

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**LIMITED REVIEW REPORT
AND INTERIM CONDENSED
SEPARATE FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
30 SEPTEMBER 2021**

CLEOPATRA HOSPITAL "S.A.E."

**Interim condensed separate interim financial statements
For the nine months period ended 30 September 2021**

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Limited Review Report for 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 September 2021 and the related interim condensed separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months period then ended, and notes comprising a summary of significant accounting policies and other explanatory notes. 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 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 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 Fawab
Member of Egyptian Society of Accountants & Auditors
Member of AICPA
R.A.A. 17996
F.R.A. 388

18 November 2021
Cairo

CLEOPATRA HOSPITAL COMPANY (SAE)

Interim condensed separate statement of financial position - At 30 September 2021

(All amounts in Egyptian Pounds)			
	Note	30 September 2021	31 December 2020
Assets			
Non-current assets			
Fixed assets	5	351,906,497	334,054,902
Investments in subsidiary		1,045,947,470	1,045,947,470
Investments in associates		1,224,990	1,143,591
Goodwill		172,587,300	172,587,300
Payment under investments purchase		5,673,000	-
Right of use	6	95,232,140	-
Deferred tax asset		1,070,777	1,694,473
Total non-current assets		1,673,642,174	1,555,427,736
Current assets			
Inventories	7	21,884,268	24,343,737
Trade receivables	8	165,804,155	179,476,385
Due from related parties	9	57,903,678	65,276,174
Debtors and other debit balances	10	31,380,411	35,480,888
Financial asset at amortized cost - Treasury Bills	11	398,929,896	139,446,980
Cash on hand and at banks	12	144,851,661	134,560,287
Total current assets		820,754,069	578,584,451
Total assets		2,494,396,243	2,134,012,187
Equity and Liabilities			
Equity			
Share capital		800,000,000	800,000,000
Treasury shares	24	(74,176,267)	-
Reserves		380,035,256	369,101,452
Retained earnings	13	887,502,973	744,657,574
Employee stock ownership plan	22	4,144,971	-
Total equity		1,997,506,933	1,913,759,026
Liabilities			
Non-current liabilities			
Deferred income tax liabilities		12,612,827	12,031,237
Lease liabilities	14	96,379,382	-
Purchased investment liability		14,485,000	14,485,000
Total non-current liabilities		123,477,209	26,516,237
Current liabilities			
Banks overdraft	15	135,989,581	-
Provisions		6,574,620	10,446,601
Creditors and other credit balances	16	163,223,053	147,546,667
Lease liabilities	14	11,127,791	-
Current income tax liabilities		56,497,056	35,743,656
Total current liabilities		373,412,101	193,736,924
Total liabilities		496,889,310	220,253,161
Total equity and liabilities		2,494,396,243	2,134,012,187

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements
 - Limited review report is attached

Mr Ahmed Gamal
Group CFO

18 November 2021

Dr Ahmed Lezz Eldin Mahmoud
CEO & Managing Director

Mr Ahmed Adel Bahy Eldin
Non Executive Chairman



CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Interim condensed separate statement of profit or loss
For the nine months period ended 30 September 2021

(All amounts in Egyptian Pounds)

	Note	Nine months ended 30 September		Three months ended 30 September	
		2021	2020	2021	2020
Operating revenue	17	910,717,153	631,219,254	282,200,088	243,849,226
Less:					
Operating costs	18	(513,630,590)	(381,829,659)	(168,112,718)	(146,113,420)
Gross profit		397,086,563	249,389,595	114,087,370	97,735,806
(Less) / Add					
General and administrative expenses	19	(102,415,912)	(76,189,435)	(35,603,755)	(24,186,617)
Aquisition costs		(11,832,655)	(4,570,573)	(4,971,297)	367,872
Impairment of trade receivables	20	(20,891,287)	(15,844,834)	(2,161,934)	(7,966,689)
Provisions		(8,444,431)	(7,830,470)	(1,685,832)	(4,526,167)
Other income		8,551,108	12,548,988	2,459,674	1,850,352
Finance income		27,687,851	27,764,114	10,088,439	5,866,665
Finance expenses		(16,173,356)	(297,363)	(6,694,624)	(184,499)
Profit for the period before income tax		273,567,881	184,970,022	75,518,041	68,956,723
Current tax		(67,615,924)	(44,425,202)	(14,972,447)	(16,878,887)
Deferred tax		(1,205,287)	(996,158)	(3,321,444)	(947,742)
Profit after income tax		204,746,670	139,548,662	57,224,150	51,130,094
Earning per share (basic / diluted)	21	0.10	0.09	0.03	0.03

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

**Interim condensed separate statement of comprehensive income
For the nine months period ended 30 September 2021**

(All amounts in Egyptian Pounds)

	Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020
Profit for the period	204,746,670	139,548,662	57,224,150	51,130,094
Other comprehensive income	-	-	-	-
Comprehensive income for the period	<u>204,746,670</u>	<u>139,548,662</u>	<u>57,224,150</u>	<u>51,130,094</u>

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

**Interim condensed separate statement of changes in equity
For the nine months period ended 30 September 2021**

(All amounts in Egyptian Pounds)

	Share Capital	Treasury shares	Reserves	Retained earnings	Employee stock ownership plan	Total
Balance at 1 January 2020	800,000,000	-	359,216,308	562,179,987	-	1,721,396,295
Dividends for employees	-	-	-	(26,313,344)	-	(26,313,344)
Legal reserve	-	-	9,885,144	(9,885,144)	-	-
Comprehensive income for the period	-	-	-	139,548,662	-	139,548,662
Balance at 30 September 2020	800,000,000	-	369,101,452	665,530,161	-	1,834,631,613
Balance at 31 December 2020	800,000,000	-	369,101,452	744,657,574	-	1,913,759,026
(as previously stated)	-	-	-	(17,793,229)	-	(17,793,229)
Effect of new standards adoption						
Balance at 1 January 2021	800,000,000	-	369,101,452	726,864,345	-	1,895,965,797
Dividends for employees	-	-	-	(33,174,238)	-	(33,174,238)
Legal reserve	-	-	10,933,804	(10,933,804)	-	-
Employee stock ownership plan	-	-	-	-	4,144,971	4,144,971
Treasury shares	-	(74,176,267)	-	-	-	(74,176,267)
Comprehensive income for the period	-	-	-	204,746,670	-	204,746,670
Balance at 30 September 2021	800,000,000	(74,176,267)	380,035,256	887,502,973	4,144,971	1,997,506,933

