

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**LIMITED REVIEW REPORT AND
THE INTERIM CONDENSED SEPARATE FINANCIAL
STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2023**

CLEOPATRA HOSPITAL “S.A.E.”

**Interim condensed separate financial statements
For the six months period ended 30 June 2023**

Index	Page
Limited review report	1
Interim condensed separate statement of financial position	2
Interim condensed separate statement of profits or losses	3
Interim condensed separate statement of comprehensive income	4
Interim condensed separate statement of changes in equity	5
Interim condensed separate statement of cash flows	6
Notes to the interim condensed separate financial statements	7 - 30



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 separate financial position of Cleopatra Hospital Company (S.A.E.) (the "Company") as at 30 June 2023 and the related interim condensed separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended. The management is responsible for the preparation and fair presentation of these interim condensed separate 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 separate 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 separate financial statements consists of 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 separate financial statements.

Conclusion

Based on our limited review, nothing has come to our attention which causes us to believe that the accompanying interim condensed separate 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



31 August 2023
Cairo

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Interim condensed separate statement of financial position – At 30 June 2023

(All amounts are shown in Egyptian Pounds)	Note	30 June 2023	31 December 2022
Assets			
Non-current assets			
Fixed assets	5	449,672,413	399,772,293
Right-of-use assets	6	43,726,842	78,025,016
Goodwill		158,516,300	172,587,300
Investments in subsidiary	7	1,224,446,870	1,195,946,870
Investments in associates	8	2,449,990	2,449,990
Paid under investments purchased		4,201,975	4,201,975
Total non-current assets		1,883,014,390	1,852,983,444
Current assets			
Inventories	9	69,498,935	38,165,396
Trade and other receivables	10	265,679,774	175,368,153
Due from related parties	22	57,853,692	54,795,914
Debtors and other debit balances	11	103,216,006	37,675,974
Cash and cash equivalents	12	78,533,890	48,745,183
Total current assets		574,782,297	354,750,620
Total assets		2,457,796,687	2,207,734,064
Equity			
Share capital		722,717,101	800,000,000
Treasury Shares	24	(15,442,121)	(766,026,840)
Retained earnings		785,831,479	1,132,805,740
Employees stock ownership Plan		16,579,882	8,383,763
Reserves		170,343,134	406,976,847
Net deficit		1,680,029,475	1,582,139,510
Liabilities			
Non-current liabilities			
Lease liabilities	16	40,653,521	90,962,971
Loans	13	76,447,825	26,649,316
Deferred tax liabilities		8,761,731	7,964,691
Total non-current liabilities		125,863,077	125,576,978
Current liabilities			
Borrowings	14	283,749,874	244,464,052
Provisions		6,166,553	11,135,883
Trade and other payables	15	243,434,277	177,124,700
Due to related parties	22	60,921,062	2,955,658
Loans	13	8,494,202	-
Lease liabilities	16	11,541,422	9,986,330
Purchased investment liability		4,485,000	4,485,000
Current income tax liabilities		33,111,745	49,865,953
Total current liabilities		651,904,135	500,017,576
Total liabilities		777,767,212	625,594,554
Total equity and liabilities		2,457,796,687	2,207,734,064

The accompanying notes from 1 to 27 are integral part of these separate interim condensed financial statements.

Mr. Ahmed Adel Badreldin
Non Executive Chairman

Dr. Ahmed Ezz Eldin Mahmoud
CEO & Managing Director

Mr. Adel Elmistikawi
Group CFO

31 August 2023

Limited review report is attached.



CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Interim condensed separate statement of profit or loss
For the six months ended 30 June 2023**

(All amounts are shown in Egyptian Pounds)		Six months ended 30 June		Three months ended 30 June	
	Note	2023	2022	2023	2022
Operating Revenue	17	648,585,666	508,957,503	330,936,089	251,895,597
(Less)					
Operating Cost	18	(388,335,282)	(301,592,144)	(200,339,540)	(151,313,780)
Gross profit		260,250,384	207,365,359	130,596,549	100,581,817
Add / (Less)					
General and administrative expenses	19	(84,039,321)	(70,777,610)	(42,595,650)	(34,297,301)
Net impairment losses on financial assets	20	(5,196,178)	(4,176,076)	(5,347,622)	(1,510,558)
Other income (Expenses)		(420,674)	(301,703)	607,486	(1,755,978)
Operating profit		170,594,211	132,109,970	83,260,763	63,017,980
Acquisition costs		(642,810)	(918,990)	(127,199)	(124,468)
Finance income		8,202,719	17,206,503	1,963,343	4,397,794
Finance cost		(26,196,496)	(5,578,041)	(14,222,560)	(3,808,896)
Profit for the period before income tax		151,957,624	142,819,442	70,874,347	63,482,410
Current tax		(14,046,208)	(31,384,806)	3,882,755	(12,183,206)
Deferred tax		(797,040)	393,446	151,649	(156,487)
Net profits from continued operations		137,114,376	111,828,082	74,908,751	51,142,717
Impact of discontinued operations	21	(4,262,386)	6,253,513	(852,512)	(4,662,780)
Profit after income tax		132,851,990	118,081,595	74,056,239	46,479,937
Earnings per share (Basic/Diluted)	22	0.09	0.08	0.05	0.03
Earning per share from continued operations	22	0.10	0.07	0.05	0.03

The accompanying notes from 1 to 27 are integral part of these separate interim condensed financial statements.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Interim condensed separate statement of comprehensive income
For the six months ended 30 June 2023**

