

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

**LIMITED REVIEW REPORT
AND THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
30 SEPTEMBER 2022**

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

**Interim condensed consolidated financial statements
For the nine months period ended 30 September 2022**

Index	Page
Limited review report	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statements	7 – 24



Limited Review Report on the Interim Financial Statements

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

Introduction

We conducted our limited review on the accompanying interim condensed consolidated financial position of Cleopatra Hospital Company (S.A.E.) and its subsidiaries (the "Group") as at 30 September 2022 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months period then ended. The management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with the Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is limited to express a conclusion on these interim condensed consolidated financial statements based on our limited review.

Scope of the limited review

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

Conclusion

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


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



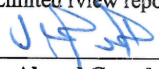
13 November 2022
Cairo

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

Interim condensed consolidated statement of financial position - At 30 September 2022

(All amounts in Egyptian Pounds)			
	Note	30 September 2022	31 December 2021
Assets			
Non-current assets			
Fixed assets	4	1,508,696,053	1,351,725,422
Right-of-use assets	5	156,530,840	174,691,615
Goodwill		369,263,334	369,263,334
Other intangible assets		54,700,430	56,252,393
Investments in associates		2,178,301	2,178,301
Paid under investments purchased		16,673,000	5,673,000
Total non-current assets		2,108,041,958	1,959,784,065
Current assets			
Inventories	6	91,003,296	51,301,188
Trade receivables	8	480,810,276	383,324,030
Due from related parties	9	1,475,079	530,300
Debtors and other debit balances	10	112,373,176	191,702,419
Financial assets at amortized cost - treasury bills	11	95,207,428	677,072,914
Cash on hands and at banks	12	268,643,875	168,906,593
Total current assets		1,049,513,130	1,472,837,444
Total assets		3,157,555,088	3,432,621,509
Equity and liabilities			
Equity			
Share capital		800,000,000	800,000,000
Treasury Shares	24	(750,584,719)	(4,152,742)
Retained earnings		1,437,122,582	1,269,995,272
Employees stock ownership plan		4,285,703	8,289,941
Reserves		319,211,558	302,942,579
Equity attributable to the Company's owners		1,810,035,124	2,377,075,050
Non-controlling interests	13	137,653,040	120,742,065
Total equity		1,947,688,164	2,497,817,115
Liabilities			
Non-current liabilities			
Lease liabilities	14	160,416,016	172,715,165
Deferred tax liabilities	7	85,796,786	81,809,839
Loans	17	20,758,663	-
Purchased investment liability		42,125,000	31,760,000
Total non-current liabilities		309,096,465	286,285,004
Current liabilities			
Banks overdraft	15	252,903,109	60,627,560
Provisions		19,791,922	21,917,498
Trade and other credit balances	16	528,850,607	461,032,559
Lease liabilities	14	40,586,923	38,742,917
Current income tax liabilities		58,637,898	66,198,856
Total current liabilities		900,770,459	648,519,390
Total liabilities		1,209,866,924	934,804,394
Total liabilities and equity		3,157,555,088	3,432,621,509

- The accompanying notes from (1) to (24) are integral part of these interim condensed consolidated financial statements.
 - Limited review report is attached


Mr. Ahmed Gamal
 Group CFO


Dr. Ahmed Ezz Eldin Mahmoud
 CEO & Managing Director


Mr. Ahmed Adel Badreldin
 Non Executive Chairman

13 November 2022



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

Interim condensed consolidated statement of profit or loss
For the nine months period ended 30 September 2022

(All amounts in Egyptian Pounds)

	Note	Nine months ended 30 September		Three months ended 30 September	
		2022	2021	2022	2021
Operating revenue	18	1,902,189,289	1,900,599,881	660,508,954	623,847,352
Less:					
Operating costs	19	(1,266,510,227)	(1,210,246,476)	(438,921,878)	(414,182,257)
Gross profit		635,679,062	690,353,405	221,587,076	209,665,095
Add / (Less):					
General and administrative expenses	20	(276,770,573)	(252,487,265)	(93,049,533)	(89,408,150)
Impairment of financial instruments	21	(21,536,506)	(45,503,698)	(3,577,406)	(6,577,317)
Provisions		(10,243,264)	(13,891,957)	(1,348,403)	(2,569,213)
Other income		4,163,755	7,296,433	2,234,314	64,329
Operating profit		331,292,474	385,766,918	125,846,048	111,174,744
Costs of acquisition activities		(2,806,918)	(11,832,655)	(1,887,928)	(4,971,297)
Finance income		37,377,968	40,581,330	5,960,767	14,377,529
Finance expenses		(28,972,882)	(25,085,766)	(12,614,043)	(9,886,653)
Profit for the period before income tax		336,890,642	389,429,827	117,304,844	110,694,323
Current tax		(65,761,896)	(97,183,394)	(23,438,827)	(19,140,901)
Deferred tax		(3,986,947)	(4,135,312)	(3,198,779)	(5,459,792)
Profit after income tax		267,141,799	288,111,121	90,667,238	86,093,630
Profit for:					
Owners of the parent company		246,932,144	271,845,924	82,505,298	79,962,501
Non-controlling interests	13	20,209,655	16,265,197	8,161,940	6,131,129
Profit after income tax		267,141,799	288,111,121	90,667,238	86,093,630
Earning per share (basic / diluted)	22	0.16	0.17	0.05	0.05