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Interim condensed separate statement of cash flows
For the nine months period ended 30 September 2021

(All amounts in Egyptian Pounds)	Note	30 September 2021	30 September 2020
<u>Cash flows from operating activities</u>			
Profit before tax		273,567,881	184,970,022
Adjustments to reconcile net income to cash flows from operating activities			
Fixed assets depreciation	5	30,425,931	24,173,552
Loss / (Gain) from sale of fixed assets		7,113	(20,757)
Impairment of trade and other receivables	8	25,933,343	15,844,831
Impairment of cash balances	12	(101,188)	-
Impairment of inventory	7	118,363	-
Provisions		8,444,431	7,830,470
Interests and commissions - Overdraft		6,705,500	-
Interests and commissions - Lease contracts		9,444,646	-
investments loss in associates		(81,399)	-
Interest income		(27,687,851)	(27,764,114)
Employee stock ownership plan		4,144,971	7,761,024
Operating profits before changes in assets and liabilities		330,921,741	212,795,028
Changes in assets and liabilities			
Change in inventories		2,341,106	(5,432,747)
Change in trade receivables		(12,261,113)	(55,971,379)
Change in due from related parties		7,372,496	(20,570,385)
Change in debtors and other debit balances		14,878,283	(7,250,987)
Change in creditors and other credit balances		448,870	32,164,668
Change in due to related parties		-	(2,794,469)
Provision used		(12,316,412)	(5,803,294)
Income tax paid		(46,862,524)	(67,634,036)
Change in lease liability and right of use		(5,518,196)	-
Paid from employee incentive plan		-	(136,833,605)
Net cash flows generated from / (used in) operating activities		279,004,251	(57,331,206)
<u>Cash flows from investing activities</u>			
Payments for purchase of fixed assets		(31,209,819)	(34,782,007)
Payments for projects under construction		(18,020,394)	(16,150,012)
Proceeds from sale of fixed assets		945,574	31,670
Advance payment for purchase of fixed assets		(5,485,955)	(3,009,149)
Interests received		22,396,000	29,639,181
Fixed assets suppliers		5,031,696	-
Payments for business acquisition		-	(145,486,461)
Payments under investments in subsidiaries		(5,673,000)	(23,542,800)
Treasury bills (maturity over 90 days)		-	50,099,258
Net cash flows used in investing activities		(32,015,898)	(143,200,320)
<u>Cash flows from financing activities</u>			
Proceeds from bank overdraft		345,546,847	-
Interests and commissions paid		(6,441,099)	-
Payments for bank overdraft		(209,557,266)	-
Payments for purchase of treasury shares		(74,176,267)	-
Dividends paid		(32,687,466)	(26,263,005)
Net cash flows generated from / (used in) financing activities		22,684,749	(26,263,005)
Change in cash and cash equivalents during the period		269,673,102	(226,794,531)
Cash and cash equivalents at the beginning of the period		274,007,267	443,010,427
Impact of the change in EAS 47 "Financial Instruments"		1,622,753	-
Cash and cash equivalents at the end of the period	12	545,303,122	216,215,896

- The accompanying notes from (1) to (25) are integral part of these interim condensed separate financial statements.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

(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. 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 the Company from a "limited partnership" into Cleopatra Hospital Company "S.A.E." in accordance with the provisions of Law No. (8) Of 1997 and Law No. (95) Of 1992. The company is listed on the Egyptian stock exchange.

The purpose of the Company is to establish a private hospital with the aim to offer modern and high quality medical services and provide medical care and treatment for 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.

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

Care HealthCare is the main shareholder, owning 37.87% in the company.

These separate interim financial statements have been approved for issuance by the management of the Company on the 18 November 2021.

2. Basis of preparation

A. Statement of compliance

This interim condensed separate financial statements for the Nine-month reporting period ended 30 September 2021 has been prepared in accordance with Egyptian Accounting Standard 30 "Interim Financial Reporting".

This interim condensed separate financial information does not include all the notes of the type normally included in an annual financial statement. Accordingly, this interim condensed separate financial information is to be read in conjunction with the annual financial statement for the year ended 31 December 2020.

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, except for the effect of adopting new standards as shown in (Note 2- B).

B. New Egyptian Accounting Standards ("EAS") and interpretations adopted

In 28 March 2019, the ministry of investment issued a decree no. 69 of 2019 which includes new standards and amendments to the existing standards. The amendments in the EASs have been published in the official gazette on 7 April 2019. Changing these standards is obligatory for the fiscal year 2021.

the company applied new standards that include Egyptian Accounting Standard No. 47 "Financial Instruments" and Egyptian Accounting Standard No. 48 "Revenue from Contracts with Customers" And the Egyptian Accounting Standard No. 49 "Leasing Contracts".