(All amounts are shown in Egyptian Pounds)	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Profit for the period	132,851,990	118,081,595	74,056,239	46,479,937
Other comprehensive income	-	-	-	-
Comprehensive income for the period	132,851,990	118,081,595	74,056,239	46,479,937

The accompanying notes from 1 to 27 are integral part of these separate interim condensed financial statements.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Interim condensed separate statement of changes in equity - For the six months period ended 30 June 2023

(All amounts in Egyptian Pounds)	<u>Share capital</u>	<u>Treasury Shares</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Employees' stock ownership plan</u>	<u>Total equity</u>
Balance at 1 January 2022	800,000,000	(4,152,742)	390,707,869	975,126,950	8,289,941	2,169,972,018
Dividends for employees	-	-	-	(46,372,633)	-	(46,372,633)
Employees stock ownership Plan	-	-	-	-	8,289,941	8,289,941
Legal reserve	-	-	14,618,532	(14,618,532)	-	-
Treasury shares	-	(641,736,205)	-	-	-	(641,736,205)
Comprehensive income for the period	-	-	-	118,081,595	-	118,081,595
Balance at 30 June 2022	800,000,000	(645,888,947)	405,326,401	1,032,217,380	16,579,882	1,608,234,716
Balance at 1 January 2023	800,000,000	(766,026,840)	406,976,847	1,132,805,740	8,383,763	1,582,139,510
Dividends for employees and board of directors	-	-	-	(43,158,144)	-	(43,158,144)
Employees stock ownership Plan	-	-	-	-	8,196,119	8,196,119
Reserves	-	-	10,862,677	(10,862,677)	-	-
Treasury shares	(77,282,899)	750,584,719	(247,496,390)	(425,805,430)	-	-
Comprehensive income for the period	-	-	-	132,851,990	-	132,851,990
Balance at 30 June 2023	722,717,101	(15,442,121)	170,343,134	785,831,479	16,579,882	1,680,029,475

The accompanying notes from 1 to 27 are integral part of these separate interim condensed financial statements.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Interim condensed separate statement of cash flows
For the six months period ended 30 June 2023**

(All amounts in Egyptian Pounds)	<u>Note</u>	<u>30 June 2023</u>	<u>30 June 2022</u>
Cash flows from operating activities			
Profit before income tax		150,542,900	150,506,171
Adjustments to settle net profit with cash flow from operating activities			
Fixed assets depreciation	5	24,383,967	24,069,604
Right of use assets depreciation	6	6,148,428	5,387,571
Loss from sale of fixed assets		3,908,736	366,020
Impairment of trade and other receivables	10	4,788,756	4,164,645
Impairment of cash	12	407,422	11,431
Impairment of inventory	9	(1,176)	(80,137)
Provisions		4,239,092	5,439,166
Interests and commissions - Overdraft		22,934,383	3,195,434
Interests and commissions - Lease		6,199,075	6,691,015
Lease write-off		(21,707,541)	
Interest income		(3,699,594)	(18,036,451)
Employees stock ownership Plan		8,196,119	8,289,942
Impairment of intangible assets		14,071,000	
Operating profits before changes in assets and liabilities		220,411,567	190,004,411
Changes in assets and liabilities			
Change in inventories		(31,332,363)	(1,968,849)
Change in trade receivables		(95,100,376)	(22,015,383)
Change in debtors and other debit balances		(16,381,664)	48,396,043
Change in due from related parties		(3,057,778)	(1,946,371)
Change in creditors and other credit balances		69,063,460	(3,571,310)
Change in due to related parties		57,965,404	(11,024,096)
Change in working capital		201,568,250	197,874,445
Provision utilized		(9,208,423)	(6,119,254)
Tax paid		(33,648,078)	(48,439,896)
Net cash generated from operating activities		158,711,749	143,315,295
Cash flows from investing activities			
Payments for purchase of fixed assets		(28,034,360)	(13,806,270)
Payments for projects under construction		(50,219,563)	(16,353,532)
Proceeds from sale of fixed assets		61,100	442,104
Advance payment for purchase of fixed assets		(49,158,368)	(4,056,359)
Payments under long-term investments		-	(18,500,000)
Payments under investments in subsidiaries		(28,500,000)	(34,999,720)
Interests received		3,699,594	18,036,451
Net cash from used in investing activities		(152,151,597)	(69,237,326)
Cash flows from financing activities			
Lease liabilities payments		(11,295,220)	(242,881)
Proceeds from bank overdraft		416,708,359	597,009,334
Payments for bank overdraft		(377,422,537)	(497,488,482)
Proceeds from loans		58,292,711	-
Interests and commissions paid		(22,934,383)	(8,992,910)
Treasury shares		-	(641,736,202)
Dividends paid		(39,712,953)	(43,343,986)
Net cash from used in financing activities		23,635,977	(594,795,127)
Changed in cash and cash equivalents during the year		30,196,129	(520,717,158)
Cash and cash equivalents at the beginning of the year		48,904,942	571,297,568
Cash and cash equivalents at the end of the year	12	79,101,071	50,580,410

The accompanying notes from 1 to 27 are integral part of these separate interim condensed financial statements.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

1. Introduction

Cleopatra Hospital Company (Lasheen and Partners) was established as a limited partnership on 19 July 1979 and is located in the Arab Republic of Egypt. 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." in accordance with law no.95 of 1992.

The company is listed on 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 inpatients. 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. The Separate financial statements representing in three Hospitals (Cleopatra Hospital, Queens Hospital and Elkateb Hospital).

