn in 1H2021 with a margin of 28%.

Net Profit

CHG's consolidated net profit for the first 6 months of the year stood at EGP 177mn, a 13% decline year on year, and a net profit margin of 14%, being 2 percentage points below 1H20121. Net profitability for the quarter was supported by managements efficiency enhancement strategy coupled with lower provisions and higher interest income, all of which helped partially absorb the sharp decline in COVID-19-related revenues for the period.

CAPEX

Total CAPEX outlays year to date stood at EGP 116mn, in line with the Group's year on year upgrading and expansionary investments. This includes down payments for CAPEX purchases not yet delivered.

CLEOPATRA HOSPITAL COMPANY S.A.E.

[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.

Buyback Program

As the Group initiated a buyback program in 1Q2022 with an aim to create further value to CHG's shareholders, the Group's treasury stock holds 157mn shares as of August 11th. Constituting 9.8% of the company's outstanding shares, management is planning to cancel these shares in due course. The Pro-forma effect on the EPS is estimated to be 11% to read 0.27, up from 0.24 as reflected in the following analysis:

EGP mn	3Q21	4Q21	1Q22	2Q22	Totals
Net Income	86 mn	123 mn	102 mn	74 mn	385 mn
total shares					1,600 mn
shares o/s					1,433 mn
EPS					0.24
Proforma EPS					0.27

–Ends–

ABOUT CLEOPATRA HOSPITALS GROUP S.A.E.

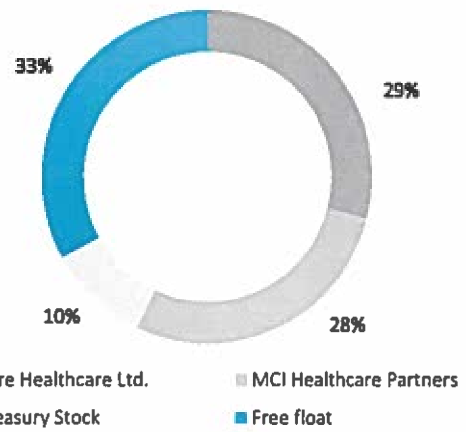
The Group is the largest private hospital group in Egypt by number of hospital beds and number of operating hospitals. The company holds majority stakes and operates six leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital, Al Shorouk Hospital, Queens Hospital, and El Katib Hospital offering a full array of general and emergency healthcare 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: 1,600 million

Shareholder Structure

(as of August 2022)



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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	2Q2021	2Q2022	% change	H12021	H12022	% change
Revenues	643.6	604.8	-6%	1276.8	1241.7	-3%
Cost of sales	(404.1)	(412.6)	2%	(796.1)	(827.6)	4%
Gross profit	**239.5**	**192.1**	-20%	**480.7**	**414.1**	-14%
Gross Profit Margin	*37%*	*32%*		*38%*	*33%*	
General & administrative expenses	(108.4)	(99.6)	-8%	(202.0)	(201.7)	0%
Cost of acquisition activities	(1.6)	(0.1)	-92%	(6.9)	(0.9)	-87%
Provisions	(1.7)	(4.4)	164%	(11.3)	(8.9)	-21%
Other income	1.0	0.1	-94%	7.2	1.9	-73%
EBIT	**128.8**	**88.0**	-32%	**267.7**	**204.5**	-24%
EBIT Margin	*20%*	*15%*		*21%*	*16%*	
Interest income	13.6	10.7	-21%	26.2	31.4	20%
Interest expense	(9.2)	(9.0)	-2%	(15.2)	(16.4)	8%
Profit before tax	**133.2**	**89.8**	-33%	**278.7**	**219.6**	-21%
PBT Margin	*21%*	*15%*		*22%*	*18%*	
Income tax	(40.6)	(15.1)	-63%	(78.0)	(42.3)	-46%
Deferred tax	1.5	(0.7)	-145%	1.3	(0.8)	-160%
Net profit after tax	**94.1**	**74.1**	-21%	**202.0**	**176.5**	-13%
Net Profit Margin	*15%*	*12%*		*16%*	*14%*	
Distributed as follows:						
Shareholders of the company	90.6	68.4	-24%	191.9	164.4	-14%
Minority rights	3.5	5.6	60%	10.1	12.0	19%
Profit for the period	**94.1**	**74.1**	-21%	**202.0**	**176.5**	-13%