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

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

Interim condensed consolidated statement of comprehensive income
For the nine months period ended 30 September 2022

(All amounts in Egyptian Pounds)

	Nine months ended 30 September		Three months ended 30	
	2022	2021	2022	2021
Profit for the period	267,141,799	288,111,121	90,667,238	86,093,630
Other comprehensive income	-	-	-	-
Comprehensive income for the period	<u><u>267,141,799</u></u>	<u><u>288,111,121</u></u>	<u><u>90,667,238</u></u>	<u><u>86,093,630</u></u>
Profit for:				
Owners of the parent Company	246,932,144	271,845,924	82,505,298	79,962,501
Non-controlling interests	<u>20,209,655</u>	<u>16,265,197</u>	<u>8,161,940</u>	<u>6,131,129</u>
Comprehensive income for the period	<u><u>267,141,799</u></u>	<u><u>288,111,121</u></u>	<u><u>90,667,238</u></u>	<u><u>86,093,630</u></u>

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

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

**Interim condensed consolidated statement of changes in equity
For the nine months period ended 30 September 2022**

(All amounts in Egyptian Pounds)

	Share capital	Treasury shares	Reserves	Retained earnings	Employee stock ownership plan	Total Shareholders equity of the parent Company	Non-controlling interest	Total equity
Balance at 31 December 2020	800,000,000	-	281,336,162	984,874,111	-	2,066,210,273	107,725,535	2,173,935,808
(As issued before)	-	-	-	(45,013,349)	-	(45,013,349)	(8,945,528)	(53,958,877)
The impact of applying new standard								
Balance at 1 January 2021	800,000,000	-	281,336,162	939,860,762	-	2,021,196,924	98,780,007	2,119,976,931
Employees Dividends	-	-	-	(45,444,024)	-	(45,444,024)	(2,197,732)	(47,641,756)
Treasury shares	-	(74,176,267)	-	-	-	(74,176,267)	-	(74,176,267)
Reserves formed	-	-	10,933,804	(11,666,617)	-	(732,813)	732,813	-
Employee stock ownership plan	-	-	-	-	4,144,971	4,144,971	-	4,144,971
Comprehensive income for the period	-	-	-	271,845,924	-	271,845,924	16,265,197	288,111,121
Balance at 30 September 2021	800,000,000	(74,176,267)	292,269,966	1,154,596,045	4,144,971	2,176,834,715	113,580,285	2,290,415,000
Balance at 1 January 2022	800,000,000	(4,152,742)	302,942,579	1,269,995,272	8,289,941	2,377,075,050	120,742,065	2,497,817,115
Employees Dividends	-	-	-	(63,825,164)	-	(63,825,164)	(4,659,818)	(68,484,982)
Treasury shares	-	(746,431,977)	-	-	-	(746,431,977)	-	(746,431,977)
Reserves formed	-	-	16,268,979	(15,979,670)	-	289,309	1,361,138	1,650,447
Employee stock ownership plan	-	-	-	-	(4,004,238)	(4,004,238)	-	(4,004,238)
Comprehensive income for the period	-	-	-	246,932,144	-	246,932,144	20,209,655	267,141,799
Balance at 30 September 2022	800,000,000	(750,584,719)	319,211,558	1,437,122,582	4,285,703	1,810,035,124	137,653,040	1,947,688,164

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

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

Interim condensed consolidated statement of cash flows
For the nine months period ended 30 September 2022

(All amounts in Egyptian Pounds)