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 independent financial statements of the Company were approved for issuance by the Board of Directors of the Company on 31 August 2023.

2. Basis of preparation

2.1 Statement of compliance

This interim condensed separate financial statements for the six-month reporting period ended 30 June 2023 have been prepared in accordance with Egyptian Accounting Standard 30 “Interim Financial Reporting”.

This interim condensed separate financial information does not include all the notes normally included in an annual financial statement. Accordingly, this interim condensed separate financial information is to be read in conjunction with the standalone annual financial statement for the year ended 31 December 2022.

The accounting policies adopted in the preparation of this interim condensed separate financial information are consistent with those of the previous financial year and corresponding interim reporting period.

The business results for the six months ending at June 30, 2023 are not necessarily indicative of the business results for the fiscal year ending at December 31, 2023

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

2. Basis of preparation (continued)

2.2 Functional and presentation currency

Items included in the interim condensed separate financial statements are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The Company's interim condensed separate financial statements are presented in Egyptian Pounds, which is the Company’s functional and presentation currency.

2.3 Use of estimates and judgements

The preparation of interim condensed separate 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 expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company’s accounting policies and key sources of estimation uncertainty were the same as those described in the last consolidated financial statements as at and for the year ended 31 December 2022.

2.4 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 6 March 2023. The most important amendments are summarized as follows, which are implemented for financial periods beginning on or after 1 January 2023. The company’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>
The nature of the modification	The scope of the standard The scope of the standard has been amended to include "bearing plants". Measurement - 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. Disclosures - Some new disclosures related to the re-evaluation form have been added.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

2. Basis of preparation (continued)

2.4 Amended Egyptian accounting standards that the group has not yet applied and presentation currency (Continued)

The impact There is no impact on the standalone financial statements for the financial period ending on 30 June 2023. The management is currently evaluating the potential impact of the application on the financial statements.

Date of mandatory application/date of implementation by the Group The amendments to add the option to use the revaluation model will be applied to the financial periods starting on or after 1 January 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.

Standard's name **Egyptian Accounting Standard No. (23) “Intangible Assets”.**

The nature of the modification The **scope** of the standard

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.

Measurement

- An option to apply the revaluation model for intangible 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 Supervisory Authority.

Disclosures

Some new disclosures have been added to the re-evaluation form.

The impact There is no impact on the standalone financial statements for the financial period ending on 30 June 2023. The management is currently evaluating the potential impact of the application on the financial statements.

Date of mandatory application/date of implementation by the Group The facility applies the amendments to add the option of using the revaluation model to the financial periods starting on or after 1 January 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.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023

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

2. Basis of preparation (continued)

2.4 Amended Egyptian accounting standards that the group has not yet applied and presentation currency (Continued)

Standard's name Amendments to the Egyptian Accounting Standard “Fixed Assets” No. (10) and the Egyptian Accounting Standard No. (23) “Intangible Assets” related to depreciation and amortization

The nature of the modification 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.

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.

The impact There is no impact on the standalone financial statements for the financial period ending on 30 June 2023. The management is currently evaluating the potential impact of the application on the financial statements.

Date of mandatory application/date of implementation by the Group • Applies to fiscal periods beginning on or after 1 January 2023.

Standard's name Egyptian Accounting Standard No. (34) "Real Estate Investment"

The nature of the modification 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.

The impact There is no impact on the standalone financial statements for the financial period ending on 30 June 2023. The management is currently evaluating the potential impact of the application on the financial statements.

Date of mandatory application/date of implementation by the Group The facility applies the amendments to add the option of using the revaluation model to the financial periods starting on or after 1 January 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.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023

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

2. Basis of preparation (continued)

2.4 Amended Egyptian accounting standards that the group has not yet applied and presentation currency (Continued)

Standard’s name Egyptian Accounting Standard No. (36) “Exploration and Evaluation of Mineral Resources”

The nature of the modification **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.

Disclosures

Some new disclosures have been added to the re-evaluation form.

The impact There is no impact on the standalone financial statements for the financial period ending on 30 June 2023. The management is currently evaluating the potential impact of the application on the financial statements.

Date of mandatory application/date of implementation by the Group The facility applies the amendments to add the option of using the revaluation model to the financial periods starting on or after 1 January 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.

Standard’s name Egyptian Accounting Standard No. (49) "Lease Contracts"

The nature of the modification **Measurement**
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”.

Disclosures

Some new disclosures have been added regarding the revaluation model in accordance with Egyptian Accounting Standard No. (10) “Fixed Assets and Their Depreciation”.

The impact There is no impact on the standalone financial statements for the financial period ending on 30 June 2023. The management is currently evaluating the potential impact of the application on the financial statements.

Date of mandatory application/date of implementation by the Group The facility applies the amendments to add the option of using the revaluation model to the financial periods starting on or after 1 January 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.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 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 Company. The senior management is represented in Company's executive management committee. The segment reports are provided to the Company 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 year ended 30 June 2023 for each segment:

	Cleopatra Hospital Company	Queens Hospitals**	Al Kateb Hospitals	Consolidated adjustment	Total
Statement of financial position					
Non-current assets	1,730,612,344	3,296,719	149,105,327	-	1,883,014,390
Current assets	612,146,303	74,440,835	47,587,768	(84,951,774)	574,782,297
Total assets	2,346,055,366	77,737,554	196,693,095	(84,951,774)	2,457,796,687
Current liabilities	669,291,856	21,422,472	67,564,053	(84,951,774)	651,904,135
Non-current liabilities	122,312,766	-	3,550,311	-	125,863,077
Total Liabilities	791,604,622	21,422,472	71,114,364	(84,951,774)	777,767,212
Statement of profit or loss:					
Operating revenue	594,675,596	-	53,910,070	-	648,585,666
Operating costs	(342,420,634)	-	(45,914,648)	-	(388,335,282)
Gross profit	252,254,962	-	7,995,422	-	260,250,384
Other expenses and revenues	(114,675,355)	(4,262,386)	(8,460,653)	-	(127,398,394)
Profit for period	137,579,607	(4,262,386)	(465,231)	-	132,851,990
Other Items					
Capital expenditure	70,192,662	-	8,061,261	-	78,253,923
Fixed assets depreciation	18,610,612	1,135,751	4,637,604	-	24,383,967

* Consolidation constraints are mainly the exclusion of balances and transactions between CGUs.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 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	Queens Hospitals	Al Kateb Hospitals	Consolidated adjustment	Total
Statement of financial position					
Non-current assets	1,644,670,640	64,974,500	143,338,304	-	1,852,983,444
Current assets	337,431,210	77,328,280	26,180,904	(86,189,774)	354,750,620
Total assets	1,982,101,850	142,302,780	169,519,208	(86,189,774)	2,207,734,064
Current liabilities					
Non-current liabilities	518,014,605	28,264,647	39,928,098	(86,189,774)	500,017,576
Total Liabilities	570,095,501	98,213,580	43,475,247	(86,189,774)	625,594,554
Statement of profit or loss:					
Operating revenue	1,014,052,500	-	48,998,403	-	1,063,050,903
Operating costs	(573,406,102)	-	(57,778,172)	-	(631,184,274)
Gross profit	440,646,398	-	(8,779,769)	-	431,866,629
Other expenses and revenues	(197,848,076)	(1,954,114)	(14,810,906)	-	(214,613,096)
Profit for year	242,798,322	(1,954,114)	(23,590,675)	-	217,253,533
Other Items					
Capital expenditure	77,648,177	365,943	11,914,328	-	89,928,448
Fixed assets depreciation	39,036,628	3,300,860	5,408,666	-	47,746,154

* Consolidation constraints are mainly the exclusion of balances and transactions between CGUs.

Below is a summary of each segment, which is presented for the year ended 30 June 2022 for each segment:

	Cleopatra Hospital Company	Queens Hospitals	Al Kateb Hospitals	Consolidated adjustment	Total
Statement of financial position					
Non-current assets	1,520,220,308	69,365,267	137,494,241	-	1,727,079,816
Current assets	347,847,154	84,394,614	36,772,622	(85,506,574)	383,507,816
Total assets	1,868,067,462	153,759,881	174,266,863	(85,506,574)	2,110,587,632
Current liabilities					
Non-current liabilities	407,421,038	33,995,657	34,533,491	(85,506,573)	390,443,613
Total Liabilities	448,407,580	101,463,052	37,988,857	(85,506,573)	502,352,916
Statement of profit or loss:					
Operating revenue	491,444,933	-	17,512,570	-	508,957,503
Operating costs	(276,251,845)	-	(25,340,299)	-	(301,592,144)
Gross profit	215,193,088	-	(7,827,729)	-	207,365,359
Other expenses and revenues	(89,214,079)	6,253,513	(6,323,198)	-	(89,283,764)
Profit for period	125,979,009	6,253,513	(14,150,927)	-	118,081,595
Other Items					
Capital expenditure	25,645,195	365,943	4,148,662	-	30,159,800
Fixed assets depreciation	18,559,437	1,646,759	3,863,407	-	24,069,603

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

4. Financial assets and financial liabilities

The Company holds the following financial instruments:

	Amortized cost	
	30 June 2023	31 December 2022
Financial assets		
Trade receivables	300,580,762	208,442,307
Due from related parties	57,853,692	54,795,914
Debtors and other debit balances *	9,872,076	8,182,488
Cash on hand and at banks	79,101,071	48,904,942
	447,407,601	320,325,651

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

	Amortized cost	
	30 June 2023	31 December 2022
Financial Liabilities		
Loans	84,942,027	26,649,316
Creditors and other credit balances **	240,164,258	174,623,396
Lease liabilities	52,194,943	100,949,301
Bank's overdraft	283,749,874	244,464,052
Due to Related Parties	60,921,062	2,955,658
	721,972,164	549,641,723

** Excluding social insurance,

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements - For the six months period ended 30 June 2023