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

The following is the impact of applying these standards on retained earnings on January 1, 2021:

Retained earnings 31 December 2020	744,657,574
Impact of the change in EAS 47 "Financial Instruments"	(6,563,621)
Impact of the change in EAS 48 "Revenue from Contracts with Customers"	-
Impact of the change in EAS 49 "Lease Contracts"	(11,229,608)
Total	(17,793,229)
Retained earnings 1 January 2021	726,864,345

- Impact on the financial statements**

The following tables show the adjustments recognized for each individual line item:

<u>Separate statement of financial position</u>	Balance as at 31 December 2020	EAS 48	EAS 47	EAS 49 (Second phase)	Adjusted opening balance as at 1 January 2021
Assets					
Non-current assets					
Fixed assets	334,054,902	-	-	-	334,054,902
Right of use assets	-	-	-	75,791,444	75,791,444
Goodwill	172,587,300	-	-	-	172,587,300
Investments in associates	1,143,591	-	-	-	1,143,591
Investments in subsidiary	1,045,947,470	-	-	-	1,045,947,470
Deferred tax assets	1,694,473	-	-	-	1,694,473
Total non-current assets	1,555,427,736	-	-	75,791,444	1,631,219,180
Current assets					
Inventories	24,343,737	-	-	-	24,343,737
Trade and other receivables	179,476,385	-	(4,940,868)	-	174,535,517
Due from related parties	65,276,174	-	-	-	65,276,174
Debtors and other debit balances	35,480,888	-	-	(6,356,208)	29,124,680
Financial assets at amortized cost - treasury bills	139,446,980	-	-	-	139,446,980
Cash on hand and at banks	134,560,287	-	(1,622,753)	-	132,937,534
Total current assets	578,584,451	-	(6,563,621)	(6,356,208)	565,664,622
Total assets	2,134,012,187	-	(6,563,621)	69,435,236	2,196,883,802
Equity					
Share capital	800,000,000	-	-	-	800,000,000
Reserves	369,101,452	-	-	-	369,101,452
Retained earnings	744,657,574	-	(6,563,621)	(11,229,608)	726,864,345
Total equity	1,913,759,026	-	(6,563,621)	(11,229,608)	1,895,965,797
Non-current liabilities					
Lease liabilities	-	-	-	71,775,009	71,775,009
Deferred tax liabilities	12,031,237	-	-	-	12,031,237
Investment creditors	14,485,000	-	-	-	14,485,000
Total non-current liabilities	26,516,237	-	-	71,775,009	98,291,246
Current liabilities					
Provisions	10,446,601	-	-	-	10,446,601
Trade and other payables	147,546,667	-	-	-	147,546,667
Lease liabilities	-	-	-	8,889,835	8,889,835
Current income tax liabilities	35,743,656	-	-	-	35,743,656
Total current liabilities	193,736,924	-	-	8,889,835	202,626,759
Total liabilities	220,253,161	-	-	80,664,844	300,918,005
Total equity and liabilities	2,134,012,187	-	(6,563,621)	69,435,236	2,196,883,802

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

(1) EAS No. (47) – "Financial instruments":

This standard is applied for financial periods beginning on or after January 1, 2021. This standard replaces the corresponding topics in Egyptian Accounting Standard No. (26) "financial Instruments, Recognition and Measurement" and therefore it was amended and reissued after eliminating the paragraphs related to the topics covered by the Egyptian Accounting Standard No. (47), and the scope of the amended Egyptian Accounting Standard No. (26) to address the cases of hedge accounting.

The details of the new significant accounting policies, the nature and impact of change in previous accounting policies are as follows:

Classification and measurement of financial assets and financial liabilities:

Egyptian Accounting Standard No. (47) largely retains the existing requirements in Egyptian Accounting Standard No. (26) for the classification and measurement of financial liabilities, but it excludes the categories previously mentioned in EAS No. (26) related to financial assets held until maturity and loans, financial investments and receivables available for sale.

In accordance with EAS 47, upon initial recognition, financial assets are classified and measured at amortized cost, or at fair value through other comprehensive income - investments in debt instruments, or at fair value through other comprehensive income - investments in equity instruments, or at fair value through profit or loss. The classification of financial assets in accordance with Egyptian Accounting Standard No. (47) is usually based on the business model through which financial assets are managed as well as their contractual cash flows. Accordingly, the company classifies bonds, treasury bills, trade receivables and other debit balances as financial assets at amortized cost.

All the investments in debt instruments that are currently classified as held to maturity will meet the conditions of classification at amortized cost under accounting standard No. (47) and therefore there will be no change in the accounting for these assets. and measure those financial assets.

There will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities at fair value through profit or loss and the company has none of these obligations. Also, the company has no financial commitments that have been restructured or modified.

Impairment of financial assets

The company has four types of financial assets that are subject to the new expected credit loss model:

- Balances with banks
- Due from related parties balances
- Debtors and other debit balances
- Financial assets at amortized cost

The Egyptian Accounting Standard No. (47) requires the review of the impairment model of those financial assets subject to the expected credit losses model and its impact of first application on retained earnings and equity.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

Customers and other receivables

The new impairment measurement model of financial instruments requires recognizing provisions for impairment based on expected credit losses rather than realized credit losses.

The new impairment model applies to financial assets at amortized cost, debt instruments that are measured at fair value through comprehensive income, contract assets resulting from Egyptian Accounting Standard No. 48 "Revenue from contracts with customers", lease receivables, loan commitments and some financial guarantee contracts. The company has implemented the new rules with effect from January 1, 2021, with the adoption of practical means permitted under the standard. Comparative figures for the year 2020 will not be adjusted.

Financial assets at amortized cost

There will be no material impact on treasury bills for the following reasons:

- Issued and guaranteed by the Egyptian government.
- There is no late payment cases in the past.
- Therefore, the availability of future information will not lead to an increase in the rate of late payments expected.

The following is the effect of applying these standards on the impairment in trade receivables on January 1, 2021:

	31 December 2020
Trade receivable impairment at 31 December 2020	43,959,355
The impact of the first adoption of EAS 47 "Financial Instruments" (Note 8)	4,940,868
Trade receivable impairment at 1 January 2021	48,900,223
	31 December 2020
Cash impairment at 31 December 2020	-
The impact of the first adoption of EAS 47 "Financial Instruments" (Note 12)	1,622,753
Cash impairment at 1 January 2021	1,622,753

(2) Egyptian Accounting Standard No. 48 "Revenue from contracts with customers"

Revenue recognition standard was issued, replacing Egyptian Accounting Standard No. (11) covering contracts for sales of goods and services and Egyptian Accounting Standard No. (8) covering construction contracts.

