



Cleopatra Hospitals Group files to obtain the FRA's approval on launching tender offer to acquire up to 100% of Alexandria New Medical Center

The Group seeks an approval from the Egyptian Financial Regulatory Authority (FRA) to launch a Mandatory Tender Offer

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Cleopatra Hospital Group S.A.E. (CLHO.CA on the Egyptian Exchange), Egypt's largest private hospital group by number of hospital beds and number of operating hospitals, filed this morning for regulatory approval to make a mandatory tender offer (MTO) for 100% of the outstanding shares of Alexandria Medical Services S.A.E. (ANMC). Cleopatra is seeking approval from Egypt's Financial Regulatory Authority (FRA) to offer ANMC shareholders EGP 38.53 per share, valuing 100% of ANMC at c. EGP 550 million. This is in line with the process that was initiated by Abu Dhabi Commercial Bank's advisors (holding 51.5% shareholding in ANMC) in March 2021; through which CHG participated by submitting a non-binding offer, receiving the vendor due diligence reports and holding calls with the ANMC management team.

ANMC is one of the leading private hospitals in Alexandria with a 300-bed capacity and offering tertiary medical services, including a liver transplant unit, the only unit in North and West Delta region, an oncology unit and a kidney transplant unit. Through this acquisition, the Group aims to grow patient services and volumes at ANMC and will work closely with the hospital's doctors and staff to meet an increasing demand for quality healthcare services in Alexandria through highly trained healthcare providers, high-quality facilities, and the latest medical technology.

This acquisition is set to mark a new milestone for the Group in its expansion to an operational hospital in the second largest city in Egypt; aligning with its core investment strategy of investing in large general hospitals, with capacity for growth and working with the existing teams to improve the quality of care, provide the highest quality and latest technology in medical services and continue to institutionalize the healthcare sector in Egypt.

CHG has the financial resources to execute on its investment strategy, with a strong, unleveraged balance sheet, over EGP 500 mln of cash balances and with last year's EBITDA alone amounting to over EGP 530 mn and double-digit year-on-year growth. The proposed acquisition of ANMC will be funded through CHG's own cash balances and existing undrawn debt facilities, with excess lines arranged by Ahli United Bank – Egypt. The Group will also continue to invest in developing its existing hospitals network and seize new acquisition opportunities in the healthcare sector, as part of its expansion plans—with an actionable pipeline of potential opportunities.

With transparency at the heart of its operation, CHG has been a pioneer for institutionalizing the healthcare hospitals business in Egypt. The Group is selective when it comes to potential acquisitions, by applying the same governance standard it does for its own facilities and proceeding with an acquisition target following the successful completion of financial, legal and operational due diligence along with assessing the potential for growth and financial and operational synergies.



Commenting on the new deal, CHG's Chief Executive Officer Dr. Ahmed Ezzeldin said that ANMC is a strategic acquisition, as part of the Group's expansion plan and strategy to develop and provide high-quality medical services to Egyptians across the country. The Group targets cities and facilities that address a clear supply-demand gap, the potential to offer new services and grow the existing business.

Ezzeldin added that the Group has expanded its reach outside Greater Cairo and targeted Alexandria for its expansion strategy as the second largest governorate in Egypt, with increasing demand for high-quality medical services and shortage in bed capacity. Similar to the approach it took in Cairo and Giza, CHG intends to continue investing in developing Alexandria's largest hospital, providing state of the art medical services and technology, growing bed capacity in the city and transferring knowledge by linking best healthcare practices between Cairo and Alexandria.

CHG has appointed EFG Hermes as the financial advisor for the transaction, and MHR & Partners in association with White & Case LLP as the legal advisors.

Cleopatra Hospitals Group - an Egyptian joint stock company – is owned 37.87% by Care Healthcare Ltd, which is indirectly held by leading development financial institutions including the European Bank for Reconstruction and Development (EBRD), Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG), and the Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco).

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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.