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

5. Fixed assets

	Lands	Machinery, equipment and devices	Tools and instruments	Furniture	Buildings	Vehicles	Computers	Leasehold improvements	Projects under construction	Total
At 1 January 2022										
Cost	82,878,000	231,990,326	12,579,286	24,081,380	89,339,559	13,920,365	51,527,577	41,506,471	4,379,390	552,202,354
Accumulated depreciation	-	(101,292,893)	(6,722,167)	(10,538,971)	(32,520,130)	(5,654,191)	(25,927,788)	(10,696,266)	-	(193,352,406)
Net book value	82,878,000	130,697,433	5,857,119	13,542,409	56,819,429	8,266,174	25,599,789	30,810,205	4,379,390	358,849,948
Year ended 31 December 2022										
Opening net book value	82,878,000	130,697,433	5,857,119	13,542,409	56,819,429	8,266,174	25,599,789	30,810,205	4,379,390	358,849,948
Additions	-	18,150,466	3,244,359	5,599,840	-	-	5,713,750	1,224,682	55,995,351	89,928,448
Disposals	-	(1,039,530)	(36,855)	(595,764)	-	(1,600,000)	(99,210)	-	-	(3,371,359)
Transfers from projects under construction	-	75,000	122,610	645,675	3,146,304	-	2,481,190	41,569	(6,512,348)	-
Depreciation for the year	-	(19,774,278)	(1,167,435)	(3,701,675)	(3,525,727)	(3,695,418)	(10,605,085)	(5,276,536)	-	(47,746,154)
Accumulated depreciation of disposal	-	669,530	36,855	590,764	-	751,875	62,386	-	-	2,111,410
Closing net book value	82,878,000	128,778,621	8,056,653	16,081,249	56,440,006	3,722,631	23,152,820	26,799,920	53,862,393	399,772,293
At 31 December 2022										
Cost	82,878,000	249,176,262	15,909,400	29,731,131	92,485,863	12,320,365	59,623,307	42,772,722	53,862,393	638,759,443
Accumulated depreciation	-	(120,397,641)	(7,852,747)	(13,649,882)	(36,045,857)	(8,597,734)	(36,470,487)	(15,972,802)	-	(238,987,150)
Net book amount	82,878,000	128,778,621	8,056,653	16,081,249	56,440,006	3,722,631	23,152,820	26,799,920	53,862,393	399,772,293
At 30 June 2023										
Opening net book value	82,878,000	128,778,621	8,056,653	16,081,249	56,440,006	3,722,631	23,152,820	26,799,920	53,862,393	399,772,293
Additions	-	19,804,738	3,259,247	1,560,607	1,172,728	-	2,237,040	-	50,219,563	78,253,923
Disposals	-	(2,510,000)	(250,002)	(122,944)	-	(3,513,220)	(2,107,711)	(125,312)	-	(8,629,189)
Write-off	-	-	-	-	-	-	-	-	(2,669,840)	(2,669,840)
Transfers from projects under construction	-	-	-	221,080	446,525	-	265,866	-	(933,471)	-
Depreciation for the period	-	(10,285,342)	(853,104)	(2,073,584)	(1,874,215)	(1,145,047)	(5,545,318)	(2,607,357)	-	(24,383,967)
Accumulated depreciation of write-off	-	2,510,000	43,750	58,909	-	3,492,769	1,153,277	70,488	-	7,329,193
Balance at 30 June 2023	82,878,000	138,298,017	10,256,544	15,725,317	56,185,044	2,557,133	19,155,974	24,137,739	100,478,645	449,672,413
Cost	-	266,471,000	18,918,645	31,389,874	94,105,116	8,807,145	60,018,502	42,647,410	100,478,645	705,714,337
Accumulated depreciation	-	(128,172,983)	(8,662,101)	(15,664,557)	(37,920,072)	(6,250,012)	(40,862,528)	(18,509,671)	-	(256,041,924)
Net book value at period end	82,878,000	138,298,017	10,256,544	15,725,317	56,185,044	2,557,133	19,155,974	24,137,739	100,478,645	449,672,413

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

6. 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.

	30 June 2023	31 December 2022
Buildings		
Beginning balance for the period/ year	78,025,016	93,348,683
Settlements	-	(3,945,777)
Additions for the period/ year	27,940,808	-
Disposal for the period/ year	(56,090,554)	(636,871)
Depreciation for the period/ year	(5,149,392)	(6,499,923)
Discontinued operation	(999,036)	(4,241,096)
Total	43,726,842	78,025,016

Lease payments are discounted using the interest rate implicit in the lease contract, if this rate cannot be determined, then the borrowing rate of the lessee is used, which is the rate that the lessee would have to pay to borrow the money needed to obtain an asset of similar value in a similar economic environment with similar terms and conditions. An average interest rate of 11.15% has been used.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023**

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

7. Investments in subsidiaries

	Investment Percentage	Country	30 June 2023	31 December 2022
Investments in Nile Badrawi Hospital Company	99.989%	Egypt	380,004,947	380,004,947
Investments in Al shorouk Hospital Company	99.999%	Egypt	374,142,000	374,142,000
Investments in Cairo Specialised Hospital Company	56.46%	Egypt	149,511,023	149,511,023
Investments in El Bedaya El Gedida for Medical Centers and Hospitals Company	99.99%	Egypt	119,482,000	119,482,000
Investments in CHG for hospitals Company	99.99%	Egypt	30,000,000	30,000,000
Investments in CHG Pharma for Pharmacies Management Company	98%	Egypt	245,000	245,000
Investments in CHG for Medical Services Company*	20% (Preferred shares)	Egypt	62,500	62,500
Investment in CHG SKY	99.99%	Egypt	115,999,700	87,499,700
Investment in Heaven Company	99.99%	Egypt	54,999,700	54,999,700
			<u>1,224,446,870</u>	<u>1,195,946,870</u>

8. Investments in associates:

	30 June 2023	31 December 2022
Egypt Healthcare Facilities Services for facility management	2,449,990	2,449,990
	<u>2,449,990</u>	<u>2,449,990</u>

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023**

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

9. Inventories

	30 June 2023	31 December 2022
Medical supply inventory	47,563,604	23,646,850
Medicine inventory	19,141,836	12,378,589
Maintenance and spare parts inventory	977,293	1,000,827
Stationary inventory	885,289	761,810
Hospitality inventory	871,382	372,568
Food and beverage inventory	181,755	128,152
	69,621,159	38,288,796
Less: Write-down of inventory	(122,224)	(123,400)
	69,498,935	38,165,396

Movement in the provision for inventory is as follows:

	30 June 2023	31 December 2022	30 June 2022
Balance at the beginning of the period/year	123,400	133,581	133,581
Provisions formed during the period/year	16,723	59,637	-
Provisions no longer required during the period/year	(17,899)	(69,818)	(80,137)
Balance at the end of the period/year	122,224	123,400	53,444

10. Trade receivables

	30 June 2023	31 December 2022
Due from customers	293,963,034	204,212,092
Income from inpatients	6,617,728	4,230,215
	300,580,762	208,442,307
Less:		
Impairment of customers' balances	(34,900,988)	(33,074,154)
	265,679,774	175,368,153

The income from inpatients comprises the revenues that have not been billed at the financial position date 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 year of their stay.