	Note	30 September 2022	30 September 2021
Cash flows from operating activities			
Profit before tax		336,890,642	389,429,827
Adjustments to reconcile net income to cash flows from operating activities			
Fixed assets depreciation	4	97,390,122	83,524,490
Right of use depreciation		19,638,101	19,456,518
Intangible assets amortization		11,916,963	11,916,964
Losses from sale of fixed assets		(821,027)	1,394,938
Impairment of inventories	6	99,961	499,978
Impairment of trade receivables	8	(32,298,227)	33,972,470
Impairment of cash	12	571,693	(1,088,201)
Provisions		10,243,264	13,891,956
Employee stock ownership plan		12,388,000	4,144,971
Interests and commissions - Credit facilities		10,129,980	6,705,500
Interests and commissions - Lease contracts		18,843,992	18,370,934
Interest income		(33,743,616)	(40,580,324)
Gain in investments in associates		-	(835,682)
Operating profits before changes in assets and liabilities		451,249,848	540,804,339
Changes in assets and liabilities			
Change in inventories		(39,802,069)	10,416,339
Change in trade receivables		(65,188,019)	(38,107,969)
Change in due from related parties		(944,779)	(91,063)
Change in due to related parties		-	(597,889)
Change in debtors and other debit balances		(11,679,485)	4,637,526
Change in Creditors and other credit balances		66,406,585	29,385,261
Provision used		(12,368,840)	(20,350,212)
Income tax paid		(73,322,860)	(71,791,438)
Net cash flows generated from (used in) operating activities		314,350,381	454,304,894
Cash flows from investing activities			
Payments for purchase fixed assets	4	(123,680,226)	(67,208,542)
Payments for projects under construction	4	(132,050,888)	(127,478,015)
Proceeds from sale of fixed assets		2,191,388	1,798,930
Advance payments for purchase of fixed assets		10,768,601	17,533,304
Interests received		33,287,599	34,992,925
Payments for business acquisition		(11,000,000)	(5,673,000)
Net cash flows used in investing activities		(220,483,526)	(146,034,398)
Cash flows from financing activities			
Payments for purchase treasury shares		(665,735,836)	(74,176,267)
Interests and commissions paid		(28,972,882)	(27,572,365)
Proceeds from borrowings and bank overdraft		322,349,246	345,546,847
Payment of borrowings and bank overdraft		(109,315,034)	(209,557,266)
Lease Payments		(11,932,466)	(33,691,172)
Employees incentives paid		(14,741,790)	-
Dividends paid		(67,074,604)	(47,172,205)
Net cash flows generated from (used in) financing activities		(575,423,366)	(46,622,428)
Change in cash and cash equivalents during the period		(481,556,511)	261,648,068
Cash and cash equivalents at the beginning of the period		847,525,002	550,517,584
Impact of the change in EAS 47 "Financial Instruments"		-	4,492,746
Cash and cash equivalents at the end of the period	12	365,968,491	816,658,398

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

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

Notes to the interim condensed consolidated financial statements For the nine months period ended 30 September 2022

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

1. Introduction

Cleopatra Hospital Company "the Parent Company" (formerly Lasheen & Co.) was incorporated as a limited partnership on July 19, 1979.

The decision of the head of Investment Authority No. 4092 of 2005 was issued on 27 June 2005 authorising the conversion of the legal type of Cleopatra Hospital 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 and its subsidiaries (together referred to as the "Group") is to establish a private hospital to provide modern and high-quality health and medical services and to provide medical care to inpatients. The company may have an interest or may participate in any way with companies or others that carry out business like its business in Egypt or abroad. The company may also acquire, merge or attach to these facilities.

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

These interim condensed consolidated financial statements have been approved for issuance by the Board of Directors of the Parent Company on 13 November 2022.

2. Basis of preparation

A. Statement of Compliance

This interim condensed consolidated financial statements for the three-month reporting period ended 30 September 2022 have been prepared in accordance with Egyptian Accounting Standard 30 "Interim Financial Reporting".

This interim condensed consolidated financial information does not include all the disclosures that would normally be disclosed in preparing the full annual financial statements. Therefore, this interim condensed consolidated financial information should be read with the annual consolidated financial statements of the Group on 31 December 2021.

The accounting policies used in preparing this interim condensed financial information are consistent with those used in preparing the annual financial statements for the fiscal year ending on 31 December 2021 and the fiscal periods Comparison.

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

Notes to the interim condensed consolidated financial statements For the nine months period ended 30 September 2022

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

Statement of Compliance (continued)

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

	Country of incorporation	Percentage of ownership 30 September 2022	Percentage of ownership 31 December 2021
Al-Shorouk Hospital Company S.A.E.	Egypt	99.99%	99.99%
Nile Badrawi Hospital Company S.A.E.	Egypt	99.99%	99.99%
Cairo Specialised Hospital Company S.A.E.	Egypt	57% 20%	56,46% 20%
CHG for Medical Services Company S.A.E.	Egypt	(preference shares)	(preference shares)
CHG Pharma for Pharmacies Management Company S.A.E.	Egypt	98%	98%
CHG for hospitals S.A.E.	Egypt	99.99%	99.99%
Bedaya El Gedida Company for Medical Centers and Hospitals S.A.E.	Egypt	99.99%	99.99%
CHG Sky hospitals S.A.E.	Egypt	99.99%	-

B. Functional and presentation currency

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

C. Use of estimates and judgements

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

Significant judgments used by management in applying the group's accounting policies and the main sources of estimation uncertainty are the same as those disclosed in the latest consolidated financial statements and for the financial year ended 31 December 2021.

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

Notes to the consolidated interim financial statements - For the nine months period ended 30 September 2022

