

**CLEOPATRA HOSPITAL COMPANY "S.A.E."  
AND ITS SUBSIDIARIES**

**LIMITED REVIEW REPORT AND THE INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED  
31 MARCH 2023**

# CLEOPATRA HOSPITAL COMPANY “S.A.E.” AND ITS SUBSIDIARIES

## Interim condensed consolidated financial statements For the three months period ended 31 March 2023

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## Limited Review Report on the Interim Financial Statements

To: The Board of Directors of Cleopatra Hospital Company (S.A.E.)

### Introduction

We conducted our limited review on the accompanying interim condensed consolidated financial position of Cleopatra Hospital Company (S.A.E.) and its subsidiaries (the "Group") as at 31 March 2023 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months period then ended. The management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with the Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is limited to express a conclusion on these interim condensed consolidated financial statements based on our limited review.

### Scope of the limited review

We conducted our limited review in accordance with the Egyptian Standard on Limited Review Engagements (2410), "Limited Review of Interim Financial Statements Performed by the Auditor of the Entity". A limited review of the interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the Egyptian Standards on Auditing and consequently does not enable us to obtain an assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

### Conclusion

Based on our limited review, nothing has come to our attention which causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects in accordance with the Egyptian Accounting Standard No. (30) "Interim Financial Reporting".



Tamer Abdel Tawab  
Member of Egyptian Society of Accountants & Auditors  
Member of AICPA  
R.A.A. 17996  
F.R.A. 388

9 July 2023  
Cairo

**CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of financial position – At 31 March 2022**

(All amounts are shown in Egyptian Pounds)

	Note	31 March 2023	31 December 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	4	1,647,726,609	1,567,256,629
Right-of-use assets	5	168,635,190	149,161,936
Goodwill		369,263,334	369,263,334
Other intangible assets		53,665,788	54,183,109
Investments in associates		3,810,927	3,810,927
Paid under investments purchased		4,201,975	4,201,975
<b>Total non-current assets</b>		<b>2,247,303,823</b>	<b>2,147,877,910</b>
<b>Current assets</b>			
Inventories	6	120,997,293	108,020,724
Trade and other receivables	7	569,754,165	505,356,134
Due from related parties	19	674,476	3,152,972
Debtors and other debit balances	8	209,194,708	172,817,945
Cash and cash equivalent	9	391,397,492	346,143,272
<b>Total current assets</b>		<b>1,292,018,134</b>	<b>1,135,491,047</b>
<b>Total assets</b>		<b>3,539,321,957</b>	<b>3,283,368,957</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		800,000,000	800,000,000
Treasury shares	21	(766,026,840)	(766,026,840)
Retained earnings		1,611,962,510	1,517,369,788
Employees stock ownership Plan		12,481,823	8,383,763
Reserves		319,211,558	319,211,558
<b>Equity attributable to the Company's owners</b>		<b>1,977,629,051</b>	<b>1,878,938,269</b>
Non-controlling interests	10	160,402,440	148,412,296
<b>Net equity</b>		<b>2,138,031,491</b>	<b>2,027,350,565</b>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Lease liabilities	13	174,577,494	155,459,030
Deferred tax liabilities		91,731,355	89,449,007
Loans	11	143,994,557	88,033,127
<b>Total non-current liabilities</b>		<b>410,303,406</b>	<b>332,941,164</b>
<b>Current liabilities</b>			
Banks overdraft		219,179,352	244,464,052
Provisions		11,941,958	25,300,047
Trade and other payables	12	589,513,960	530,750,517
Loans	11	7,578,661	-
Other liabilities		39,035,000	35,580,000
Lease liabilities	13	45,388,734	38,983,371
Current income tax liabilities		78,349,395	47,999,241
<b>Total current liabilities</b>		<b>990,987,060</b>	<b>923,077,228</b>
<b>Total liabilities</b>		<b>1,401,290,466</b>	<b>1,256,018,392</b>
<b>Total equity and liabilities</b>		<b>3,539,321,957</b>	<b>3,283,368,957</b>

- The accompanying notes from 1 to 22 are integral part of these interim condensed consolidated financial statements.

Mr. Ahmed Adel Badreldin  
Non-Executive Chairman

Dr. Ahmed Ezz Eldin Mahmoud  
CEO & Managing Director

Mr. Adel Elmistikawi  
Group CFO

6 July 2023

- Limited review report is attached

**CLEOPATRA HOSPITAL COMPANY “S.A.E.” AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of profit or loss  
For the three months period ended 31 March 2023**

(All amounts in Egyptian Pounds)

	Note	31 March 2023	31 March 2022
Revenue	14	776,851,842	636,905,385
Deduct:			
Cost of revenue	15	(513,339,640)	(414,954,341)
Gross profit		<u>263,512,202</u>	<u>221,951,044</u>
(Deduct) Add;			
General and administrative expenses	16	(105,764,942)	(92,025,716)
Net impairment losses on financial assets	17	(9,470,704)	(10,046,040)
Provisions		(3,307,707)	(4,447,900)
Other income		737,732	1,865,015
<b>Operating profit</b>		<u>145,706,581</u>	<u>117,296,403</u>
Finance income		11,687,636	20,671,871
Finance expenses		(17,418,294)	(7,349,817)
Consulting expenses for acquisition activities		(515,611)	(794,522)
<b>Profit for the period before income tax</b>		<u>139,460,312</u>	<u>129,823,935</u>
Current tax		(30,686,319)	(27,271,964)
Deferred tax		(2,191,127)	(129,619)
<b>Net profit for the period</b>		<u>106,582,866</u>	<u>102,422,352</u>
<b>Profit is attributable to</b>			
Owners of the Parent Company		94,592,722	95,982,931
Non-controlling interest		11,990,144	6,439,421
		<u>106,582,866</u>	<u>102,422,352</u>
<b>Earnings per share (basic)</b>		<b>0.07</b>	<b>0.06</b>
<b>Earnings per share (diluted)</b>	<b>18</b>	<u><b>0.07</b></u>	<u><b>0.06</b></u>

- The accompanying notes from 1 to 22 are integral part of these interim condensed consolidated financial statements.

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Interim condensed consolidated statement of comprehensive income For the three months period ended 31 March 2023

	<u>31 March 2023</u>	<u>31 March 2022</u>
(All amounts in Egyptian Pounds)		
Profit for the period	106,582,866	102,422,352
Other comprehensive income items	-	-
<b>Comprehensive income for the period</b>	<b><u>106,582,866</u></b>	<b><u>102,422,352</u></b>
<b>Profit is attributable to:</b>		
Owners of the Parent Company	94,592,722	95,982,931
Non-controlling interest	<u>11,990,144</u>	<u>6,439,421</u>
	<b><u>106,582,866</u></b>	<b><u>102,422,352</u></b>

The accompanying notes from 1 to 22 are integral part of these interim condensed consolidated financial statements.

**CLEOPATRA HOSPITAL COMPANY “S.A.E.” AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of changes in equity  
For the three months period ended 31 March 2023**

	<u>Share capital</u>	<u>Treasury Shares</u>	<u>Reserve</u>	<u>Retained Earnings</u>	<u>Employees stock ownership plan</u>	<u>Total Shareholders' equity of the parent company</u>	<u>Non-controlling interest</u>	<u>Total equity</u>
(All amounts in Egyptian Pounds)								
<b>Balance at 1 January 2022</b>	<b>800,000,000</b>	<b>(4,152,742)</b>	<b>302,942,579</b>	<b>1,269,995,272</b>	<b>8,289,941</b>	<b>2,377,075,050</b>	<b>120,742,065</b>	<b>2,497,817,115</b>
Treasury shares	-	(230,663,573)	-	-	-	(230,663,573)	-	(230,663,573)
Employees stock ownership plan	-	-	-	-	4,144,971	4,144,971	-	4,144,971
Total comprehensive income for the period	-	-	-	95,982,931	-	95,982,931	6,439,421	102,422,352
<b>Balance at 31 March 2022</b>	<b>800,000,000</b>	<b>(234,816,315)</b>	<b>302,942,579</b>	<b>1,365,978,203</b>	<b>12,434,912</b>	<b>2,246,539,379</b>	<b>127,181,486</b>	<b>2,373,720,865</b>
<b>Balance at 1 January 2023</b>	<b>800,000,000</b>	<b>(766,026,840)</b>	<b>319,211,558</b>	<b>1,517,369,788</b>	<b>8,383,763</b>	<b>1,878,938,269</b>	<b>148,412,296</b>	<b>2,027,350,565</b>
Employees Stock Ownership Plan value	-	-	-	-	4,098,060	4,098,060	-	4,098,060
Total comprehensive income for the period	-	-	-	94,592,722	-	94,592,722	11,990,144	106,582,866
<b>Balance at 31 March 2023</b>	<b>800,000,000</b>	<b>(766,026,840)</b>	<b>319,211,558</b>	<b>1,611,962,510</b>	<b>12,481,823</b>	<b>1,977,629,051</b>	<b>160,402,440</b>	<b>2,138,031,491</b>

The accompanying notes from 1 to 22 are integral part of these interim condensed consolidated financial statements.

**CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES**

**Interim condensed consolidated statement of cash flows**  
**For the three months period ended 31 March 2023**

(All amounts in Egyptian Pounds)

	Note	31 March 2023	31 March 2022
<b>Cash flows from operating activities</b>			
Profit before tax		139,460,312	129,823,935
<b>Adjustments to settle net profit with cash flow from operating activities:</b>			
Fixed Assets depreciation	4	36,728,938	31,546,107
Right of use depreciation	5	7,970,610	6,603,555
Gain on disposal of fixed assets		(8,812)	(418,279)
Financial assets impairment	17	9,470,700	10,046,040
Inventory impairment	6	149,888	19,859
Provisions		3,307,707	4,447,900
Interest and commission - Bank's overdraft		10,897,114	570,641
Interest and commission - Lease contracts	13	6,521,180	6,515,133
Interest income		(7,253,278)	(17,693,854)
Intangible assets amortization		517,321	3,972,321
Other liabilities		3,455,000	-
Employees stock ownership plan		4,098,060	4,144,971
<b>Operating cash flows before changing in assets and liabilities</b>		<u>215,314,730</u>	<u>179,578,329</u>
<b>Changes in assets and liabilities</b>			
Changes in inventories		(13,126,457)	(6,163,234)
Changes in trade receivables		(72,023,921)	(38,181,779)
Changes in due from related parties		2,478,496	(271,849)
Changes in debtors and other debit balances		(24,061,654)	(8,490,345)
Changes in trade and other payables		<u>60,377,204</u>	<u>15,941,834</u>
<b>Change in working capital</b>		168,958,398	142,412,956
Income taxes paid		(476,544)	-
Impairment of financial assets – write off		-	(20,053,582)
Provisions – used		<u>(16,665,796)</u>	<u>(5,189,456)</u>
<b>Net cash flow generated from operating activities</b>		<u>151,816,058</u>	<u>117,169,918</u>
<b>Cash flows from investing activities</b>			
Payments for fixed assets	4	(18,968,602)	(21,713,361)
Payments for Projects under construction	4	(98,429,004)	(33,258,220)
Proceeds from the sale of fixed assets		207,498	849,121
Fixed assets down-payments		(12,487,336)	4,609,656
Payments under acquisition of associates		-	(200)
Interest received		7,425,513	14,248,767
<b>Net cash flows used in investing activities</b>		<u>(122,251,931)</u>	<u>(35,264,237)</u>
<b>Cash flows from financing activities</b>			
Proceeds from bank's overdraft		(25,284,700)	(60,627,560)
Proceeds from loans		63,540,091	-
Payments for lease liabilities		(10,054,978)	(1,721,840)
Payments for the purchase of treasury shares		-	(149,967,435)
Interest and commission paid		<u>(10,897,114)</u>	<u>(7,890,208)</u>
<b>Net cash flows used in financing activities</b>		<u>17,300,053</u>	<u>(220,207,043)</u>
<b>Changed in cash and cash equivalents during the period</b>		46,867,426	(138,301,362)
Cash and cash equivalents at the beginning of the period		<u>347,434,402</u>	<u>847,525,002</u>
<b>Cash and cash equivalents at the end of the period</b>	9	<u>394,301,828</u>	<u>709,223,640</u>

The accompanying notes from 1 to 22 are integral part of these interim condensed consolidated financial statements.



# CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

## Notes to the interim condensed consolidated financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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### 1. Introduction

Cleopatra Hospital Company the "parent company" previously (Lasheen and Partners) was established as a limited partnership on 19 July 1979. The decision of the Chairman of Investment Authority No. 4092 of 2005 was issued on 27 June 2005 authorising the conversion of the legal type of Cleopatra Hospital (Lasheen and Partners) from a "limited partnership" into Cleopatra Hospital Company "S.A.E." The Company was incorporated and is domiciled in the Arab Republic of Egypt. The Company is a public joint stock company and was incorporated in accordance with law no.95 of 1992.

The company is listed in the Egyptian Stock Exchange.

#### Principal activity.

The Company's purpose is to establish a private hospital to provide advanced modern health and medical services, as well as the medical care of in-patients. The Company may have interest or participate in any manner in companies or other firms which carry on similar activities in Egypt or abroad. The Company may acquire, merge or affiliate such entities under the General Authority for Investment.

#### Registered address and place of business.

The Company is located at 39, 41 Cleopatra Street, Heliopolis, Cairo.

#### Presentation currency.

Presentation currency is Egyptian pound

These interim condensed consolidated financial statements were approved for issue by the Parent Company's Board of Directors on 6 July 2023.

### 2. Basis of preparation

#### A. Statement of Compliance

This interim condensed consolidated financial statements for the three-month reporting period ended 31 March 2023 have been prepared in accordance with Egyptian Accounting Standard 30 "Interim Financial Reporting".

This interim condensed consolidated financial information does not include all the disclosures that would normally be disclosed in preparing the full annual financial statements. Therefore, this interim condensed consolidated financial information should be read with the annual consolidated financial statements of the Group on 31 December 2022.

The accounting policies used in preparing this interim condensed financial information are consistent with those used in preparing the annual financial statements for the fiscal year ending on 31 December 2022 and the fiscal periods Comparison

## CLEOPATRA HOSPITAL COMPANY “S.A.E.” AND ITS SUBSIDIARIES

### Notes to the interim condensed consolidated financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 2. Basis of preparation (continued)

##### A. Statement of Compliance (continued)

The interim condensed consolidated financial statements include the financial statements of the following subsidiaries:

	<b>Relationship with Cleopatra Hospital</b>	<b>Country of incorporation</b>	<b>Percentage of ownership 31 March 2023</b>	<b>Percentage of ownership 31 December 2022</b>
Al-Shorouk Hospital Company S.A.E.	Subsidiary	Egypt	99.99%	99.99%
Nile Badrawi Hospital Company S.A.E.	Subsidiary	Egypt	99.99%	99.99%
Cairo Specialised Hospital Company S.A.E.	Subsidiary	Egypt	56.46%	56.46%
CHG for Medical Services Company S.A.E.	Subsidiary	Egypt	20% (preference shares)	20% (Preference shares)
CHG Pharma for Pharmacies Management Company S.A.E.	Subsidiary	Egypt	98%	98%
CHG for hospitals S.A.E.	Subsidiary	Egypt	99.99%	99.99%
Bedaya El Gedida Company for Medical Centers and Hospitals S.A.E.	Subsidiary	Egypt	99.99%	99.99%
CHG Sky Hospital S.A.E.	Subsidiary	Egypt	99.99%	99.99%
Cleopatra Heavens Hospital S.A.E.	Subsidiary	Egypt	99.99%	99.99%

# CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

## Notes to the interim condensed consolidated financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

### 2. Basis of preparation (continued)

#### B. Amended Egyptian accounting standards that the group has not yet applied and presentation currency

The Minister of Investment issued Decision No. 883 of 2023 in March 2023, amending some provisions of Egyptian accounting standards, which include some new accounting standards and amendments to some existing standards. These amendments were published in the Accounting Standards in the Official Gazette on March 6, 2023. The most important amendments are summarized as follows, which are implemented for financial periods beginning on or after January 1, 2023. The Group's management is in the process of evaluating the impact of applying these amendments:

<u>Standard's name</u>	<u>Amendments to the Egyptian Accounting Standard "Fixed Assets" No. (10) and the Egyptian Accounting Standard No. (23) "Intangible Assets" related to depreciation and amortization</u>
<b>The nature of the modification</b>	<b>The scope of the standard</b> The scope of the standard has been amended to include "bearing plants".  <b>Measurement</b> - An option to apply the revaluation model for fixed assets has been added - The fair value is determined by an estimate made by experts specialized in valuation and valuation among those registered in a register designated for that in the Financial Regulatory Authority. - Paragraph 20 / A has been added, according to which the facility must record the proceeds from the sale of any output produced during the delivery of the fixed asset to the condition necessary for it to be operable in the manner intended by the management within the profits or losses. <b>Disclosures</b> - Some new disclosures related to the re-evaluation form have been added.
<b>The impact</b>	There is no impact on the consolidated financial statements for the financial period ending on March 31, 2023. The management is currently evaluating the potential impact of the application on the financial statements.
<b>Date of mandatory application/date of implementation by the Group</b>	The amendments to add the option to use the revaluation model will be applied to the financial periods starting on or after January 1, 2023, with a retroactive effect, with proof of the cumulative effect of applying the revaluation model first by adding it to the revaluation surplus account within equity at the beginning of the financial period in which the company applies this model for the first time.

CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

Notes to the interim condensed consolidated financial statements  
For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

2. Basis of preparation (continued)

B. Amended Egyptian accounting standards that the group has not yet applied and presentation currency (continued)

<b>Standard's name</b>	<b><u>Egyptian Accounting Standard No. (23) "Intangible Assets".</u></b>
<b>The nature of the modification</b>	<p>The scope of the standard</p> <p>The scope of the intangibles standard has been amended to include the rights that the lessee retains under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents, and copyrights.</p> <p><b>Measurement</b></p> <ul style="list-style-type: none"> <li>- An option to apply the revaluation model for intangible assets has been added</li> <li>- The fair value is determined by an estimate made by experts specialized in valuation and valuation among those registered in a register designated for that in the Financial Supervisory Authority.</li> </ul> <p><b>Disclosures</b></p> <p>Some new disclosures have been added to the re-evaluation form.</p>
<b>The impact</b>	<p>There is no impact on the consolidated financial statements for the financial period ending on March 31, 2023. The management is currently evaluating the potential impact of the application on the financial statements.</p>
<b>Date of mandatory application/date of implementation by the Group</b>	<p>The facility applies the amendments to add the option of using the revaluation model to the financial periods starting on or after January 1, 2023, retroactively, with proof of the cumulative effect of applying the revaluation model first by adding it to the revaluation account within equity at the beginning of the financial period in which the facility applies This model for the first time.</p>
<b>Standard's name</b>	<b><u>Amendments to the Egyptian Accounting Standard "Fixed Assets" No. (10) and the Egyptian Accounting Standard No. (23) "Intangible Assets" related to depreciation and amortization</u></b>
<b>The nature of the modification</b>	<p>This amendment clarifies that a depreciation method that is based on revenue generated from an activity that includes depreciation of an asset may not be used. As the generation of revenue related to the asset reflects factors other than the consumption of economic benefits related to the asset.</p> <p>It is possible to refute this assumption in limited cases related to intangible assets when there is a close correlation between the volume of revenue and the intangible asset.</p>
<b>The impact</b>	<p>There is no impact on the consolidated financial statements for the financial period ending on March 31, 2023. The management is currently evaluating the potential impact of the application on the financial statements.</p> <ul style="list-style-type: none"> <li>• Applies to fiscal periods beginning on or after January 1, 2023.</li> </ul>
<b>Date of mandatory application/date of implementation by the Group</b>	

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the interim condensed consolidated financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 2. Basis of preparation (continued)

#### B. Amended Egyptian accounting standards that the group has not yet applied and presentation currency (continued)

<b>Standard's name</b>	<b><u>Egyptian Accounting Standard No. (34) "Real Estate Investment"</u></b>
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<b>The nature of the modification</b>	Measurement - An option to apply the fair value model for real estate investment has been added. - The fair value is determined by an estimate made by experts specialized in evaluation and valuation among those registered in a register designated for that in the Financial Supervisory Authority.
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<b>The impact</b>	There is no impact on the consolidated financial statements for the financial period ending on March 31, 2023. The management is currently evaluating the potential impact of the application on the financial statements.
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<b>Date of mandatory application/date of implementation by the Group</b>	The facility applies the amendments to add the option of using the revaluation model to the financial periods starting on or after January 1, 2023, retroactively, with proof of the cumulative effect of applying the revaluation model first by adding it to the revaluation account within equity at the beginning of the financial period in which the facility applies This model for the first time.
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<b>Standard's name</b>	<b><u>Egyptian Accounting Standard No. (36) "Exploration and Evaluation of Mineral Resources"</u></b>
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<b>The nature of the modification</b>	Measurement - An option to use the re-evaluation model has been added, and it is processed according to the re-evaluation form in Fixed Assets Standard No. 10. - The evaluation is carried out by experts specialized in evaluation and valuation among those registered in a register designated for this purpose at the Ministry of Petroleum.
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<b>The impact</b>	<b>Disclosures</b> Some new disclosures have been added to the re-evaluation form. There is no impact on the consolidated financial statements for the financial period ending on March 31, 2023. The management is currently evaluating the potential impact of the application on the financial statements.
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<b>Date of mandatory application/date of implementation by the Group</b>	The facility applies the amendments to add the option of using the revaluation model to the financial periods starting on or after January 1, 2023, retroactively, with proof of the cumulative effect of applying the revaluation model first by adding it to the revaluation account within equity at the beginning of the financial period in which the facility applies This model for the first time.
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## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the interim condensed consolidated financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 2. Basis of preparation (continued)

#### B. Amended Egyptian accounting standards that the group has not yet applied and presentation currency (continued)

<u>Standard's name</u>	<u>Egyptian Accounting Standard No. (49) "Lease Contracts"</u>
<b>The nature of the modification</b>	<b>Measurement</b> A revaluation model option has been added to all usufruct assets, if the usufruct asset is related to a category of fixed assets in which the lessee applies the revaluation model contained in Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation"
	<b>Disclosures</b> Some new disclosures have been added regarding the revaluation model in accordance with Egyptian Accounting Standard No. (10) "Fixed Assets and Their Depreciation".
<b>The impact</b>	There is no impact on the consolidated financial statements for the financial period ending on March 31, 2023. The management is currently evaluating the potential impact of the application on the financial statements.
<b>Date of mandatory application/date of implementation by the Group</b>	The facility applies the amendments to add the option of using the revaluation model to the financial periods starting on or after January 1, 2023, retroactively, with proof of the cumulative effect of applying the revaluation model first by adding it to the revaluation account within equity at the beginning of the financial period in which the facility applies This model for the first time.

#### C. Functional and presentation currency

Items included in the interim consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The interim consolidated financial statements are presented in Egyptian Pounds (EGP), which is the Group's functional and presentation currency.

#### D. Use of estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

Significant judgments used by management in applying the group's accounting policies and the main sources of estimation uncertainty are the same as those disclosed in the latest consolidated financial statements and for the financial year ended 31 December 2022.

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the interim condensed consolidated financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 2. Basis of preparation (continued)

##### E. Financial assets and financial liabilities

The Company holds the following financial instruments:

	Amortized cost	
	31 March 2023	31 December 2022
<b>Financial assets</b>		
Trade receivables before	664,463,138	592,439,221
Due from related parties	674,476	3,152,972
Debtors and other debit balances *	16,124,634	15,063,368
Cash on hand and at banks	394,533,426	347,434,402
	<b>1,075,795,674</b>	<b>958,089,963</b>

\* Excluding prepayments, advances to suppliers, and withholding taxes.