The Company applies the EAS 47 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023**

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

10. Trade receivables (continued)

The expected loss rates are based on the payment profiles of customers over a period of 36 month before each balance sheet 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 Company 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.

Trade receivables	Loss Rate	30 June 2023		
		Gross carrying amount	Lifetime ECL	Net carrying value
Current until less than 30 days overdue	0.2%	192,402,453	381,744	192,020,709
30 to 60 days overdue	2%	25,625,508	423,430	25,202,078
61 to 90 days overdue	4%	23,003,502	1,051,815	21,951,687
91 to 120 days overdue	9%	8,011,862	820,335	7,191,527
121 to 360 days overdue	25%	20,484,118	5,296,266	15,187,852
361 to 720 days overdue	38%	6,632,791	2,506,870	4,125,921
More than 720 days	100%	24,420,528	24,420,528	-
Total		300,580,762	34,900,988	265,679,774

Trade receivables	Loss rate	31 December 2022		
		Gross carrying amount	Lifetime ECL	Net carrying value
Current until less than 30 days overdue	0.4%	135,221,841	505,365	134,716,476
30 to 60 days overdue	3%	18,411,548	486,942	17,924,606
61 to 90 days overdue	5%	4,985,966	269,480	4,716,486
91 to 120 days overdue	11%	5,128,565	573,141	4,555,424
121 to 360 days overdue	34%	19,175,662	6,499,989	12,675,673
361 to 720 days overdue	58%	1,859,226	1,079,738	779,488
More than 720 days	100%	23,659,499	23,659,499	-
Total		208,442,307	33,074,154	175,368,153

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023**

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

10. Trade receivables (continued)

The movement in expected credit losses in the value of trade receivables is as follows:

	30 June 2023	31 December 2022	30 June 2022
Balance at the beginning of the period/year	33,074,154	45,848,863	45,848,863
Provisions formed during the period/year	4,788,756	7,378,069	6,440,173
Provision used during the period/year	(3,035,960)	(18,026,765)	(13,457,499)
Provision no longer required during the period/year	-	-	(2,275,528)
Discontinued operations	74,038	(2,126,013)	(1,349,073)
Ending balance at the end of period/year	<u>34,900,988</u>	<u>33,074,154</u>	<u>35,206,936</u>

11. Debtors and other debit balances

	30 June 2023	31 December 2022
Advances to suppliers	71,934,119	13,926,625
Prepaid expenses	14,348,228	6,434,183
Withholding taxes	7,061,583	9,132,678
Employee’s custodies	4,856,706	4,856,706
Deposits with others	358,016	5,009
Accrued income	250,359	-
Other debtors	4,406,995	3,320,773
	<u>103,216,006</u>	<u>37,675,974</u>

12. Cash and cash equivalent

	30 June 2023	31 December 2022
Time deposit	26,209,920	20,996,530
Current accounts	51,087,647	26,627,080
Cash on hand	1,803,504	1,281,332
Deduct:		
Cash and cash equivalents impairment	(567,181)	(159,759)
	<u>78,533,890</u>	<u>48,745,183</u>

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

12, Cash and cash equivalent (continued)

Movement in the impairment is as follows:

	<u>30 June 2023</u>	<u>31 December 2022</u>	<u>30 June 2022</u>
Balance at the beginning of the period/year	159,759	407,575	407,575
Formed during the period/year	407,422	234,664	11,431
No longer required	-	(482,480)	-
Ending balance	<u>567,181</u>	<u>159,759</u>	<u>419,006</u>

The time deposits item includes an amount EGP 26,209,920 on 30 June 2023 (2022: EGP 20,996,530) are denominated in local banks in US dollars and are payable within one from the date of deposit and are subject to a fixed annual return of 3.25%.

Current accounts deposited in Egyptian Pounds are subject to a fixed annual rate of 10% to 10.5% (2022: from 7% to 7.5%).

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

	<u>30 June 2023</u>	<u>30 June 2022</u>
Cash and bank balances	79,101,071	50,580,410
Total	<u>79,101,071</u>	<u>50,580,410</u>

Classification within cash and cash equivalents

Term deposits are held with banks and presented as cash and cash equivalents if they have a maturity of three months or less from the date of deposit and are repayable with 24 hours' notice without loss of interest. Treasury bills listed under cash and cash equivalents have original maturities not exceeding three months from the date of acquisition and are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

The Company's cash and bank balances are held with reputed financial institutions with credit ratings from Moody's and Standard & Poor's from B to B2.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

13. Loans

	30 June 2023		
	Current	Non-current	Total
Loans	8,494,202	76,447,825	84,942,027
Total	8,494,202	76,447,825	84,942,027
	31 December 2022		
	Current	Non-current	Total
Loans	-	26,649,316	26,649,316
Total	-	26,649,316	26,649,316

- 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 Specialised 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
 - 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.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

13. Loans (continued)

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 2023, there has not been any non-compliance observed for any of the covenants.