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

3. Segment reporting

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

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

Statement of financial position	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG			CHG Sky Consolidation hospital. adjustment	Total				
					CHG for Medical Services	Pharmacies management	CHG for Hospitals						
					Queens Hospitals	AI Kateb Hospitals	Bedaya El Gedida for Medical Centers and Hospitals						
Non-current assets	1,547,562,625	347,541,472	264,271,252	303,904,617	36,179,288	3,292,268	-	67,461,952	140,066,725	90,678,887	3,310,983	(696,228,111)	2,108,041,958
Current assets	408,977,263	170,618,348	172,288,007	210,366,809	21,161,359	13,159,752	32,640,658	78,235,036	25,178,307	59,247,280	32,603,103	(174,962,792)	1,049,513,130
Total assets	1,956,539,888	518,159,820	436,559,259	514,271,426	57,340,647	16,452,020	32,640,658	145,696,988	165,245,032	149,926,167	35,914,086	(871,190,903)	3,157,555,088
Current liabilities	538,439,768	139,898,141	92,196,625	140,730,397	91,502,935	19,556,439	1,032,658	29,189,239	30,908,397	17,251,380	689,120	(200,624,640)	900,770,459
Non-current liabilities	55,319,706	18,205,892	21,411,571	27,735,919	34,551,491	4,054,698	-	68,270,571	3,140,823	29,513,709	-	46,892,085	309,096,465
Total Liabilities	593,759,474	158,104,033	113,608,196	168,466,316	126,054,426	23,611,137	1,032,658	97,459,810	34,049,220	46,765,089	689,120	(153,732,555)	1,209,866,924
Statement of profit or loss:													
Operating revenue	748,656,457	372,014,539	273,721,529	318,796,424	61,169,454	34,458,726	-	30,349,001	31,528,884	51,349,900	-	(19,855,625)	1,902,189,289
Operating costs	(422,629,099)	(256,517,505)	(208,133,716)	(224,933,124)	(48,069,607)	(32,466,997)	-	(21,029,092)	(41,220,679)	(29,060,550)	-	17,550,142	(1,266,510,227)
Gross profit	326,027,358	115,497,034	65,587,813	93,863,300	13,099,847	1,991,729	-	9,319,909	(9,691,795)	22,289,350	-	(2,305,483)	635,679,062
Other expenses and revenues	(139,852,917)	(67,819,284)	(45,413,985)	(55,710,912)	(13,821,757)	(2,253,299)	(276,305)	(7,126,047)	(9,541,323)	(23,959,709)	224,966	(1,231,919)	(368,537,263)
Profit for the period	186,174,441	47,677,750	20,173,828	38,152,388	(721,910)	(261,570)	(276,305)	2,193,862	(19,233,118)	(1,670,359)	224,966	(3,537,400)	267,141,799
Other Items													
Capital expenditure	54,683,832	73,151,300	27,618,501	83,213,662	351,018	20,312	-	365,942	7,564,137	5,451,427	3,310,983	-	255,731,114
Fixed assets depreciation	28,800,370	19,386,120	15,308,563	16,865,628	160,648	3,751	-	2,473,808	4,534,764	3,424,827	-	6,431,643	97,390,122

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

Notes to the consolidated interim financial statements - For the nine months period ended 30 September 2022

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

Segment reporting (continued)

Below is a summary of each segment, which is presented for the year ended 31 December 2021 for each segment:

Statement of financial position	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG			Al Kateb Hospitals	Queens Hospitals	Bedaya El Gedida for Medical Centers and Hospitals	Consolidation adjustment	Total
					CHG for Medical Services	Pharma for management	CHG for Hospitals					
Non-current assets	1,460,626,912	294,687,131	253,669,733	237,447,580	49,061,664	3,809,120	-	72,791,123	134,865,621	90,287,957	(637,462,776)	1,959,784,065
Current assets	791,225,113	179,127,975	159,423,841	188,924,507	20,212,049	9,090,455	25,456,940	106,725,556	63,940,470	44,503,263	(115,792,725)	1,472,837,444
Total assets	2,251,852,025	473,815,106	413,093,574	426,372,087	69,273,713	12,899,575	25,456,940	179,516,679	198,806,091	134,791,220	(753,255,501)	3,432,621,509
Current liabilities	241,752,965	138,147,695	84,073,028	87,690,796	88,785,291	15,220,662	911,972	66,870,655	43,577,783	11,362,104	(129,873,561)	648,519,390
Non-current liabilities	38,015,589	13,032,679	22,107,912	23,308,314	48,480,290	4,576,460	-	66,602,710	3,382,956	18,596,421	48,181,673	286,285,004
Total Liabilities	279,768,554	151,180,374	106,180,940	110,999,110	137,265,581	19,797,122	911,972	133,473,365	46,960,739	29,958,525	(81,691,888)	934,804,394
Statement of profit or loss:												
Operating revenue	935,166,243	458,923,126	375,285,656	379,473,301	74,520,431	37,365,554	1,193,771	164,383,486	110,217,897	49,272,776	(36,515,379)	2,549,286,862
Operating costs	(523,192,530)	(308,912,823)	(268,928,355)	(266,151,463)	(63,104,174)	(35,782,687)	-	(77,718,776)	(77,201,230)	(30,030,881)	32,401,297	(1,618,621,622)
Gross profit	411,973,713	150,010,303	106,357,301	113,321,838	11,416,257	1,582,867	1,193,771	86,664,710	33,016,667	19,241,895	(4,114,082)	930,665,240
Other expenses and revenues	(184,257,324)	(86,719,952)	(71,000,261)	(67,987,355)	(21,703,339)	(2,744,419)	(379,696)	(33,963,941)	(21,063,178)	(30,310,011)	136,364	(519,993,112)
Profit for the year	227,716,389	63,290,351	35,357,040	45,334,483	(10,287,082)	(1,161,552)	814,075	52,700,769	11,953,489	(11,068,116)	(3,977,718)	410,672,128
Other Items												
Capital expenditure	57,220,004	131,756,662	36,713,943	21,194,874	581,728	17,430	-	2,830,097	8,004,500	6,277,157	-	264,596,395
Fixed assets depreciation	34,827,246	24,387,131	16,828,440	17,837,994	106,399	1,493	-	3,171,302	3,987,360	4,159,763	8,575,523	113,882,651

