

Cleopatra Hospitals Group Invests in Egypt's Leading IVF and Fertility Centre

Cairo, Egypt | 9 September 2020

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, signed today a Business Transfer Agreement (BTA) to transfer the assets and operations of Bedaya for Medical Services, Egypt's leading Assisted Reproductive Technology (ART) and fertility centre led by Dr. Ismail Aboul Foutouh, to a joint venture (JV) held for 60% by Cleopatra Hospitals Group and for the remaining 40% by Dr. Aboul Foutouh. The payment consideration for the centre's medical equipment, working capital and associated real estate assets will be of EGP 105 million, with the remaining consideration to be paid based on a structured payment plan linked to 2021 and 2022 earnings. The business is expected to contribute in the region of 10% to CHG Consolidated EBITDA in the future with a strong growth trajectory and supported by attractive market drivers.

Dr. Aboul Foutouh is an internationally renowned fertility specialist with over 20 years of experience in the fields of infertility and IVF, and is currently a Professor in Obstetrics and Gynaecology at Cairo University. He has spent the last 20 years specializing in the treatment of patients with complex fertility conditions, while building Bedaya into Egypt's leading brand for fertility treatment. Dr. Aboul Foutouh will continue managing the Centre's day-to-day operations acting as both Chairman and Managing Director of the new joint venture.

Bedaya was launched in 1998 by Dr. Aboul Foutouh alongside a team of leading medical and fertility specialists and embryologists specializing in the field of assisted reproductive fertility. Bedaya has since expanded to a 4,500 sqm facility in the centrally located neighbourhood of Dokki. Its facility features three operating theatres, 19 recovery beds, and an embryo lab. Over the years, Bedaya has helped thousands of couples achieve pregnancies, and today boast the highest success rate in the region. Bedaya also owns an additional facility in West Cairo which it plans to use as a base to expand into a new, fast-growing neighbourhood of the city with significant potential for the coming years. With this transaction, CHG gains access to a well-established platform from which to grow and develop Egypt's IVF business.

"I am excited about the prospect of partnering with CHG, the leading healthcare Group in Egypt, which will accelerate the growth of Bedaya in the years to come. CHG will not only provide Bedaya with a robust engine to support our growth ambitions, but will also see us benefit from the Group's best-in-class governance frameworks and operational platform which has seen CHG climb the ranks to become one of the strongest publicly listed companies in Egypt," commented Dr. Aboul Foutouh.

"This joint venture will allow us to deliver on our strategy to continue adding additional scalable services to the Group, and, in parallel, allow Bedaya to benefit from the Group's scale and reach in the communities where we operate. This transaction sets the foundations from which to continue building our Mother and Child vertical which we plan to grow leveraging our vast network of hospitals and medical facilities, as well as Bedaya's new facility in West Cairo," said CHG's Chief Executive Officer Dr. Ahmed Ezzeldin.

"We are thrilled to partner with one of the region's strongest management and medical teams within the IVF sector. Under Dr. Aboul Foutouh's leadership, Bedaya has become one of the fastest growing ART providers in Egypt, and we are excited to be collaborating with the entire Bedaya team to take this platform to the next level," added CHG's Chairman Ahmed Badreldin.

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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.

Shareholder Information

EGX: CLHO.CA

Listed: June 2016

Shares Outstanding: 1,600 million

For further information, please
contact:

Cleopatra Hospitals Group S.A.E.

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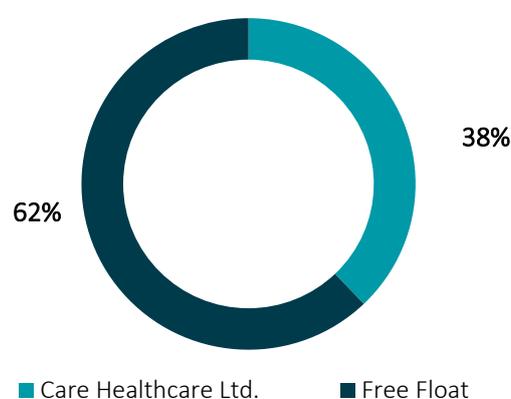
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Shareholder Structure

(as of 30 June 2020)



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.