	Amortized cost	
	31 March 2023	31 December 2022
<b>Financial Liabilities</b>		
Creditors and other credit balances **	300,642,906	268,365,644
Lease liabilities	219,966,228	194,442,401
Loan	151,573,218	88,033,127
Bank's overdraft	219,179,352	244,464,052
	<b>891,361,704</b>	<b>795,305,224</b>

\*\* Excluding social insurance.

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements - For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 3. Segment reporting

Business segments are reported in line with the reports provided internally to the senior management, which makes decisions related to resources allocation and evaluation of segments' performance in the Group. The senior management is represented in Group's executive management committee. The segment reports are provided to the Group based on each company, as each subsidiary is considered a separate business segment.

Below is a summary of each segment, which is presented for the period ended 31 March 2023 for each segment:

	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG for Medical Services	CHG Pharma for pharmacies management	CHG for Hospitals	Queens Hospitals	Al Kateb Hospitals	Bedaya El Gedida for Medical Centers and Hospitals	CHG SKY Hospital	Consolidated adjustment*	Total
<b>Statement of financial position</b>													
Non-current assets	1,689,132,652	377,423,605	310,420,093	309,746,687	31,458,541	2,973,928	-	63,159,837	143,761,470	89,978,640	26,358,741	(797,110,371)	2,247,303,823
Current assets	440,076,790	256,149,527	219,573,269	203,983,856	24,607,114	14,184,608	32,640,658	75,169,303	31,251,303	67,110,251	65,891,257	(138,619,802)	1,292,018,134
<b>Total assets</b>	<b>2,129,209,442</b>	<b>633,573,132</b>	<b>529,993,362</b>	<b>513,730,543</b>	<b>56,065,655</b>	<b>17,158,536</b>	<b>32,640,658</b>	<b>138,329,140</b>	<b>175,012,773</b>	<b>157,088,891</b>	<b>92,249,998</b>	<b>(935,730,173)</b>	<b>3,539,321,957</b>
Current liabilities	562,553,937	174,233,848	114,587,665	111,797,596	88,407,925	20,974,104	1,190,751	26,733,075	44,929,167	51,925,610	4,093,025	(210,439,643)	990,987,060
Non-current liabilities	89,264,691	52,667,266	83,386,068	29,267,737	29,594,299	3,664,598	-	70,544,532	3,492,632	2,402,818	-	46,018,765	410,303,406
<b>Total Liabilities</b>	<b>651,818,628</b>	<b>226,901,114</b>	<b>197,973,733</b>	<b>141,065,333</b>	<b>118,002,224</b>	<b>24,638,702</b>	<b>1,190,751</b>	<b>97,277,607</b>	<b>48,421,799</b>	<b>54,328,428</b>	<b>4,093,025</b>	<b>(164,420,878)</b>	<b>1,401,290,466</b>
<b>Statement of profit or loss:</b>													
Revenue	292,392,017	163,007,745	111,986,831	130,413,369	26,977,276	13,760,554	-	-	25,257,560	19,072,287	-	(6,015,797)	776,851,842
Cost of revenue	(166,566,674)	(111,512,748)	(85,365,571)	(90,096,306)	(17,944,716)	(12,987,261)	-	(1,682,200)	(21,429,068)	(10,872,346)	-	5,117,250	(513,339,640)
<b>Gross profit</b>	<b>125,825,343</b>	<b>51,494,997</b>	<b>26,621,260</b>	<b>40,317,063</b>	<b>9,032,560</b>	<b>773,293</b>	<b>-</b>	<b>(1,682,200)</b>	<b>3,828,492</b>	<b>8,199,941</b>	<b>-</b>	<b>(898,547)</b>	<b>263,512,202</b>
Other expenses and revenues	(64,538,936)	(27,454,081)	(23,867,354)	(24,012,928)	(4,906,513)	(667,255)	(75,062)	(1,355,467)	(3,281,481)	(6,607,525)	143,560	(306,295)	(156,929,337)
<b>Profit for the period</b>	<b>61,286,407</b>	<b>24,040,916</b>	<b>2,753,906</b>	<b>16,304,135</b>	<b>4,126,047</b>	<b>106,038</b>	<b>(75,062)</b>	<b>(3,037,667)</b>	<b>547,011</b>	<b>1,592,416</b>	<b>143,560</b>	<b>(1,204,842)</b>	<b>106,582,866</b>
<b>Other Items</b>													
Capital expenditure	30,473,384	33,586,630	28,162,120	3,144,529	7,592	6,891	-	-	1,507,421	719,412	19,789,627	-	117,397,606
Fixed assets depreciation	7,879,548	7,759,434	5,733,688	7,439,120	65,853	18,261	-	815,626	3,599,256	1,274,273	-	2,143,879	36,728,938

\* Consolidated adjustment is mainly represented by elimination of intercompany balances, transactions and consolidation adjustments for investment in subsidiaries.



## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements - For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 3. Segment reporting (continued)

Below is a summary of each segment, which is presented for the year ended 31 December 2022 for each segment:

	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG for Medical Services	CHG Pharma for pharmacies management	CHG for Hospitals	Queens Hospitals	Al Kateb Hospitals	Bedaya El Gedida for Medical Centers and Hospitals	CHG SKY Hospital	Consolidated adjustment*	Total
<b>Statement of financial position</b>													
Non-current assets	1,644,670,640	351,715,466	288,891,045	314,891,373	33,580,003	3,163,143	-	64,974,500	143,338,304	91,548,692	6,569,114	(795,464,370)	<b>2,147,877,910</b>
Current assets	337,431,210	190,785,262	207,844,535	178,251,501	23,149,902	14,570,552	32,640,658	77,328,280	26,180,904	59,066,363	82,710,545	(94,468,665)	<b>1,135,491,047</b>
<b>Total assets</b>	<b>1,982,101,850</b>	<b>542,500,728</b>	<b>496,735,580</b>	<b>493,142,874</b>	<b>56,729,905</b>	<b>17,733,695</b>	<b>32,640,658</b>	<b>142,302,780</b>	<b>169,519,208</b>	<b>150,615,055</b>	<b>89,279,659</b>	<b>(889,933,035)</b>	<b>3,283,368,957</b>
Current liabilities	513,529,605	134,265,495	97,518,839	109,512,367	90,690,373	21,457,970	1,115,689	28,264,647	39,928,098	15,469,717	1,266,247	(165,521,819)	<b>887,497,228</b>
Non-current liabilities	56,565,896	25,604,134	69,951,018	27,269,432	32,102,148	3,861,929	-	69,948,933	3,547,149	33,260,609	-	46,409,916	<b>368,521,164</b>
<b>Total Liabilities</b>	<b>570,095,501</b>	<b>159,869,629</b>	<b>167,469,857</b>	<b>136,781,799</b>	<b>122,792,521</b>	<b>25,319,899</b>	<b>1,115,689</b>	<b>98,213,580</b>	<b>43,475,247</b>	<b>48,730,326</b>	<b>1,266,247</b>	<b>(119,111,903)</b>	<b>1,256,018,392</b>
<b>Statement of profit or loss:</b>													
Revenue	1,014,052,500	525,559,329	378,418,379	439,722,048	87,646,799	48,036,184	-	30,388,796	48,998,403	68,886,213	-	(27,287,481)	<b>2,614,421,170</b>
Cost of revenue	(573,406,102)	(358,271,371)	(286,979,023)	(314,547,047)	(67,173,514)	(45,405,318)	-	(22,341,515)	(57,778,172)	(39,401,570)	-	24,197,547	<b>(1,741,106,085)</b>
<b>Gross profit</b>	<b>440,646,398</b>	<b>167,287,958</b>	<b>91,439,356</b>	<b>125,175,001</b>	<b>20,473,285</b>	<b>2,630,866</b>	<b>-</b>	<b>8,047,281</b>	<b>(8,779,769)</b>	<b>29,484,643</b>	<b>-</b>	<b>(3,089,934)</b>	<b>873,315,085</b>
Other expenses and revenues	(197,848,076)	(97,034,893)	(64,950,868)	(76,466,648)	(18,544,032)	(3,319,523)	(359,336)	(10,001,395)	(14,810,906)	(32,450,276)	513,413	(1,310,706)	<b>(516,583,246)</b>
<b>Profit for the year</b>	<b>242,798,322</b>	<b>70,253,065</b>	<b>26,488,488</b>	<b>48,708,353</b>	<b>1,929,253</b>	<b>(688,657)</b>	<b>(359,336)</b>	<b>(1,954,114)</b>	<b>(23,590,675)</b>	<b>(2,965,633)</b>	<b>513,413</b>	<b>(4,400,640)</b>	<b>356,731,839</b>
<b>Other Items</b>													
Capital expenditure	77,648,177	85,100,844	58,558,885	102,561,496	459,680	80,782	-	365,942	11,914,328	8,011,679	6,569,114	-	<b>351,270,927</b>
Fixed assets depreciation	39,036,628	26,723,229	21,032,836	24,207,781	224,983	15,548	-	3,300,858	5,408,666	4,597,951	-	8,575,523	<b>133,124,003</b>

\* Consolidated adjustment is mainly represented by elimination of intercompany balances, transactions and consolidation adjustments for investment in subsidiaries.