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

Notes to the consolidated interim financial statements - For the nine months period ended 30 September 2022

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

Segment reporting (continued)

Below is a summary of each segment, which is presented for the period ended 30 September 2021 for each segment:

Statement of financial position	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG for Medical Services	Pharma for management	CHG for Hospitals	Queens Hospitals	Al Kateb Hospitals	Bedaya El Gedida for Medical Centers and Hospitals	Consolidated adjustment	Total
Non-current assets	1,468,038,902	261,943,764	252,111,638	238,699,967	51,156,775	3,957,408	-	74,011,715	131,591,557	91,503,533	(635,802,186)	1,937,213,073
Current assets	719,841,060	186,077,152	154,996,083	180,131,149	16,979,386	11,999,061	25,320,373	92,235,175	54,016,445	40,455,247	(112,055,733)	1,369,995,398
Total assets	2,187,879,962	448,020,916	407,107,721	418,831,116	68,136,161	15,956,469	25,320,373	166,246,890	185,608,002	131,958,780	(747,857,919)	3,307,208,471
Current liabilities	318,770,239	132,518,550	86,446,855	93,333,329	82,703,881	16,987,918	853,470	68,747,403	31,232,987	11,134,996	(126,123,583)	716,606,045
Non-current liabilities	53,445,483	10,681,784	21,871,856	24,039,890	51,999,713	4,593,690	-	66,120,612	3,911,114	14,797,080	48,726,203	300,187,425
Total liabilities	372,215,722	143,200,334	108,318,711	117,373,219	134,703,594	21,581,608	853,470	134,868,015	35,144,101	25,932,076	(77,397,380)	1,016,793,470
Statement of profit or loss:												
Operating revenue	695,076,551	339,787,254	281,743,321	282,409,942	54,771,597	26,026,601	1,057,204	125,529,912	90,110,690	34,652,864	(30,566,055)	1,900,599,881
Operating costs	(392,607,571)	(233,750,875)	(201,346,648)	(197,015,955)	(46,435,688)	(23,560,744)	-	(58,592,407)	(62,430,612)	(21,779,715)	27,273,739	(1,210,246,476)
Gross profit	302,468,980	106,036,379	80,396,673	85,393,987	8,335,909	2,465,857	1,057,204	66,937,505	27,680,078	12,873,149	(3,292,316)	690,353,405
Other expenses and revenues	(146,330,679)	(60,560,179)	(53,163,257)	(53,974,583)	(17,198,555)	(2,276,846)	(321,194)	(28,901,176)	(17,108,038)	(22,747,257)	339,480	(402,242,284)
Profit for period	156,138,301	45,476,200	27,233,416	31,419,404	(8,862,646)	189,011	736,010	38,036,329	10,572,040	(9,874,108)	(2,952,836)	288,111,121
Other Items												
Capital expenditure	43,016,989	93,668,255	29,418,768	15,881,411	493,094	10,053	-	1,963,295	4,249,927	5,984,765	-	194,686,557
Fixed assets depreciation	24,489,911	18,122,726	12,116,261	13,270,258	68,097	-	-	2,376,743	3,559,276	3,089,576	6,431,642	83,524,490

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

Notes to the consolidated interim financial statements - For the nine months period ended 30 September 2022