The new standard is based on the principle of revenue being recognized when control of goods or services is transferred to a customer.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

Impact

Management has assessed the effects of applying the new standard on the financial statements and has determined that the recognition and revenue measurement of all existing contracts under the EAS No. (48) five-steps model (identify contract - identify performance obligation determine transaction price – allocate transaction price – recognise revenue) will not change as currently recognized under EAS (11).

(3) EAS No. (49) – “Lease Contracts”:

Egyptian Accounting Standard No. (49) provided a single model for accounting for lease contracts. The lessee recognizes the right to use the assets and to be bound by the lease liability, which represents their obligation to make lease payments.

This standard replaces the Egyptian Accounting Standard No. (20) "Accounting rules and standards relating to financial leasing operations".

Lessor accounting remains similar to the current standard - ie lessors continue to classify leases as finance or operating leases.

The Company, as a lessee, recognizes a right-of-use asset and a lease liability on the commencement date of the lease.

On the date of initial recognition, the “right of use” asset is recognized in the statement of financial position at a carrying amount as if the standard had been applied since the inception of the lease, but discounted using the lending rate to the lessee at the date of application. The right of use is depreciated using the straight-line method over the estimated useful life of those assets or the lease term.

The lease liability is initially measured at the present value of future lease payments and the related fixed costs, discounted using the interest rate at which the Company borrows. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method.

Subsequently, the right of use and the lease liabilities are re-measured in the following cases:

- Change in the rental price.
- Amendment of the lease contract.
- Adjustment of the rental period.

Leases of short-term assets (less than 12 months including extension options) and leases of low-value items are recognized as an expense in the income statement as incurred.

Egyptian Accounting Standard No. 49 requires the company to assess the lease term as the non-cancellable lease term in line with the lease, as well as the periods covered by the option to determine the lease if the lessee is reasonably certain to exercise that option, and the periods covered by the option to terminate the lease.

A significant portion of the company’s lease include leases that are extendable through a reciprocal agreement between the Company and the lessor or leases that can be cancelled by the Company immediately or at short notice. All extension and termination options are the right of the company and not the lessor. In determining the term of the lease, management considers all facts and circumstances that create an economic incentive to exercise the option to terminate, years after termination options are only included in the lease term if it is highly certain that the lease will not be terminated.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

New Egyptian Accounting Standards ("EAS") and interpretations adopted (continued)

The impact of the application of these standards on lease commitments on January 1, 2021 is as follows:

	<u>Balance</u>
Lease liabilities at 31 December 2020	-
The impact of the adoption of EAS 49 "Lease Contracts"	<u>80,664,844</u>
Lease liabilities at 1 January 2021	<u>80,664,844</u>

When evaluating the lease term for the adoption of Egyptian Accounting Standard No. 49, the company decided that extendable future lease periods should be taken into account within the lease term, which represents an increase in future lease payments used in determining the lease liability at initial recognition. The exact term of the lease term is based on the facts and circumstances related to the leased assets and lease contracts.

- **Practical expedients applied**

In applying EAS 49 for the first time, the company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered before the transition date the Company relied on its assessment made applying EAS 20.

C. **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.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

D. 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 expense. 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 2020.

With the exception of estimates and judgments related to accounting standards that have been applied starting from the current year, which are as follows:

Impairment of financial assets:

Loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses a range of significant judgments in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history and current market conditions as well as future estimates at the end of each year. Expected loss rates are based on historical credit losses and historical loss rates are adjusted to reflect current and future information about macroeconomic factors that affect customers' ability to settle receivables. The Company has determined GDP and therefore adjusts historical loss rates based on expected changes in these factors.

Sensitivity:

Reasonable changes in the inputs/assumptions would not materially change the impairment of the expected credit loss recognized in the financial statements.

Lease Liabilities:

The company rents buildings, warehouses and various equipment. Leases are for fixed periods of one year up to 18 years, and may have extension options.

Lease payments are discounted at an incremental borrowing rate in the lease if that rate cannot be easily determined - which generally happens in leases - the lessee's incremental borrowing rate is used.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

(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 September 2021 for each segment:

	Cleopatra Hospital	Queens Hospital	El Kateb Hospital	Consolidated adjustment	Total
<u>Statement of financial position</u>					
Non-current assets	1,468,038,902	74,011,715	131,591,557	-	1,673,642,174
Current assets	719,841,060	92,235,175	54,016,445	(45,338,611)	820,754,069
Total assets	2,187,879,962	166,246,890	185,608,002	(45,338,611)	2,494,396,243
Current liabilities	318,770,239	68,747,403	31,232,987	(45,338,528)	373,412,101
Non-current liabilities	53,445,483	66,120,612	3,911,114	-	123,477,209
Total Liabilities	372,215,722	134,868,015	35,144,101	(45,338,528)	496,889,310
<u>Statement of profit or loss:</u>					
Operating revenue	695,076,551	125,529,912	90,110,690	-	910,717,153
Operating costs	(392,607,571)	(58,592,407)	(62,430,612)	-	(513,630,590)
Gross profit	302,468,980	66,937,505	27,680,078	-	397,086,563
Other expenses and revenues	(146,330,679)	(28,901,176)	(17,108,038)	-	(192,339,893)
Profit for period	156,138,301	38,036,329	10,572,040	-	204,746,670
<u>Other Items</u>					
Capital expenditure	43,016,989	1,963,295	4,249,927	-	49,230,211
Fixed assets depreciation	24,489,912	2,376,743	3,559,276	-	30,425,931

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

Segment reporting (continued)

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 31 December 2020 for each segment:

	Cleopatra Hospital	Queens Hospital	El Kateb Hospital	Consolidated adjustment	Total
<u>Statement of financial position</u>					
Non-current assets	1,418,884,666	12,622,947	122,225,650	1,694,473	1,555,427,736
Current assets	530,084,089	47,762,788	48,764,069	(48,026,495)	578,584,451
Total assets	1,948,968,755	60,385,735	170,989,719	(46,332,022)	2,134,012,187
Current liabilities	151,198,029	57,212,796	33,352,594	(48,026,495)	193,736,924
Non-current liabilities	24,382,481	275,514	163,769	1,694,473	26,516,237
Total Liabilities	175,580,510	57,488,310	33,516,363	(46,332,022)	220,253,161
<u>Statement of profit or loss:</u>					
Operating revenue	748,360,588	59,997,377	122,684,904	-	931,042,869
Operating costs	(424,924,706)	(37,454,147)	(78,719,467)	-	(541,098,320)
Gross profit	323,435,882	22,543,230	43,965,437	-	389,944,549
Other expenses and revenues	(133,256,708)	(11,211,058)	(26,800,708)	-	(171,268,474)
Profit for year	190,179,174	11,332,172	17,164,729	-	218,676,075
<u>Other Items</u>					
Capital expenditure	57,537,645	6,220,772	4,970,096	-	68,728,513
Fixed assets depreciation	27,834,253	2,467,399	3,051,579	-	33,353,231

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

Segment reporting (continued)

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 September 2020 for each segment:

	Cleopatra Hospital	Queens Hospital	El Kateb Hospital	Consolidated adjustment	Total
Statement of financial position					
Non-current assets	1,393,133,714	11,174,748	121,023,839	-	1,525,332,301
Current assets	484,317,597	26,274,549	35,535,827	(47,161,689)	498,966,284
Total assets	1,877,451,311	37,449,297	156,559,666	(47,161,689)	2,024,298,585
Current liabilities	149,406,139	47,290,923	30,504,157	(47,161,674)	180,039,545
Non-current liabilities	9,434,761	159,353	33,313	-	9,627,427
Total Liabilities	158,840,900	47,450,276	30,537,470	(47,161,674)	189,666,972
Statement of profit or loss:					
Operating revenue	521,786,055	25,618,464	83,814,735	-	631,219,254
Operating costs	(298,655,826)	(24,208,649)	(58,965,184)	-	(381,829,659)
Gross profit	223,130,229	1,409,815	24,849,551	-	249,389,595
Other expenses and revenues	(85,042,273)	(2,976,048)	(21,822,612)	-	(109,840,933)
Profit for year	138,087,956	(1,566,233)	3,026,939	-	139,548,662
Other Items					
Capital Expenditure	43,242,828	4,091,734	3,597,458	-	50,932,020
Fixed assets depreciation	19,506,239	1,786,560	2,880,753	-	24,173,552

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

(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:

	Amortised cost	
	30 September 2021	31 December 2020
Financial assets		
Trade and other receivables	165,804,155	179,476,385
Due from related parties	57,903,678	65,276,174
Debtors and other debit balances*	9,158,074	11,250,549
Financial assets at amortized cost -Treasury Bills	398,929,896	139,446,980
Cash on hand and at banks	144,851,661	134,560,287
	776,647,464	530,010,375

* Excluding prepayments, advance to suppliers and withholding taxes.

	Amortised cost	
	30 September 2021	31 December 2020
Financial Liabilities		
Creditors and other credit balances **	161,334,727	146,080,652
Lease liabilities	107,507,173	-
Bank's overdraft	135,989,581	-
	404,831,481	146,080,652

** Excluding social insurance.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements - For the nine months period ended 30 September 2021

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

5. Fixed assets

	Land	Machinery, equipment & devices	Tools & instruments	Furniture	Buildings	Vehicles	Computers	Leasehold improvements	Projects under construction	Total
At 1 January 2020										
Cost	82,878,000	179,891,601	6,494,103	10,859,682	75,338,102	7,777,342	23,281,883	28,790,301	3,836,256	419,147,270
Accumulated depreciation	-	(69,079,289)	(4,725,518)	(6,362,415)	(26,053,265)	(2,082,397)	(8,912,670)	(2,896,739)	-	(120,112,293)
Net book amount	82,878,000	110,812,312	1,768,585	4,497,267	49,284,837	5,694,945	14,369,213	25,893,562	3,836,256	299,034,977
Year ended 31 December 2020										
Beginning of the year	82,878,000	110,812,312	1,768,585	4,497,267	49,284,837	5,694,945	14,369,213	25,893,562	3,836,256	299,034,977
Additions	-	27,930,166	3,618,527	5,614,445	535,000	3,134,000	5,250,206	739,194	21,906,976	68,728,514
Disposals	-	(706,719)	-	-	-	(82,977)	(53,894)	-	-	(843,590)
Transfers from projects under construction	-	735,380	45,600	-	4,049,696	-	11,894,611	125,312	(16,850,599)	-
Depreciation for the year	-	(15,493,028)	(1,148,088)	(1,717,342)	(3,638,659)	(1,215,949)	(6,720,550)	(3,419,616)	-	(33,353,232)
Accumulated depreciation of disposals	-	391,719	-	-	-	72,064	24,450	-	-	488,233
Closing net book amount	82,878,000	123,669,830	4,284,624	8,394,370	50,230,874	7,602,083	24,764,036	23,338,452	8,892,633	334,054,902
At 31 December 2020										
Cost	82,878,000	207,850,428	10,158,230	16,474,127	79,922,798	10,828,365	40,372,806	29,654,807	8,892,633	487,032,194
Accumulated depreciation	-	(84,180,598)	(5,873,606)	(8,079,757)	(29,691,924)	(3,226,282)	(15,608,770)	(6,316,355)	-	(152,977,292)
Net book amount	82,878,000	123,669,830	4,284,624	8,394,370	50,230,874	7,602,083	24,764,036	23,338,452	8,892,633	334,054,902
At 30 September 2021										
Balance at 1 January	82,878,000	123,669,830	4,284,624	8,394,370	50,230,874	7,602,083	24,764,036	23,338,452	8,892,633	334,054,902
Additions	-	12,347,020	877,541	5,294,713	-	3,092,000	9,091,064	507,481	18,020,394	49,230,213
Disposals	-	(1,075,000)	-	-	-	-	-	-	-	(1,075,000)
Transfers from projects under construction	-	1,477,125	1,596,624	4,650	8,615,356	-	432,283	11,438,359	(23,564,397)	-
Depreciation for the period	-	(13,595,952)	(841,130)	(1,878,086)	(1,991,225)	(1,517,813)	(7,576,754)	(3,024,971)	-	(30,425,931)
Accumulated depreciation of disposals	-	122,313	-	-	-	-	-	-	-	122,313
Closing net book amount	82,878,000	122,945,336	5,917,659	11,815,647	56,855,005	9,176,270	26,710,629	32,259,321	3,348,630	351,906,497
At 30 September 2021										
Cost	82,878,000	220,599,575	12,632,395	21,773,490	88,538,154	13,920,365	49,896,154	41,600,646	3,348,630	535,187,409
Accumulated depreciation	-	(97,654,239)	(6,714,736)	(9,957,843)	(31,683,149)	(4,744,095)	(23,185,525)	(9,341,325)	-	(183,280,912)
Net book amount	82,878,000	122,945,336	5,917,659	11,815,647	56,855,005	9,176,270	26,710,629	32,259,321	3,348,630	351,906,497