14. Banks overdraft

	<u>30 June 2023</u>	<u>31 December 2022</u>
Banks overdraft	283,749,874	244,464,052

The company obtained total credit limits in the form of overdrafts from banks in order to finance working capital at an interest rate of 0.1% in addition to the announced lending rate from the Central Bank. The total available credit limits amounted to 330 million EGP and the withdrawn value of these credit limits in 30 June 2023 equals EGP 283,749,874 (244,464,052 in 31 December 2022).

15. Trade and Other Payables

	<u>30 June 2023</u>	<u>31 December 2022</u>
Suppliers and notes payable	152,699,794	81,478,106
Accrued expenses	74,728,202	82,611,693
Social insurance	3,270,019	2,501,304
Other creditors	12,736,262	10,533,597
	<u>243,434,277</u>	<u>177,124,700</u>

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023**

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

16. Lease liabilities

The company has applied the new Egyptian accounting standard EAS 49 “Lease contracts” on 1 January 2021. The company has applied the standard using the modified retrospective approach, and the comparative figures have not been restated.

The weighted average incremental borrowing rate applicable to lease commitments recognized on 1 January 2021 was 11.15%.

	30 June 2023	31 December 2022
Undiscounted		
During period/year	11,541,422	9,986,330
More than period/year	60,936,113	215,976,141
	72,477,535	225,962,471
The present value of the lease obligations is as follows:		
During period/year	11,541,422	9,986,330
More than a year	40,653,521	90,962,971
Balance	52,194,943	100,949,301
	30 June 2023	31 December 2022
Lease Liabilities were presented as follows:		
Lease liabilities shown as at 31 December 2022	100,949,301	108,476,311
Adjustments period/year	1,404,167	(3,978,225)
Additions during period/year	32,735,716	-
Disposal period/year	(77,798,096)	(824,981)
Lease liabilities shown as at 30 June 2023	57,291,088	103,655,105
Add: Interest formed period/year	3,991,829	3,932,562
Add: Discontinued operations	2,207,246	7,848,330
Deduct: Payments period/year	(11,295,220)	(14,486,696)
Lease liabilities at 30 June 2023	52,194,943	100,949,301

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023**

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

17. Operating revenue

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Surgeries revenue	136,857,715	103,132,939	68,634,712	52,456,135
Outpatient clinics revenue	93,989,398	65,377,912	50,010,835	31,825,197
Laboratories revenue	86,535,448	64,593,024	46,289,705	31,348,703
Accommodation and medical supervision revenue	82,542,984	99,220,395	34,483,596	49,086,323
Radiology revenue	51,170,815	40,507,764	27,703,965	18,956,873
Cardiac catheterization revenue	49,510,618	31,697,357	25,163,709	16,168,560
Service charge revenue	46,139,426	34,647,544	23,162,347	17,320,776
Pharmacy revenue	39,329,451	26,361,270	20,856,717	12,688,803
Emergency revenue	31,998,945	24,685,158	17,304,907	12,450,288
Cardiac tests revenue	8,424,353	5,027,107	4,363,912	2,408,172
Physiotherapy revenue	6,849,616	5,034,063	3,637,808	2,588,264
Endoscopy revenue	4,780,507	3,988,967	3,558,573	2,247,230
Dentistry revenue	4,551,514	4,379,920	2,327,367	2,118,226
Revenues from other departments	5,904,876	304,083	3,437,936	232,047
	648,585,666	508,957,503	330,936,089	251,895,597

* “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.

Timing of revenue recognition (for each revenue stream) is as follows:

	30 June 2023	30 June 2022
At a point in time	566,042,682	409,737,108
Over time -Accommodation and medical supervision revenue	82,542,984	99,220,395
	648,585,666	508,957,503

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023

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

18. Operating costs

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Medical and pharmaceutical supplies	118,678,578	82,762,978	63,629,985	41,718,368
Doctors' fees	106,680,694	90,403,986	52,911,222	44,183,668
Salaries, wages and benefits	101,601,051	81,401,672	51,854,860	41,109,032
Fixed assets depreciation	15,876,838	14,545,732	7,856,153	7,334,437
Maintenance, spare parts and energy expenses	12,716,786	13,029,738	6,467,246	6,922,139
Consumables costs	11,394,757	6,017,477	4,545,671	3,076,288
Outsourcing services	10,679,112	4,996,945	7,366,227	2,970,239
Lease amortization	455,962	463,599	223,727	232,235
Rents	3,444,217	2,134,005	2,038,523	984,483
Other expenses	6,807,287	5,836,012	3,445,926	2,782,891
	388,335,282	301,592,144	200,339,540	151,313,780

19. General and administrative expenses

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Salaries, wages and benefits	62,103,647	62,413,837	31,801,768	30,817,769
Professional and consulting fees	13,505,986	8,126,351	7,913,963	4,731,981
Maintenance, spare parts and energy expenses	9,163,319	4,898,849	4,647,442	2,251,169
Fixed assets depreciation	7,371,377	7,877,114	3,913,256	3,389,212
Outsourcing services	6,000,592	5,517,277	3,091,213	3,740,674
Lease amortization	4,693,430	2,778,931	1,864,977	2,674,965
consumables costs	570,875	491,990	357,721	273,833
Other expenses	11,043,954	9,652,056	4,680,553	3,499,241
	114,453,180	101,756,405	58,270,893	51,378,844
Less: Group's share of the Company's expenses	(30,413,859)	(30,978,795)	(15,675,243)	(17,081,543)
	84,039,321	70,777,610	42,595,650	34,297,301