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

4. Fixed assets

	Lands	Machinery, equipment and devices	Furniture	Buildings	Vehicles	Computers	Projects under construction	Total
On 1 January 2021								
Cost	173,240,262	626,167,940	105,792,062	549,004,858	15,691,737	102,687,785	99,720,766	1,672,305,410
Accumulated depreciation	-	(261,113,137)	(38,054,959)	(114,997,947)	(7,328,973)	(45,614,534)	-	(467,109,550)
Net book value	173,240,262	365,054,803	67,737,103	434,006,911	8,362,764	57,073,251	99,720,766	1,205,195,860
Year ended 31 December 2021								
Opening net book value	173,240,262	365,054,803	67,737,103	434,006,911	8,362,764	57,073,251	99,720,766	1,205,195,860
Additions	-	48,252,892	19,125,873	868,488	4,902,800	24,324,199	167,122,143	264,596,395
Disposals	-	(8,189,448)	(1,349,937)	(106,884)	(76,000)	(11,528)	-	(9,733,797)
Write-off	-	(4,179,426)	(967,569)	-	-	(572,134)	-	(5,719,129)
Transfers from projects under construction	-	12,955,477	12,375,644	108,837,042	-	10,055,925	(144,224,088)	-
Depreciation for the year	-	(51,598,344)	(14,197,713)	(20,513,110)	(2,943,291)	(24,630,193)	-	(113,882,651)
Accumulated depreciation of disposal	-	8,462,378	2,125,592	23,103	76,000	581,671	-	11,268,744
Closing net book value	173,240,262	370,758,332	84,848,993	523,115,550	10,322,273	66,821,191	122,618,821	1,351,725,422
On 31 December 2021								
Cost	173,240,262	675,007,435	134,976,073	658,603,504	20,518,537	136,484,247	122,618,821	1,921,448,879
Accumulated depreciation	-	(304,249,103)	(50,127,080)	(135,487,954)	(10,196,264)	(69,663,056)	-	(569,723,457)
Net book value at the year end	173,240,262	370,758,332	84,848,993	523,115,550	10,322,273	66,821,191	122,618,821	1,351,725,422
On 30 September 2022								
Opening net book value	173,240,262	370,758,332	84,848,993	523,115,550	10,322,273	66,821,191	122,618,821	1,351,725,422
Additions	-	99,468,427	14,641,502	1,267,941	-	8,302,356	132,050,888	255,731,114
Disposals	-	(6,919,486)	(2,949,665)	(220,000)	(770,000)	(257,985)	-	(11,117,136)
Transfers from projects under construction	-	310,029	591,835	5,107,638	-	1,452,098	(7,461,600)	-
Depreciation for the period	-	(42,875,368)	(13,640,264)	(17,533,127)	(3,522,418)	(19,818,945)	-	(97,390,122)
Accumulated depreciation of disposal	-	6,364,330	2,797,722	-	336,875	247,848	-	9,746,775
Balance on 30 September 2022	262,240,173	427,106,264	86,290,123	511,738,002	6,366,730	56,746,563	247,208,109	1,508,696,053
Cost	262,240,173	767,866,405	147,259,745	664,759,083	19,748,537	145,980,716	247,208,109	2,166,062,857
Accumulated depreciation	-	(340,760,141)	(60,969,622)	(153,021,081)	(13,381,807)	(89,234,153)	-	(657,366,804)
Net book value at the period end	262,240,173	427,106,264	86,290,123	511,738,002	6,366,730	56,746,563	247,208,109	1,508,696,053

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

Notes to the interim condensed consolidated financial statements
For the nine months period ended 30 September 2022

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

5. Right of use assets

The right of use represents lease contracts related to buildings, machinery and medical equipment and was measured at a carrying amount as if the standard had been applied since the inception of the lease, however discounted using the borrowing 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 2022</u>	<u>31 December 2021</u>
Machinery and equipment		
Beginning balance for the period / year	16,818,578	18,824,508
Depreciation during the period / year	(1,571,500)	(2,005,930)
Total – machinery and equipment	<u>15,247,078</u>	<u>16,818,578</u>
Buildings		
Beginning balance for the period / year	157,873,037	-
The impact of the first adoption standard no, 49 "Leases"	-	161,848,949
Adjustments	(3,533,554)	-
Additions for the period / year	5,142,778	19,974,500
Disposals for the period / year	(131,898)	-
Depreciation for the period / year	(18,066,601)	(23,950,412)
Total	<u>141,283,762</u>	<u>157,873,037</u>
	<u>156,530,840</u>	<u>174,691,615</u>

Lease payments are discounted using the interest rate implicit in the lease, If this rate cannot be determined, the lessee's borrowing rate is used, which is the rate that the lessee would have to pay to borrow the 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% was used, For financing lease contracts for buildings 12,15% and 16,15% for financing lease contracts for medical machinery and equipment

6. Inventories

	<u>30 September 2022</u>	<u>31 December 2021</u>
Medical supply inventory	53,169,858	26,439,233
Medicine inventory	34,109,472	21,709,850
Stationary inventory	1,548,341	1,142,632
Hospitality inventory	1,420,714	655,754
Maintenance and spare parts inventory	1,130,655	1,647,600
Food and beverage inventory	193,189	175,091
	<u>91,572,229</u>	<u>51,770,160</u>
Less: Impairment of inventory	(568,933)	(468,972)
	<u>91,003,296</u>	<u>51,301,188</u>

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

Notes to the interim condensed consolidated financial statements
For the nine months period ended 30 September 2022

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

6- Inventories (continued)

Movement in the provision for inventory is as follows:

	30 September 2022	31 December 2021	30 September 2021
Balance on 1 January	468,972	466,550	466,550
Provisions formed during the period / year	222,294	1,312,118	857,325
Provisions no longer required during the period / year	(122,333)	(1,049,474)	(78,525)
Write-offs during the period / year	-	(260,222)	(278,822)
Balance at the end of the period / year	568,933	468,972	966,528

7. Deferred tax

The movement of deferred tax assets / (liabilities) during the period:

	Balance at 1 January 2022 (Liability)	(Expense) income charged during the period	Balance at 30 September 2022 (Liability)
<u>Liabilities</u>			
Fixed assets	(44,281,274)	(5,051,456)	(49,332,730)
Fixed assets - fair value impact	(38,359,550)	1,447,120	(36,912,430)
Intangible assets - fair value impact	(9,979,650)	-	(9,979,650)
Total liabilities	(92,620,474)	(3,604,336)	(96,224,810)
<u>Assets</u>			
Provision (excluded claims provisions)	3,347,063	(382,611)	2,964,452
Subsidiaries accumulated losses	7,463,572	-	7,463,572
Net deferred tax – Liability	(81,809,839)	(3,986,947)	(85,796,786)