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements - For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 3. Segment reporting (continued)

Below is a summary of each segment, which is presented for the period ended 31 March 2022 for each segment:

	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG for Medical Services	CHG Pharma for pharmacies management	CHG for Hospitals	Queens Hospitals	Al Kateb Hospitals	Bedaya El Gedida for Medical Centers and Hospitals	CHG Sky hospital.	Consolidation adjustment	Total
<b>Statement of financial position</b>													
Non-current assets	1,497,975,436	316,894,288	250,831,577	241,587,521	40,148,452	3,668,860	-	71,187,956	136,074,218	91,246,939	-	(674,444,657)	1,975,170,590
Current assets	561,537,014	175,956,806	172,726,391	207,888,016	21,752,812	13,713,002	24,783,308	103,570,750	41,570,973	46,524,291	35,000,000	(89,253,092)	1,315,770,271
<b>Total assets</b>	<b>2,059,512,450</b>	<b>492,851,094</b>	<b>423,557,968</b>	<b>449,475,537</b>	<b>61,901,264</b>	<b>17,381,862</b>	<b>24,783,308</b>	<b>174,758,706</b>	<b>177,645,191</b>	<b>137,771,230</b>	<b>35,000,000</b>	<b>(763,697,749)</b>	<b>3,290,940,861</b>
Current liabilities	202,965,415	143,084,533	89,114,278	95,792,237	89,466,810	19,813,117	593,996	50,929,990	31,412,199	12,215,836	-	(103,972,620)	631,415,791
Non-current liabilities	41,533,659	12,465,634	21,505,449	25,224,409	40,298,815	4,427,051	-	66,869,109	3,447,197	22,176,051	-	47,856,831	285,804,205
<b>Total Liabilities</b>	<b>244,499,074</b>	<b>155,550,167</b>	<b>110,619,727</b>	<b>121,016,646</b>	<b>129,765,625</b>	<b>24,240,168</b>	<b>593,996</b>	<b>117,799,099</b>	<b>34,859,396</b>	<b>34,391,887</b>	<b>-</b>	<b>(56,115,789)</b>	<b>917,219,996</b>
<b>Statement of profit or loss:</b>													
Operating revenue	250,884,230	118,535,304	88,397,389	103,467,101	20,625,565	11,124,413	-	30,221,642	6,192,403	15,512,376	-	(8,055,038)	636,905,385
Operating costs	(138,240,663)	(82,223,466)	(66,570,094)	(72,142,470)	(16,087,323)	(10,546,904)	-	(15,416,023)	(12,037,701)	(8,976,244)	-	7,286,547	(414,954,341)
<b>Gross profit</b>	<b>112,643,567</b>	<b>36,311,838</b>	<b>21,827,295</b>	<b>31,324,631</b>	<b>4,538,242</b>	<b>577,509</b>	<b>-</b>	<b>14,805,619</b>	<b>(5,845,298)</b>	<b>6,536,132</b>	<b>-</b>	<b>(768,491)</b>	<b>221,951,044</b>
Other expenses and revenues	(43,194,941)	(21,645,643)	(15,801,688)	(18,238,717)	(4,410,735)	(538,268)	(194,993)	(3,889,326)	(3,214,261)	(7,989,485)	-	(410,635)	(119,528,692)
<b>Profit for the period</b>	<b>69,448,626</b>	<b>14,666,195</b>	<b>6,025,607</b>	<b>13,085,914</b>	<b>127,507</b>	<b>39,241</b>	<b>(194,993)</b>	<b>10,916,293</b>	<b>(9,059,559)</b>	<b>(1,453,353)</b>	<b>-</b>	<b>(1,179,126)</b>	<b>102,422,352</b>
<b>Other Items</b>													
Capital expenditure	9,523,630	29,015,828	3,548,202	7,788,676	72,030	38,199	-	290,943	2,017,719	2,676,353	-	-	54,971,580
Fixed assets depreciation	8,461,420	6,284,757	4,321,564	5,119,234	38,889	654	-	821,591	3,237,776	1,116,343	-	2,143,879	31,546,107

\* Consolidated adjustment is mainly represented by elimination of intercompany balances, transactions and consolidation adjustments for investment in subsidiaries.

CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

Notes to the consolidated interim financial statements - For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

4. Fixed Assets

	Lands	Machinery, equipment and devices	Furniture	Buildings	Vehicles	Computers	Projects under construction	Total
<b>At 1 January 2022</b>								
Cost	173,240,262	675,007,435	134,976,073	658,603,504	20,518,537	136,484,247	122,618,821	<b>1,921,448,879</b>
Accumulated depreciation	-	(304,249,103)	(50,127,080)	(135,487,954)	(10,196,264)	(69,663,056)	-	<b>(569,723,457)</b>
<b>Net book value</b>	<b>173,240,262</b>	<b>370,758,332</b>	<b>84,848,993</b>	<b>523,115,550</b>	<b>10,322,273</b>	<b>66,821,191</b>	<b>122,618,821</b>	<b>1,351,725,422</b>
<b>Year ended 31 December 2022</b>								
Opening net book value	173,240,262	370,758,332	84,848,993	523,115,550	10,322,273	66,821,191	122,618,821	<b>1,351,725,422</b>
Additions	-	128,830,449	16,777,434	1,513,754	-	14,544,695	189,604,595	<b>351,270,927</b>
Disposals	-	(9,980,156)	(4,193,733)	(220,000)	(1,606,042)	(718,334)	-	<b>(16,718,265)</b>
Transfers from projects under construction	-	1,265,886	19,565,319	72,275,065	-	4,025,101	(97,131,371)	-
Depreciation for the year	-	(59,282,606)	(18,654,591)	(24,419,422)	(4,255,730)	(26,511,654)	-	<b>(133,124,003)</b>
Accumulated depreciation of disposal	-	8,673,706	3,998,126	-	757,917	672,799	-	<b>14,102,548</b>
<b>Closing net book value</b>	<b>173,240,262</b>	<b>440,265,611</b>	<b>102,341,548</b>	<b>572,264,947</b>	<b>5,218,418</b>	<b>58,833,798</b>	<b>215,092,045</b>	<b>1,567,256,629</b>
<b>At 31 December 2022</b>								
Cost	173,240,262	795,123,614	167,125,093	732,172,323	18,912,495	154,335,709	215,092,045	<b>2,256,001,541</b>
Accumulated depreciation	-	(354,858,003)	(64,783,545)	(159,907,376)	(13,694,077)	(95,501,911)	-	<b>(688,744,912)</b>
<b>Net book value</b>	<b>173,240,262</b>	<b>440,265,611</b>	<b>102,341,548</b>	<b>572,264,947</b>	<b>5,218,418</b>	<b>58,833,798</b>	<b>215,092,045</b>	<b>1,567,256,629</b>
<b>At 31 March 2023</b>								
Opening net book value	173,240,262	440,265,611	102,341,548	572,264,947	5,218,418	58,833,798	215,092,045	<b>1,567,256,629</b>
Additions	-	12,515,331	2,972,862	494,721	-	2,985,688	98,429,004	117,397,606
Disposals	-	-	-	-	-	(207,500)	-	(207,500)
Transfers from projects under construction	-	-	144,631	323,000	-	265,866	(733,497)	-
Depreciation for the period	-	(17,049,165)	(5,261,408)	(6,821,510)	(765,231)	(6,831,624)	-	(36,728,938)
Accumulated depreciation of disposal	-	-	-	-	-	8,812	-	8,812
<b>Balance at 31 March 2023</b>	<b>173,240,262</b>	<b>435,731,777</b>	<b>100,197,633</b>	<b>566,261,158</b>	<b>4,453,187</b>	<b>55,055,040</b>	<b>312,787,552</b>	<b>1,647,726,609</b>
Cost	173,240,262	807,638,945	170,242,586	732,988,154	18,912,495	157,379,765	312,787,552	2,373,189,759
Accumulated depreciation	-	(371,907,168)	(70,044,953)	(166,726,996)	(14,459,308)	(102,324,725)	-	(725,463,150)
<b>Net book value at the period end</b>	<b>173,240,262</b>	<b>435,731,777</b>	<b>100,197,633</b>	<b>566,261,158</b>	<b>4,453,187</b>	<b>55,055,040</b>	<b>312,787,552</b>	<b>1,647,726,609</b>

# CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

## Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

### 5. Right-of-use assets

**The Egyptian Standard No. (49) "Leasing Contracts" has been applied in two phases as follows:**  
The first stage relates to lease contracts that were subject to Law (95) for the year 1995 starting on or after 1 January 2019, which are lease contracts related to medical equipment and measured at the beginning of the contract at a value equal to the value of the lease obligations in addition to rental expenses and subsequently depreciated over the life of the lease contracts using the straight-line method.

The second phase represents lease contracts related to buildings that were subject to Law (95) for the year 1995 starting on or after 1 January 2021 and measured at a carrying amount as if the standard had been applied since inception of the lease but discounted using the lending rate to the lessee at the date of application, and it is subsequently depreciated over the life of the lease using the straight-line method.

	<u>31 March 2023</u>	<u>31 December 2022</u>
<b>Machinery and equipment</b>		
Beginning balance for the period/year	14,702,650	16,818,578
Depreciation during the period/year	(690,821)	(2,115,928)
<b>Total – machinery and equipment</b>	<u>14,011,829</u>	<u>14,702,650</u>
<b>Buildings</b>		
Beginning balance for the period/year	134,459,286	157,873,037
Settlements	-	(4,157,171)
Additions for the period /year	27,940,808	5,369,594
Disposals for the period year	(496,944)	(785,421)
Depreciation for the period /year	(7,279,789)	(23,840,753)
<b>Total</b>	<u>154,623,361</u>	<u>134,459,286</u>
	<u>168,635,190</u>	<u>149,161,936</u>

Lease payments are discounted using the interest rate implicit in the lease, if this rate cannot be determined, the lessee's borrowing rate is used, which is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions, an average interest rate of 11.15% was used. For financing revenue contracts for buildings, 12.15% and 16.15% for financing lease contracts for medical machinery and equipment. For existing contracts upon initial recognition to apply the change in the standard. For new contracts, the lessee's borrowing rate is used, which is the rate that the lessee has to pay to borrow the necessary funds to obtain an asset of value. In a similar economic environment with similar terms and conditions at the time of signing the contract.

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 6. Inventories

	<u>31 March 2023</u>	<u>31 December 2022</u>
Medical supply inventory	80,789,238	64,489,857
Medicine inventory	35,795,456	39,735,167
Stationary inventory	2,061,145	1,752,880
Hospitality inventory	1,664,585	1,548,385
Maintenance and spare parts inventory	1,383,257	1,092,657
Food and beverage inventory	242,781	191,059
	<u>121,936,462</u>	<u>108,810,005</u>
Less: Impairment of inventory	(939,169)	(789,281)
	<u>120,997,293</u>	<u>108,020,724</u>

Movement in the provision for inventory is as follows:

	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2022</u>
Balance at the beginning of the period / year	789,281	468,972	468,972
Provisions formed during the period / year	161,778	686,895	
Provisions no longer required during the period / year	(11,890)	(160,636)	104,860
Write-offs during the period / year	-	(205,950)	(24,631)
<b>Balance at the end of the period / year</b>	<u>939,169</u>	<u>789,281</u>	<u>488,831</u>

#### 7. Trade receivables

	<u>31 March 2023</u>	<u>31 December 2022</u>
Trade receivables	648,431,894	579,083,205
Inpatients	16,031,244	13,356,016
	<u>664,463,138</u>	<u>592,439,221</u>
Less: Expected credit losses	(94,708,973)	(87,083,087)
	<u>569,754,165</u>	<u>505,356,134</u>

The income from inpatients comprises of the revenues that have not been billed at the financial position date in exchange for their stay while the procedures of the medical services have not been completed. Such income is calculated net of the amounts collected in advance during the period of their stay.

The Group applies the EAS no. (47) is simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 7. Trade receivables (continued)

The expected loss rates are based on the payment profiles of customers over a period of 36 month before each financial position date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors. and accordingly adjusts the historical loss rates based on expected changes in these factors.

The credit loss allowance for trade receivables is determined according to the provision matrix presented in the table below. The provision matrix is based on the number of days that an asset is past due. with adjusting it.

<b>31 March 2023</b>				
<b>Trade receivables</b>	<b>Loss Rate</b>	<b>Gross carrying amount</b>	<b>Lifetime ECL</b>	<b>Net carrying value</b>
- current until less than 30 days overdue	0.3%	464,464,570	1,330,808	463,133,762
- 31 to 60 days overdue	2%	47,942,024	1,110,573	46,831,451
- 61 to 90 days overdue	6%	21,008,198	1,200,283	19,807,915
- 91 to 120 days overdue	10%	12,658,143	1,250,570	11,407,574
- 121 to 360 days overdue	27%	33,045,174	8,930,334	24,114,840
- 361 to 720 days overdue	44%	7,996,721	3,538,097	4,458,624
- More than 720 days	100%	77,348,308	77,348,308	-
		<b>664,463,138</b>	<b>94,708,973</b>	<b>569,754,165</b>

<b>31 December 2022</b>				
<b>Trade receivables</b>	<b>Loss Rate</b>	<b>Gross carrying amount</b>	<b>Lifetime ECL</b>	<b>Net carrying value</b>
- current until less than 30 days overdue	0.2%	396,045,019	981,582	395,063,437
- 31 to 60 days overdue	2%	43,908,049	976,967	42,931,082
- 61 to 90 days overdue	4%	20,589,638	775,431	19,814,207
- 91 to 120 days overdue	8%	12,943,079	1,055,967	11,887,112
- 121 to 360 days overdue	28%	40,768,725	11,419,488	29,349,237
- 361 to 720 days overdue	44%	11,199,388	4,888,329	6,311,059
- More than 720 days	100%	66,985,323	66,985,323	-
<b>Trade receivables</b>		<b>592,439,221</b>	<b>87,083,087</b>	<b>505,356,134</b>

## CLEOPATRA HOSPITAL COMPANY “S.A.E.” AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 7. Trade receivables (continued)

The movement in the impairment consists of the following:

	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2022</u>
Balance at the beginning of the period / year	87,083,087	129,839,577	129,839,577
Formed during the period / year	8,999,343	34,825,615	13,641,472
Used during the period / year	-	(69,258,483)	(20,053,582)
No longer required during the period / year	(1,373,457)	(8,323,622)	(3,386,036)
	<u><b>94,708,977</b></u>	<u><b>87,083,087</b></u>	<u><b>120,041,431</b></u>

#### 8. Debtors and other debit balances

	<u>31 March 2023</u>	<u>31 December 2022</u>
Advances to suppliers	144,119,041	131,893,622
Prepaid expenses	37,268,992	14,790,848
Withholding taxes	11,684,825	11,072,891
Deposits with others	5,699,554	5,699,554
Accrued income	193,349	365,584
Employee’s custodies	755,601	179,631
Other debtors	9,476,130	8,818,599
	<u><b>209,197,492</b></u>	<u><b>172,820,729</b></u>
Less: ECL of other debit balances during the period / year	(2,784)	(2,784)
	<u><b>209,194,708</b></u>	<u><b>172,817,945</b></u>