Consolidated Statement of Comprehensive Income

All figures in EGP mn	2Q2021	2Q2022	% change	H12021	H12022	% change
Net Profit	94.1	74.1	-21%	202.0	176.5	-13%
Other comprehensive income	0.0	0.0		0.0	0.0	
Total comprehensive income for the year	**94.1**	**74.1**	-21%	**202.0**	**176.5**	**-13%**
Total comprehensive income attributable to:						
Owners of the company	90.6	68.4	-24%	191.9	164.4	-14%
Non-controlling interest	3.5	5.6	60%	10.1	12.0	19%
Total comprehensive income for the year	**94.1**	**74.1**	-21%	**202.0**	**176.5**	-13%

Consolidated Statement of Financial Position

All figures in EGP mn	31 December 2021	30 June 2022
Non-current assets		
Fixed assets	1,351.7	1,401.6
Intangible assets	425.5	424.5
Right of use	174.7	161.3
Payment under investment	5.7	24.2
Investment in associates	2.2	2.2
Total non-current assets	**1,959.8**	**2,013.7**
Current assets		
Inventory	51.3	70.0
Accounts receivables	383.3	443.0
Other receivables and debit balances	191.7	143.5
Due from related parties	0.5	2.0
Treasury bills	677.1	109.5
Cash	168.9	218.9
Total current assets	**1,472.8**	**986.9**
Total assets	**3,432.6**	**3,000.6**
Equity		
Share capital	800.0	800.0
Treasury Shares	(4.2)	(645.9)
Reserves	302.9	317.6
Retained earnings	1,270.0	1,354.6
Long term incentive plan	8.3	16.6
Equity attributable to the parent company	**2,377.1**	**1,842.9**
Non-controlling interest	120.7	129.5
Total equity	**2,497.8**	**1,972.4**
Non-current liabilities		
Long-term investments creditors	31.8	38.7
Non-current portion of lease liability	172.7	163.1
Deferred tax liability	81.8	82.6
Total non-current liabilities	**286.3**	**284.4**
Current liabilities		
Provisions	21.9	19.3
Creditors and other credit balances	461.0	482.1
Current Portion of Borrowings	60.6	160.1
Current portion of lease liability	38.7	40.7
Current income tax	66.2	41.6
Total current liabilities	**648.5**	**743.9**
Total liabilities	**934.8**	**1,028.3**
Total liabilities & shareholders' equity	**3,432.6**	**3,000.6**

Consolidated Statement of Cash Flow

All figures in EGP mn	2Q2021	2Q2022
Cash flow from operating activities:		
Profit before tax	278.7	219.6
Adjustments for:		
Depreciation	54.5	63.4
Right of use depreciation	-	-
Amortization of intangible assets	7.9	7.9
Allowance for impairment of current assets	55.0	(35.1)
Provision	0.8	(2.6)
Capital gain/loss	(0.0)	(0.2)
Credit/debit interest	(11.1)	(11.6)
Changes in current tax liability	(51.9)	(66.9)
Gain/loss in investments in subsidiaries	(0.1)	-
Employee incentive	-	8.3
Operating profits before changes in assets and liabilities	333.9	182.7
Changes in working capital:		
Changes in inventories	2.8	(18.5)
Change in trade receivables, debtors, and other debit balances	(30.4)	30.3
Changes in due from related parties	(0.8)	(1.4)
Change in trade and other payables	(9.9)	16.8
Paid from employee incentive plan	-	-
Change in lease	(16.2)	5.8
Others	-	-
Net cash flows generated from operating activities	279.4	215.7
Cash flow from investment activities:		
Proceeds from sale of fixed assets	0.2	1.4
Payments for purchase of fixed assets	(34.4)	(41.5)
PUC purchased	(86.9)	(73.0)
Advanced payments for purchase of fixed assets	(6.7)	(1.1)
Fixed assets suppliers	-	-
Payments for acquisition of a subsidiary, net cash acquired	-	-
Payments under investment	(305.7)	(18.5)
Credit interest collected	20.7	22.1
Treasury bills	-	-
Paid under subsidiaries capital increase	-	-
Paid for investment associates	-	(0.0)
Net cash flow from investment activities	(412.7)	(110.6)
Cash flow from financing activities:		
Lease payments	-	-
Treasury Shares	(46.6)	(641.7)
Dividends paid	(47.2)	-
Repayment of borrowings	-	-
Cash proceed from overdraft	219.3	597.0
Cash paid to overdraft	(80.8)	(497.5)
Interest paid	(16.2)	(15.4)
Share Premium Collected	-	(65.1)
Net cash flow from financing activities	28.5	(622.7)
Net change in cash & cash equivalents during the period	(104.8)	(517.5)
Cash and cash equivalents at the beginning of the period	550.5	847.5
Cash & cash equivalents at the end of the period	445.7	330.0