The movement of deferred tax assets / (liabilities) during the period:

	Balance at 1 January 2021 (Liability)	(Expense) income charged during the year	Balance at 31 December 2021 (Liability)
<u>Liabilities</u>			
Fixed assets	(38,636,541)	(5,644,733)	(44,281,274)
Fixed assets - fair value impact	(40,289,043)	1,929,493	(38,359,550)
Intangible assets - fair value impact	(9,979,650)	-	(9,979,650)
Total liabilities	(88,905,234)	(3,715,240)	(92,620,474)
<u>Assets</u>			
Provision (excluded claims provisions)	3,547,300	(200,237)	3,347,063
Subsidiaries accumulated losses	7,463,572	-	7,463,572
Net deferred tax – Liability	(77,894,362)	(3,915,477)	(81,809,839)

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

Notes to the interim condensed consolidated financial statements
For the nine months period ended 30 September 2022

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

8. Trade receivables

	30 September 2022	31 December 2021
Due from customers	565,726,107	502,010,165
Income from inpatients	12,625,519	11,153,442
	<u>578,351,626</u>	<u>513,163,607</u>
Less:		
Expected credit losses in the trade receivables balances	(97,541,350)	(129,839,577)
	<u>480,810,276</u>	<u>383,324,030</u>

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

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

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

	30 September 2022			
	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value
Trade receivables				
- Current until less than 30 days overdue	0,3%	378,575,566	961,159	377,614,407
- 30 to 60 days overdue	2%	40,433,698	914,883	39,518,815
- 61 to 90 days overdue	4%	18,948,194	845,822	18,102,372
- 91 to 120 days overdue	9%	10,838,356	962,165	9,876,191
- 121 to 360 days overdue	28%	37,942,807	10,537,841	27,404,966
- 361 to 720 days overdue	44%	14,896,666	6,603,141	8,293,525
- More than 720 days	100%	76,716,339	76,716,339	-
Total		<u>578,351,626</u>	<u>97,541,350</u>	<u>480,810,276</u>

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

**Notes to the interim condensed consolidated financial statements
For the nine months period ended 30 September 2022**

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

9- Trade receivables (continued)

	31 December 2021			
	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value
Trade receivables				
- Current until less than 30 days overdue	1%	313,356,068	1,970,326	311,385,742
- 31 to 60 days overdue	5%	34,286,882	1,747,469	32,539,413
- 61 to 90 days overdue	11%	18,700,626	2,027,866	16,672,760
- 91 to 120 days overdue	23%	9,174,368	2,114,843	7,059,525
- 121 to 360 days overdue	57%	28,980,899	16,485,495	12,495,404
- 361 to 720 days overdue	70%	10,477,794	7,306,608	3,171,186
- More than 720 days	100%	98,186,970	98,186,970	-
Total		513,163,607	129,839,577	383,324,030

Movement in the Expected credit loss for trade receivables is as follows:

	30 September 2022	31 December 2021	30 September 2021
Balance at the beginning of the period / year	129,839,577	125,326,367	125,326,367
The impact of the first adoption standard no,47 “Financial Instruments”	-	11,289,842	11,289,842
Provisions formed during the period / year	29,580,272	105,383,023	103,887,797
Provision used during the period / year	(53,263,040)	(52,753,994)	(57,295,898)
Provision no longer required during period /year	(8,615,459)	(59,405,661)	(12,619,429)
Ending balance at the end of period / year	97,541,350	129,839,577	170,588,679

9. Related Parties transactions:

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

Balances of financial position

<u>(Related parties)</u>	<u>Nature of transaction</u>	<u>Balance due from / (to) related parties 30 September 2022</u>	<u>Balance due from / (to) related parties 31 December 2021</u>
Other parties	Expenses paid on behalf of the Company	1,475,079	530,300
		1,475,079	530,300

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

**Notes to the interim condensed consolidated financial statements
For the nine months period ended 30 September 2022**

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

10. Debtors and other debit balances

	<u>30 September 2022</u>	<u>31 December 2021</u>
Advances to suppliers	63,890,765	67,780,202
Prepaid expenses	17,313,724	7,592,208
Withholding taxes	12,090,728	11,494,414
Other debtors	11,924,636	14,233,929
Deposits with others	5,608,754	5,105,318
Employee's custodies	669,432	648,595
Accrued income	877,921	421,907
Treasury shares debtors	-	84,428,630
	<u>112,375,960</u>	<u>191,705,203</u>
Less: Expected credit loss of other debit balances	<u>(2,784)</u>	<u>(2,784)</u>
	<u><u>112,373,176</u></u>	<u><u>191,702,419</u></u>

The movement of the debtor's Expected credit loss during the period / year is as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2021</u>
Balance at the beginning of the period / year	2,784	42,202	42,202
No longer required of the period / year	-	(39,418)	-
Balance at the end of the period / year	<u><u>2,784</u></u>	<u><u>2,784</u></u>	<u><u>42,202</u></u>