The movement of the provision for ECL during the period / year is as follows:

	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2022</u>
Balance at 1 January	2,784	2,784	2,784
	<u><b>2,784</b></u>	<u><b>2,784</b></u>	<u><b>2,784</b></u>

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 9. Cash on hand and at banks

	<u>31 March 2023</u>	<u>31 December 2022</u>
Current accounts	305,333,534	222,933,856
Treasury bills	58,518,987	98,900,022
Time deposit	26,379,680	21,161,530
Cash on hand	4,301,225	4,438,994
Deduct: Cash and cash equivalents impairment	(3,135,934)	(1,291,130)
	<u><u>391,397,492</u></u>	<u><u>346,143,272</u></u>

Financial assets at amortized cost - treasury bills are as follows:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Treasury Bills (Maturity 31 days)	-	50,000,000
Treasury Bills (Maturity 61 days)	59,000,000	50,000,000
Less: Unearned revenue	(481,013)	(1,099,978)
	<u><u>58,518,987</u></u>	<u><u>98,900,022</u></u>

- Treasury bills are entitled to a constant annual return of 14.4% after taxes on 31 March 2023 (31 December 2022: 11.20% and 11.40%).
- The fair value of the treasury bills does not differ materially from the book value. as all maturities of treasury bills are short-term.
- Credit risk rating for treasury bills is B3.
- The time deposits item includes an amount EGP 26.379.680 on 31 March 2023 (31 December 2022: EGP 21.161.530) are denominated in local banks in US dollars and are payable within one month from the date of deposit and are subject to a fixed annual return from 2.5% to 3.25%
- Current accounts deposited in Egyptian Pounds are subject to a fixed annual rate of 10.5% to 12% (31 December 2022: from 10% to 10.5%)

Movement in the impairment is as follows:

	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2022</u>
Balance at the beginning of the period / year	1,291,130	1,545,489	1,545,489
Formed during the period / year	1,844,810	1,548,434	408,640
No longer required	-	(1,802,793)	(618,036)
<b>Ending balance at the ending of the period / year</b>	<u><u>3,135,934</u></u>	<u><u>1,291,130</u></u>	<u><u>1,336,093</u></u>

For the purpose of preparation of the cash flow statements. cash and cash equivalents consist of:

	<u>31 March 2023</u>	<u>31 March 2023</u>
Cash and bank balances	335,782,841	216,901,426
Treasury bills with maturities of 3 months or less	58,518,987	492,322,214
<b>Total</b>	<u><u>394,301,828</u></u>	<u><u>709,223,640</u></u>



## CLEOPATRA HOSPITAL COMPANY “S.A.E.” AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 10. Non-controlling interests

	Capital	Reserves	Retained earnings	NCI share in acquisition adjustments	Total
<b>Balance at 1 January 2022</b>	34,074,639	8,717,409	77,829,833	120,184	120,742,065
Employee profit share	-	-	(4,659,818)	-	(4,659,818)
Legal reserve	-	1,361,138	-	-	1,361,138
Comprehensive income for the year	-	-	30,968,911	-	30,968,911
<b>Balance at 31 December 2022</b>	<u>34,074,639</u>	<u>10,078,547</u>	<u>104,138,926</u>	<u>120,184</u>	<u>148,412,296</u>
<b>Balance at 1 January 2023</b>	34,074,639	10,078,547	104,138,926	120,184	148,412,296
Comprehensive income for the period	-	-	11,990,144	-	11,990,144
<b>Balance at 31 March 2023</b>	<u>34,074,639</u>	<u>10,078,547</u>	<u>116,129,070</u>	<u>120,184</u>	<u>160,402,440</u>

#### 11. Loans

31 March 2023	Current	Non-current	Total
Loans	7,578,661	143,994,557	151,573,218
<b>Total</b>	<u>7,578,661</u>	<u>143,994,557</u>	<u>151,573,218</u>
31 December 2022	Current	Non-current	Total
Loans	-	88,033,127	88,033,127
<b>Total</b>	<u>-</u>	<u>88,033,127</u>	<u>88,033,127</u>

- On October 27, 2021. Cleopatra Hospital Company signed a medium-term loan contract with Ahli United Bank. with a total amount of 145 million Egyptian pounds. with a return of 0.65% in addition to the lending rate announced by the Central Bank.
- On August 10, 2022. Cleopatra Hospital Company. Nile Badrawi Hospital Company. and Cairo Specialist Hospital Company signed an appendix to the loan contract from Ahli United Bank. The following are the most important terms of the contract:
- Increasing the financing amount to 285 million Egyptian pounds. and it will be divided among the companies as follows:
  - Cleopatra Hospital Company 45 million Egyptian pounds
  - Cairo Specialist Hospital Company 90 million Egyptian pounds
  - Nile Badrawi Hospital Company 150 million Egyptian pounds

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 11. Loans (Continued)

- The purpose of the loan is to finance and/or refinance the capital needs and renovation of the group's hospitals starting from 2021. including medical equipment. medical beds. medical and non-medical furniture. as well as internal development of movables (finishes. electromechanical equipment. and power station).
- The validity of this contract begins for a period of six years and six months from the date of signing the financing contract on 27 October 2021. with the group being granted a grace period of a maximum of one year and six months ending on 31 December 2023. and a grace period (applied to repayment of the principal) of one year and six Months ending on 31 January 2024, and in the event that the entire amount of financing is not withdrawn during the aforementioned grace period. the unwithdrawn part will be automatically cancelled and the bank is not obligated to lend the group any amounts other than what has been withdrawn from the financing amount.
- The group is committed to repaying the total financing amount in 20 quarterly instalments. with the first instalment starting on 31 December 2024.

#### Financial ratios

According to the terms of the contract. the company is committed to achieving the following financial ratios:

- The financial leverage of the group should not exceed 0.7 and that of the Nile Badrawi Hospital Company should not be less than 1.
- The debt service ratio should not be less than 1.3.
- The liquidity ratio should not be less than 1.

The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored by management. in case of potential breach. actions are taken by management to ensure compliance. During 2022. there has not been any non-compliance observed for any of the covenants.

#### 12. Trade and other payables

	<u>31 March</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
Trade and other payables	277,774,233	253,631,129
Accrued expenses	247,622,352	228,526,996
Social insurance	11,096,821	8,753,744
Dividends payable	3,071,301	3,074,547
Other creditors	49,949,253	36,764,101
	<u>589,513,960</u>	<u>530,750,517</u>

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 13. Lease liabilities

The lease liabilities represent the present value of the lease obligations related to medical equipment (first stage - Note 8) entered by one of the group companies and lease contracts for buildings (second stage). It was measured at the present value of the contractual lease payments discounted at an implied rate of return in the range between 11.15% and 16.65%.