20. Net impairment losses on financial assets

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Trade receivables impairment	4,788,756	4,164,645	5,779,769	1,525,069
Cash in bank impairment	407,422	11,431	(432,147)	(14,511)
Total	5,196,178	4,176,076	5,347,622	1,510,558

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023**

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

21. Result from discontinued operations

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Discontinued operations	12.656.276	7.686.729	17.056.114	(6.016.490)
Impairment of intangible assets	(14.071.000)	-	(14.071.000)	-
Tax on discontinued operations	(2.847.662)	(1.433.216)	(3.837.626)	1.650.008
Profit after income tax from discontinued operations	(4.262.386)	6.253.513	(852.512)	(4.366.482)

22. Earnings per share

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

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Distributable profit	132,851,990	118,081,595	74,056,239	46,479,937
The number of available shares after the share purchase process	1,441,509,083	1,541,504,270	1,441,509,083	1,541,504,270
Earnings per share of the shareholders' share in the net profit for the period	0.09	0.08	0.05	0.03

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.

Earning per share from discontinued operations

	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Distributable profit	137,114,376	118,828,082	74,908,751	51,142,717
The number of available shares after the share purchase process	1,441,509,083	1,541,504,270	1,441,509,083	1,541,504,270
Earnings per share of the shareholders' share in the net profit for the period	0.10	0.07	0.05	0.03

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

23. Related parties From / To transactions

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

Balances of financial position

(Related parties)	Nature of transaction	Transaction value	Balance due from related parties 30 June 2023	Balance due from related parties 31 December 2022
Cairo Specialized Hospital (Subsidiary)	Revenues from medical activity	346,514	346,514	-
New Bedaya for management of medical centres and Hospitals	Expenses on behalf of the company	3,155,815	3,738,191	582,376
CHG SKY Hospital	Expenses on behalf of the company	356,988	1,245,688	888,700
Cleopatra Haven Company	Expenses on behalf of the company	(2,480,278)	-	2,480,278
CHG for Medical Service (Subsidiary)	Payments on behalf of the company	1,424,232	51,786,450	50,362,218
CHG Pharma for Pharmacies Management (Subsidiary)	Payments on behalf of the company	254,507	254,507	-
Other parties	Expenses on behalf of related parties	-	482,342	482,342
		3,057,778	57,853,692	54,795,914

(Related parties)	Nature of transaction	Transaction value	Balance due (to) related parties 30 June 2023	Balance due (to) related parties 31 December 2022
Al Shorouk Hospital (Subsidiary)	Payments on behalf of the company	40,439,582	(40,439,582)	-
CHG for Hospitals management (Subsidiary)	Payments on behalf of the company	17,525,822	(20,481,480)	(2,955,658)
		57,965,404	(60,921,062)	(2,955,658)

- During 2017, Cleopatra Hospital Company signed an agreement with its subsidiaries. Under this contract, the company distributes the costs of joint activities to the group companies according to the percentages related to the revenues achieved by each company.
- This agreement has been approved by the boards of directors of the group companies and their general assemblies.
- 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.”

Notes to the interim condensed separate financial statements For the six months period ended 30 June 2023

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

24. Capital commitments:

Capital commitments at financial year end, which are not yet due, amounted to EGP 12,028,000 (2022: EGP 54,037,583), Which represents capital commitments to purchase fixed assets and projects under construction,

25. 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 February 27, 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 and legal measures are being taken to complete the share execution procedures.

26. Subsequent events

During May 2023, Management took the decision to discontinue operations for Queens hospital and shut down the company branch located at 4,Nour Eldin street – Queens Hospital- Misr al gadida after the termination of the hospital's contract as per the approval of the board of directors on 6 July, 2023 , The Egyptian Accounting Standard (32) Non-current Assets Held for Sale and Discontinued Operations has been applied on Queens hospital company and has presented its operating results within the discontinued operations in the interim condensed separate financial statements at 30 June , 2023.

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 selling 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. The consideration of the appeal has been postponed to a session on November 7, 2023 to respond to the defense memorandum.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

**Notes to the interim condensed separate financial statements
For the six months period ended 30 June 2023**

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

27. Discontinued operations

Based on the hospital closure on 30 May ,2023 and 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 the non-continuing operations. The results of the results from the operations are as follows:

Egyptian Pounds)	Six months ended 30 June		Three months ended 30 June	
	2023	2022	2023	2022
Operating Revenue	-	30,392,911	-	171,269
(Less)				
Operating Cost	(1,939,553)	(18,884,860)	(257,353)	(3,468,837)
Gross profit	(1,939,553)	11,508,051	(257,353)	(3,297,568)
Add / (Less)				
General and administrative expenses	(793,802)	(3,502,031)	(339,059)	(973,497)
Net impairment losses on intangible assets	(14,071,000)	-	(14,071,000)	-
Net impairment losses on financial assets	(74,037)	1,349,073	(3,255)	82,057
Provisions	124,613	(1,082,049)	124,613	(1,164,779)
Other expense	(59,542,994)	14	(59,542,994)	-
Finance income	20,914	3,768,651	5,782	1,516,504
Finance expenses	74,861,135	(4,354,980)	77,068,380	(2,179,207)
Profit for the period before income tax	(1,414,724)	7,686,729	2,985,114	(6,016,490)
Tax on discontinued operations	(2,847,662)	(1,433,216)	(3,837,626)	1,353,710
Profit after income tax	(4,263,386)	6,253,513	(852,512)	(4,662,780)