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

6. Right of use asset

The right of use represents lease contracts related to buildings and was measured at a carrying amount as if the standard had been applied since the inception of the lease, but discounted using the lending rate to the lessee at the date of application, and it is subsequently amortized over the life of the lease using the straight line method.

	<u>30 September 2021</u>	<u>31 December 2020</u>
Balance at the beginning of the period / year	-	-
The impact of the first adoption of EAS 49 "Lease Contracts"	75,791,444	-
Additions during the period / year	28,155,919	-
Amortization during the period / year	(8,715,223)	-
Balance	<u>95,232,140</u>	<u>-</u>

Lease payments are discounted at an incremental borrowing rate in the lease. 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.

7. Inventories

	<u>30 September 2021</u>	<u>31 December 2020</u>
Medical supply inventory	10,288,597	12,301,180
Medicine inventory	9,260,050	9,511,569
Hospitality supplies inventory	621,758	432,317
Stationary inventory	717,858	1,009,020
Maintenance and spare parts inventory	1,203,605	1,186,021
Food and beverage inventory	26,048	18,915
	<u>22,117,916</u>	<u>24,459,022</u>
Less: Impairment of inventory	(233,648)	(115,285)
	<u>21,884,268</u>	<u>24,343,737</u>

Movement in the provision for inventory is as follows:

	<u>30 September 2021</u>	<u>31 December 2020</u>
Balance at the beginning of the period / year	115,285	-
Provisions formed during the period / year	118,363	115,285
Balance at the end of the period / year	<u>233,648</u>	<u>115,285</u>

CLEOPATRA HOSPITAL COMPANY "S.A.E."

**Notes to the interim condensed separate financial statements
For the nine months period ended 30 September 2021**

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

8. Trade and other receivables

	<u>30 September 2021</u>	<u>31 December 2020</u>
Due from customers	227,801,304	212,919,135
Income from inpatients	7,895,549	10,516,605
	<u>235,696,853</u>	<u>223,435,740</u>
Less:		
Impairment of customers' balances	(69,892,698)	(43,959,355)
	<u>165,804,155</u>	<u>179,476,385</u>

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.

The movement of the provision for impairment is as follows:

	<u>30 September 2021</u>	<u>31 December 2020</u>	<u>30 September 2020</u>
Balance at the beginning of the period / year	43,959,355	24,534,960	24,534,960
The impact of the first adoption of EAS 47 "Financial Instruments"	4,940,868	-	-
Provisions formed during the period / year	41,922,518	28,965,471	23,424,244
Provisions no longer required during the period / year	(20,930,043)	(9,541,076)	(7,579,413)
Balance at the end of the period / year	<u>69,892,698</u>	<u>43,959,355</u>	<u>40,379,791</u>

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

9. Due from related parties

During the period / year, the company dealt with some related parties, and the following is a statement of the transactions with related parties at the date of the periodic financial statements during the period / year:

Company	Nature of related parties	Transaction Amount	30 September 2021	31 December 2020
Nile Badrawi Hospital Company (subsidiary)	Share of group companies in the company's expenses*	9,491,337	-	-
	Operating revenue	1,317,237	-	-
	Operating expenses	701,562	-	-
Cairo Specialised Hospital (Subsidiary)	Share of group companies in the company's expenses*	11,277,405	-	-
	Operating revenue	5,750,319	-	-
	Operating expenses	1,863,852	-	-
	Rent	155,771	-	-
El Shorouk Hospital (Subsidiary)	Share of group companies in the company's expenses*	9,426,876	-	-
	Operating revenue	1,458,813	-	-
	Operating expenses	620,774	-	-
CHG For Medical Services (Subsidiary)	Amounts paid on behalf of the company	2,232,062	54,848,610	52,616,548
	Share of group companies in the company's expenses*	1,798,200	-	1,631,877
CHG Pharma Company Pharmacies Administration (subsidiary)	Amounts paid on behalf of the company	(4,859,193)	3,775,105	8,634,298
	Share of group companies in the company's expenses*	374,888	-	439,433
Other parties	Amounts paid on behalf of the related parties	(43,007)	343,820	386,827
CHG For Hospitals (subsidiary)	Admin fees	(1,192,510)	(2,955,658)	(1,763,148)
Bedaya El Gedida for Medical Centers and Hospitals (subsidiary)	Amounts paid on behalf of the company	1,891,801	1,891,801	3,330,339
	Share of group companies in the company's expenses*	1,464,289	-	-
			<u>57,903,678</u>	<u>65,276,174</u>

