

Cleopatra Hospitals Group announces intention to acquire El Nozha International Hospital

Egypt's largest private hospital group files for regulatory approval of a mandatory tender offer for up to 100% of the shares of a 110-bed hospital in the East Cairo district of Heliopolis

Cairo, Egypt | 18 January 2018

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 El Nozha International Hospital (El Nozha).

Cleopatra is seeking approval from Egypt's Financial Regulatory Authority (FRA, formerly EFSA) to offer El Nozha shareholders EGP 90 per share, representing a substantial 44% premium to the share's closing price as of 16 January 2018 and valuing 100% of El Nozha at c. EGP 650 million.

El Nozha is listed on the Egyptian Exchange and owns and operates a profitable 110-bed hospital in the East Cairo district of Heliopolis. Acquisition of the facility, which includes a five-story building with nine operating theatres, would further cement Cleopatra's leading position in a high-profile catchment area of the nation's capital. El Nozha was founded in 1986 by leading Egyptian physicians and has a strong track record in key specializations including surgery, intensive care, neonatal intensive care, cardiac catheterization, nephrology, endoscopy and radiology.

El Nozha generated a net profit of c. EGP 32 million in 2016 (9M2017: EGP 25 million) on revenues of c. EGP 144 million (9M2017: 125 million).

"El Nozha is exactly the type of accretive acquisition we are seeking: A physician-founded and physician-led facility with a reputation for excellence and a deep commitment to quality patient outcomes across a variety of specialties," said Cleopatra Hospitals Group Chief Executive Officer Dr. Ahmed Ezzeldin. "El Nozha benefits from a strong management team and CHG is committed to fund El Nozha's substantial planned capital expenditure program for the existing facility including planned future capacity expansions and equipment upgrades to improve quality of medical services and patient access."

Management believes that the Group is uniquely qualified and positioned to quickly add value at El Nozha. The Group sees multiple avenues to extract favorable synergies of a local nature, including doctor scheduling, tiered insurance packages, medical CAPEX, revenue and cost synergies.

Upon successful acquisition of at least 51% of El Nozha's shares, Cleopatra intends to initiate procedures to de-list El Nozha from the EGX. Completion of the transaction is pending finalization of all regulatory approvals.

EFG Hermes Investment Banking is advising Cleopatra Hospitals Group on the transaction; Matouk Bassiouny is legal advisor.

—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 in four leading hospitals in the Greater Cairo Area: Cleopatra Hospital, Cairo Specialized Hospital, Nile Badrawi Hospital and Al Shorouk Hospital, offering a full array of general and emergency healthcare services.

Shareholder Information

EGX: CLHO.CA

Listed: June 2016

Shares Outstanding: 200 million

For further information, please
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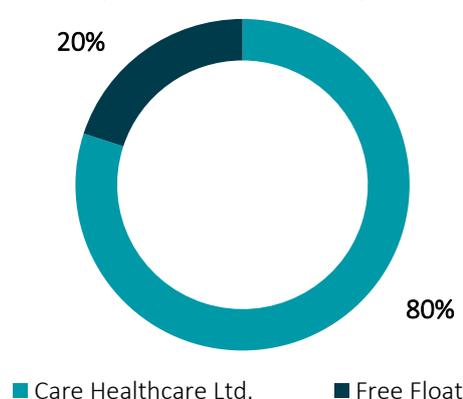
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Shareholder Structure

(as of December 2017)



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, which 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, our ability to retain the services of certain key employees, our 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 identify future risks to our business and manage the risks mentioned above in a timely and accurate manner.

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.