	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Undiscounted</b>		
During the year	45,388,734	38,983,371
More than a year	329,521,794	305,552,641
	<b>374,910,528</b>	<b>344,536,012</b>
<b>The present value of the lease obligations is as follows:</b>		
During the year	45,388,734	38,983,371
More than a year	174,577,494	155,459,030
<b>Balance</b>	<b>219,966,228</b>	<b>194,442,401</b>
	<b>31 March 2023</b>	<b>31 December 2022</b>
<b>Lease Liabilities were presented as follows:</b>		
Lease liabilities shown as at 31 December 2022	194,442,401	211,458,082
Adjustments	1,116,818	(3,589,929)
<b>Add:</b> Additions during the period /year	27,940,807	5,142,778
<b>Add:</b> Interest formed during the period /year	6,521,180	23,130,995
<b>Deduct:</b> Disposal during the period /year	-	(965,001)
<b>Deduct:</b> Payments during the period / year	(10,054,978)	(40,734,524)
<b>Lease liabilities at 31 March 2023</b>	<b>219,966,228</b>	<b>194,442,401</b>

## CLEOPATRA HOSPITAL COMPANY “S.A.E.” AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 14. Revenue

	<u>31 March 2023</u>	<u>31 March 2022</u>
Accommodation and medical supervision revenue	147,926,327	143,536,500
Surgeries revenue	165,419,257	121,018,440
Laboratories revenue	83,982,619	74,808,447
Outpatient clinics revenue	94,004,980	71,015,249
Cardiac catheterization revenue	62,991,173	47,829,325
Radiology revenue	49,854,732	45,491,419
Service charge revenue	56,994,500	45,053,634
Pharmacy revenue	43,920,926	33,383,424
Emergency revenue	25,496,645	20,921,114
Revenues of oncology centre	9,232,253	10,396,911
Endoscopy revenues	7,317,946	5,857,351
Physiotherapy revenue	11,839,875	5,629,808
Cardiac tests revenue	8,297,567	4,516,293
Dentistry revenue	3,257,812	4,294,129
Other departments revenues	6,315,230	3,153,341
	<u><b>776,851,842</b></u>	<u><b>636,905,385</b></u>

\* “Service charge” does not represent a separate performance obligation but is a surcharge at a fixed percentage rate applied to all revenue streams except for sale of medicines.

All types of revenue are recognized at a point in time except accommodation and medical supervision are recognized over time, as shown:

	<u>31 March 2023</u>	<u>31 March 2022</u>
At a point in time	628,925,515	493,368,885
Over time -Accommodation and medical supervision revenue	147,926,327	143,536,500
	<u><b>776,851,842</b></u>	<u><b>636,905,385</b></u>

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 15. Cost of revenue

	<u>31 March 2023</u>	<u>31 March 2022</u>
Medical and pharmaceutical supplies	152,857,725	121,082,262
Salaries. wages and benefits	128,626,238	112,394,963
Doctors' fees	128,711,517	104,651,425
Fixed assets depreciation	29,636,248	23,869,130
Maintenance. spare parts and energy expenses	25,262,148	18,700,806
Consumables costs	17,035,165	11,457,815
Services from others	11,260,263	8,490,384
Leased assets depreciation	4,845,567	5,035,465
Rents	2,523,812	2,591,385
Other expenses	12,580,957	6,680,706
	<u><b>513,339,640</b></u>	<u><b>414,954,341</b></u>

#### 16. General and administrative expenses

	<u>31 March 2023</u>	<u>31 March 2022</u>
Salaries. wages and benefits	47,866,376	47,987,346
Fixed assets depreciation	7,092,690	7,676,975
Professional and consulting fees	9,900,345	5,893,001
Maintenance. spare parts and energy expenses	7,648,987	4,674,236
Services from others	6,511,301	4,648,534
Intangible assets amortization	3,972,321	3,972,321
Right of use assets depreciation	3,125,043	1,568,090
Consumables costs	769,774	592,293
Other expenses	18,878,119	15,012,920
	<u><b>105,764,956</b></u>	<u><b>92,025,716</b></u>

#### 17. Net impairment losses on financial assets

	<u>31 March 2023</u>	<u>31 March 2022</u>
ECL in trade receivables	7,625,886	10,255,436
ECL in cash no longer required	1,844,804	(209,396)
	<u><b>9,470,690</b></u>	<u><b>10,046,040</b></u>

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

#### 18. Earnings per share

The basic share of the profit for the period /year is calculated by dividing the net profit for the period attributable to the parent company's shareholders by the weighted average number of shares outstanding during the period after excluding the distribution of employee dividends.

	<u>31 March 2023</u>	<u>31 March 2022</u>
Profit for the period	106,582,866	102,422,352
(Less) Dividends for employees and the board of directors	(11,990,144)	(6,439,421)
	<u>94,592,722</u>	<u>95,982,931</u>
The weighted average number of ordinary shares for basic earnings per share purposes	1,439,262,688	1,530,265,317
The weighted average number of ordinary shares for the purpose of the ESOP	2,246,395	2,246,395
Weighted average number of ordinary shares for diluted earnings per share purposes	<u>1,441,509,083</u>	<u>1,532,511,712</u>
<b>Earnings per share - Basic</b>	<u>0.07</u>	<u>0.06</u>
<b>Earnings per share - Diluted</b>	<u>0.07</u>	<u>0.06</u>

The weighted average number of shares is adjusted to take into account the shares held under the bonus and incentive scheme for employees, directors and executive board members.

#### 19. Related parties' transactions

During the period / year the Group made transactions with certain related parties. The balances with related parties at the financial statements date as well as the transactions during the period / year were as follows:

##### Balances of financial position

<u>(Related parties)</u>	<u>Nature of transaction</u>	<u>Balance due from / (to) related parties 31 March 2023</u>	<u>Balance due from / (to) related parties 31 December 2022</u>
Other parties	Expenses paid on behalf of the Company	674,476	3,152,972
		<u>674,476</u>	<u>3,152,972</u>

The transactions with the related parties are the Group's dealings with the parent company, whether by buying, selling or exchanging services. Prices, policies and conditions related to these operations are approved by the Group's management and are on the same basis as dealing with others.

## CLEOPATRA HOSPITAL COMPANY "S.A.E." AND ITS SUBSIDIARIES

### Notes to the consolidated interim financial statements For the three months period ended 31 March 2023

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

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#### 20. Commitments

##### Capital commitments:

Capital commitments at financial year end, which are not yet due, amounted to EGP 938,417,752 (31 December 2022: EGP 1,110,636,050), which represent the capital commitments to purchase of fixed assets and projects under constructions.

#### 21. Treasury shares

On February 24, 2022, the Board of Directors unanimously approved that the company purchase treasury shares from the open market, provided that execution takes place on the price of the security during the trading sessions. From the session on 27 February 2022, until the purchase of treasury shares amounting to a maximum of 10% of the total shares of the company, without the participation of any of the main or internal shareholders and their associated groups in accordance with the law.

Based on the decision of the Board of Directors, the company purchased 160,737,312 shares of its shares from the stock market for a total amount of EGP 766,026,840, and they were offered by deduction from the ownership rights of the treasury shares, and on December 6, 2022, the Board of Directors agreed to the cancel 154,565,797 treasury shares, and on 25 January 2023, the general assembly approved the cancelation of the shares.

#### 22. Significant and Subsequent events

On February 13, 2020, the Cleopatra Hospital Company, the General Authority for River Transport, the Nile Badrawi Hospital Company, and the heirs of Engineer Hassan Badrawi signed a comprehensive and final settlement agreement, according to which it was agreed to resolve, settle, and end all disputes and claims related to the land on which the Nile Badrawi Hospital was built. The total settlement amounted to 36 million pounds, noting that part of the settlement falls within the limits of the amounts deducted from the sale price of Nile Badrawi Hospital shares in favor of Cleopatra Hospital. Concerning the land subject to settlement, On March 31, 2021, the Administrative Court issued a ruling accepting the case in form and rejecting it in substance. Cairo Governorate and the Nile Badrawi Hospital Company appealed the aforementioned ruling before the Supreme Administrative Court, and a session was set for June 21, 2022, so that both parties submit settlement contracts drawn up between the parties. The consideration of the appeal has been adjourned to a session on February 7, 2023, to take measures for the intervention of the heirs of the late Hassan Badrawi, and to review and review notes for whomever he wants.

- On June 5, 2023, CHG Sky Hospital (a subsidiary) signed a medium-term loan contract with a total amount of 1,339,573,000 Egyptian pounds (only one billion three hundred thirty-nine million five hundred seventy-three thousand Egyptian pounds only) to finance The company's capital expansions related to finishing, furnishing and equipping Sky Hospital with a debit return of 0.5% in addition to the corridor return for lending announced by the Central Bank of Egypt for the first nine months from the date of activating the facility and with a debit return of 0.9% in addition to the return of the corridor for lending announced by the Central Bank of Egypt Starting from the tenth month. The amount will be paid in 24 installments starting from 30 June 2026 and ending on 31 December 2032.
- Based on the decision of the Board of Directors on July 6, 2023, all operations and operating activities of Queen's Hospital were closed and suspended in preparation for its exclusion from the group and its consideration as part of discontinued operation.