- 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 percentages related to the revenues generated by each company. This agreement has been approved by the boards of directors of the group companies and their general assemblies.
- Transactions with related parties are represented in the company's dealings with affiliated / sister companies, whether through sale, purchase or exchange of services. The prices, policies and conditions related to these operations are approved by the company'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 nine months period ended 30 September 2021**

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

10. Debtors and other debit balances

	30 September 2021	31 December 2020
Prepaid expenses	5,555,345	17,167,687
Deposits with others	4,292,106	4,237,093
Withholding taxes	7,424,105	3,925,487
Advances to suppliers	9,242,887	3,137,165
Employee's customers	420,055	423,517
Accrued interest income	6,833	2,607
Other debtors	4,439,080	6,587,332
	31,380,411	35,480,888

11. Financial assets at amortised cost – Treasury bills

	30 September 2021	31 December 2020
Treasury bills (maturity 30 days)	317,000,000	100,000,000
Treasury bills (maturity 60 days)	85,000,000	40,000,000
Less: Unearned profit	(3,070,104)	(553,020)
	398,929,896	139,446,980

Interest from treasury bills is between 8.96% and 9 % after tax at 30 September 2021 (31 Dec 2020: between 8.96% and 9.6%).

12. Cash on hand and at banks

	30 September 2021	31 December 2020
Current accounts	130,452,968	128,779,451
Cash on hand	1,054,183	1,081,546
Time deposits	14,866,075	4,699,290
Less: Cash impairment	(1,521,565)	-
	144,851,661	134,560,287

	30 September 2021	31 December 2020	30 September 2020
Balance at the beginning of the period / year	-	-	-
The impact of the first adoption of EAS 47 "Financial Instruments"	1,622,753	-	-
Provisions no longer required	(101,188)	-	-
Balance at the end of the period / year	1,521,565	-	-

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

Cash on hand and at banks (continued)

Current accounts are maintained in banks controlled by the Central Bank.

It includes term deposits on 30 September 2021, equivalent to EGP 14,866,075 deposited with local banks in US dollars, maturing within a month from the date of deposit, and accruing a fixed average annual return of 0.75% (December 31, 2020: 0.75%).

Current accounts have a fixed annual return of 6.5% (December 31, 2020: 6.5%).

For the purposes of preparing the statement of cash flows, the balance of cash and cash equivalents is as follows:

	<u>30 September 2021</u>	<u>30 September 2020</u>
Cash on hand and at banks	147,995,979	216,215,896
Treasury bills (maturities in less than 3 months)	398,929,896	-
The impact of the first adoption of EAS 47 "Financial Instruments"	(1,622,753)	-
	<u>545,303,122</u>	<u>216,215,896</u>

(i) Classification as cash equivalents

Term deposits are held with banks and presented as cash equivalents if they have a maturity of three months or less from the date of placement and are repayable within 24 hours' notice with no loss of interest. Treasury bills included under Cash and cash equivalent have original maturities of not more than three months from the date of acquisition, are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(ii) Treasury bills

The investment in treasury bills with maturity date more than three month but less than one year.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

13. Retained earnings

The company applied the change in the Egyptian accounting standards related to Standard 47 "Financial Instruments" and Standard 49 "Leasing Contracts". Therefore, the effect of applying the standards on the balances of the beginning of the period was included in the retained earnings. There was no impact on retained earnings from the application of EAS 48 "Revenue from Contract and Customers". The movement in profits is as follows:

	<u>30 September 2021</u>	<u>31 December 2020</u>
Beginning Balance	744,657,574	562,179,987
The effect of applying the change in Standard 47 "Financial Instruments"	(6,563,621)	-
The effect of applying the change in Standard 49 "Leases"	(11,229,608)	-
Balance after amendments	726,864,345	562,179,987
Earnings of the period / year	204,746,670	218,676,075
Reserves	(10,933,804)	(9,885,144)
Profit Distribution	(33,174,238)	(26,313,344)
Ending Balance	887,502,973	744,657,574

14. Lease liabilities

Liability represents current value for rent liability related to buildings company got in exchange with Contract Lease, and it has been evaluated with current value of contractual rent payments discounted at an incremental borrowing rate 11.15%.

	<u>30 September 2021</u>	<u>31 December 2020</u>
During a year	14,599,251	-
More than a year	239,462,550	-
	254,061,801	-
Current Value		
During a year	11,127,791	-
More than a year	96,379,382	-
	107,507,173	-

The lease commitments were presented as follows:

	<u>30 September 2021</u>
The operating lease obligations are explained as of December 31, 2020	-
The effect of applying the change in Standard 49 "Lease Contracts"	80,664,844
Additions during the year	41,984,569
	122,649,413
Current Value	
Add: interest charged during the period	9,444,646
Less: rent payments during the period	(24,586,886)
Lease liabilities at 30 September 2021	107,507,173

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

15. Bank Overdraft

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 165 million Egyptian pounds and the used value of these credit limits in 30 September 2021, an amount of 135,989,581 Egyptian pounds.

16. Creditors and other credit balances

	<u>30 September 2021</u>	<u>31 December 2020</u>
Suppliers and notes payable	78,772,261	77,578,948
Accrued expenses	70,828,108	62,413,304
Social insurance	1,888,325	1,466,015
Other creditors	11,734,359	6,088,400
	<u>163,223,053</u>	<u>147,546,667</u>

Current trade payables are unsecured and are usually paid within 90 to 120 days of recognition.

17. Operating revenue

	<u>Nine months ended 30 September</u>		<u>Three months ended 30 September</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Surgeries revenue	130,556,790	109,297,103	52,485,930	44,321,464
Accommodation and medical supervision revenue	289,054,053	163,797,962	77,131,760	58,301,425
Outpatient clinics revenue	91,025,500	64,018,241	29,808,579	21,791,187
Laboratories revenue	120,460,282	74,320,085	28,922,828	30,035,877
Emergency revenue	35,111,186	29,923,365	12,123,662	10,113,492
Cardiac catheterization revenue	54,275,509	49,398,259	18,671,195	20,900,670
Service charge revenue	66,455,532	44,571,435	21,945,435	16,740,160
Radiology revenue	66,886,240	49,199,149	18,544,579	21,832,371
Pharmacy revenue	31,753,548	21,345,714	12,830,935	12,291,614
Dentistry revenue	6,405,720	9,034,375	2,724,375	2,003,537
Physiotherapy revenue	6,630,582	5,358,676	2,635,878	1,550,481
Cardiac tests revenue	6,120,356	4,767,487	2,195,723	1,681,111
Endoscopy revenue	5,517,087	4,733,386	2,124,378	1,787,352
Revenue from other departments	464,768	1,454,017	54,831	498,485
	<u>910,717,153</u>	<u>631,219,254</u>	<u>282,200,088</u>	<u>243,849,226</u>

All types of revenue are recognized at the revenue recognition point in time.

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

18. Operating costs

	Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020
Salaries, wages and benefits	136,206,944	109,224,378	45,770,685	37,150,392
Doctors' fees	139,327,567	109,487,537	47,511,800	44,256,040
Medical and pharmaceutical supplies	154,900,551	98,553,316	47,311,844	38,734,630
Fixed assets depreciation	21,908,560	19,949,993	7,556,736	6,951,788
Maintenance, spare parts and energy expenses	18,050,464	13,056,233	6,523,449	5,521,919
Right of use amortization	4,075,994	-	1,724,684	-
Rents	3,102,766	5,745,241	1,073,059	2,585,045
Outsourcing services	11,833,533	-	4,511,756	-
Consumables costs	11,400,058	10,456,349	4,483,988	5,246,039
Other expenses	12,824,153	15,356,612	1,644,717	5,667,567
	513,630,590	381,829,659	168,112,718	146,113,420

19. General and administrative expenses

	Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020
Salaries, wages and benefits	78,715,477	74,310,620	30,676,734	20,697,645
Professional and consulting fees	10,238,114	10,410,399	3,036,640	2,451,755
Fixed assets depreciation	8,517,371	4,223,559	3,389,656	1,523,389
Right of use amortization	4,639,229	-	1,206,158	-
Outsourcing services	6,922,476	-	3,538,802	-
Maintenance, spare parts and energy expenses	7,453,592	4,086,435	4,214,386	1,532,895
Rent	812,345	3,221,097	273,409	996,609
Consumables costs	926,391	992,029	527,399	174,245
Other expenses	18,023,912	9,681,773	2,666,305	5,857,208
	136,248,907	106,925,912	49,529,489	33,233,746
Less: the Company's share of the Group's expenses	(33,832,995)	(30,736,477)	(13,925,734)	(9,047,129)
	102,415,912	76,189,435	35,603,755	24,186,617

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Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

20. Impairment in financial instruments

	Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020
Trade receivables impairment	20,992,475	15,844,834	1,552,520	7,966,689
Cash in bank impairment	(101,188)	-	609,414	-
	<u>20,891,287</u>	<u>15,844,834</u>	<u>2,161,934</u>	<u>7,966,689</u>

21. Earning per share (Basic / Diluted)

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

	Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020
Distributable profit	<u>204,746,670</u>	<u>139,548,662</u>	<u>57,224,150</u>	<u>51,130,094</u>
Weighted average number of shares	<u>1,582,956,742</u>	<u>1,600,000,000</u>	<u>1,600,000,000</u>	<u>1,600,000,000</u>
Earnings per share of the shareholders' share in the net profit for the period	<u>0.10</u>	<u>0.09</u>	<u>0.03</u>	<u>0.03</u>

22. Employee stock ownership plan

The balance of the employees' stock ownership plan is calculated on the basis of the difference between The volume weighted average price for the month preceding the units granting date and the month prior the units vesting date which is a one year after the granting. the difference is multiplied by the number of units granted to each beneficiary and then divided by the price at vesting resulting in the final shares for beneficiary.

The estimated discounted value of the incentive and reward scheme for three years is EGP 49,739,647 (estimated payment in the year is EGP 16,579,882), the estimated value for the period recorded in the equity is EGP 4,144,971.

23. Commitments

Capital commitments:

The capital commitments related to fixed assets at financial period end is EGP 8,448,002 (31 December 2020: EGP 3,503,700).

CLEOPATRA HOSPITAL COMPANY "S.A.E."

Notes to the interim condensed separate financial statements For the nine months period ended 30 September 2021

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

24. Treasury shares

According to Board of Director resolution on 14 June 2021, the company purchased 17,043,580 shares from the stock market for a total consideration of EGP 74,176,267, the consideration paid has been accounted for as a reserve in the statement of shareholders' Equity.

25. Significant changes and subsequent events

Significant changes

On 13 February 2020, Cleopatra Hospital Company, the Public Authority for River Transport, Nile Badrawi Hospital Company and the heirs of Eng. 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 Nile Badrawi Hospital was built. The total settlement amounted to 36 million pounds, which falls within the limits of the amounts deducted from the sale price of the shares of Nile Badrawi Hospital in favour of Cleopatra Hospital, Regarding the land being settled. On 31 March 2021, the Administrative Court issued a ruling accepting the case in form and rejecting it in substance. The Cairo Governorate and the Nile Badrawi Hospital Company appealed the aforementioned ruling before the Supreme Administrative Court, and a request was made to set the nearest session, so that both parties can precis settlement contracts between the parties.

The subsequent Events

The company signed agreements on 5 October 2021, which are conditional to several conditions, most importantly obtaining the approvals of the Ministry of Health, as part of a deal to complete and equip a hospital building with a capacity of more than 400 beds in New Cairo area, and the Company seeks to complete the deal after obtaining approvals The Ministry of Health and Population, in addition to completing the rest of the preconditions stipulated in the agreements.

On 31 October 2021, the company's board of directors decided to stop buying treasury shares from the open market.