11. Financial assets at amortized cost - Treasury bills

	<u>30 September 2022</u>	<u>31 December 2021</u>
Treasury Bills (Maturity 61 days)	96,000,000	636,400,000
Treasury bills (Maturity 91 days)	-	45,450,070
Less: Unearned revenue	<u>(792,572)</u>	<u>(4,777,156)</u>
	<u><u>95,207,428</u></u>	<u><u>677,072,914</u></u>

Treasury bills are entitled to a constant annual return of 11,6% after taxes on 30 September 2022 (31 December: 8,4% and 9,6%),

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

**Notes to the interim condensed consolidated financial statements
For the nine months period ended 30 September 2022**

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

12. Cash on hand and at banks

	<u>30 September 2022</u>	<u>31 December 2021</u>
Current accounts	248,252,819	151,913,259
Time deposit	18,687,150	15,036,965
Cash on hand	3,821,094	3,501,864
Less:		
Expected credit losses in Cash and cash equivalents	<u>(2,117,188)</u>	<u>(1,545,495)</u>
	<u>268,643,875</u>	<u>168,906,593</u>

Time deposit represent the amount of EGP 18,687,150 on September 30, 2022 (December 31, 2021: EGP 15,036,965) denominated in local banks in US dollars, payable within one month from the date of deposit and subject to a fixed annual return of 0,75%,

Current accounts deposited in Egyptian pounds are subject to a fixed annual rate from 8% to 8,5% (December 31, 2021: from 6% to 6,5%),

The movement in the Expected credit loss of cash and cash equivalents is as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2021</u>
Balance at the beginning of the period / year	1,545,495	-	-
The impact of the first adoption standard no,47 "Financial Instruments"	-	4,492,746	4,492,746
Provisions formed during the period / year	1,489,828	246,880	-
Provision no longer required during period /year	<u>(918,135)</u>	<u>(3,194,131)</u>	<u>(1,088,201)</u>
Ending balance at the end of period / year	<u>2,117,188</u>	<u>1,545,495</u>	<u>3,404,545</u>

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

	<u>30 September 2022</u>	<u>30 September 2021</u>
Cash and bank balances before deducting the expected credit losses	270,761,063	310,418,394
Treasury bills with maturities of 3 months or less	95,207,428	501,747,258
The impact of the first adoption standard no,47 "Financial Instruments"	-	4,492,746
Total	<u>365,968,491</u>	<u>816,658,398</u>

(A) Classification within cash and cash equivalent

Time deposits held at banks presented as cash and cash equivalents if they are due for a period of nine months or less from the date of deposit and are repayable with a notice of 24 hours without loss of interest, Treasury bills under cash and cash equivalents have original maturities of no more than nine months from the date of acquisition, are easily convertible into known amounts of cash and are subject to an insignificant risk of changes in value,

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

(B) Treasury bills

Investment in treasury bills with a maturity period of one to two months,

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

**Notes to the interim condensed consolidated financial statements
For the nine months period ended 30 September 2022**

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

13. Non-controlling interests

	Capital	Reserves	Retained earnings	NCI share in acquisition adjustments	Total
Balance on 31 December 2020	34,074,639	7,984,596	65,546,116	120,184	107,725,535
Effect of changes in accounting standards	-	-	(8,945,528)	-	(8,945,528)
Balance on 1 January 2021	34,074,639	7,984,596	56,600,588	120,184	98,780,007
Employee profit share	-	-	(2,197,732)	-	(2,197,732)
Legal reserve	-	732,813	-	-	732,813
Comprehensive income for the year	-	-	23,426,977	-	23,426,977
Balance on 31 December 2021	34,074,639	8,717,409	77,829,833	120,184	120,742,065
Balance on 1 January 2022	34,074,639	8,717,409	77,829,833	120,184	120,742,065
Employee profit share	-	-	(4,659,818)	-	(4,659,818)
Legal reserve	-	1,361,138	-	-	1,361,138
Comprehensive income for the period	-	-	20,209,655	-	20,209,655
Balance on 30 September 2022	34,074,639	10,078,547	93,379,670	120,184	137,653,040

14. Lease liabilities

The lease liabilities represent the present value of the lease obligations related to medical equipment that one of the group companies obtained in exchange for lease contracts for buildings, and it was measured at the present value of the contractual lease payments discounted at an implied rate of return of 12,15%, 16,65% and 11,15%,

	30 September 2022	31 December 2021
The undiscounted value of the lease obligations as follows:		
During the period / year	40,586,923	40,045,267
More than a year	317,022,410	345,574,165
	357,609,333	385,619,432
The present value of the lease obligations as follows:		
During the period / year	40,586,923	38,742,917
More than a year	160,416,016	172,715,165
Balance	201,002,939	211,458,082

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

Notes to the interim condensed consolidated financial statements For the nine months period ended 30 September 2022

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

15- Lease liabilities (continued)

	<u>30 September 2022</u>	<u>31 December 2021</u>
Lease liabilities shown as on 31 December 2021	211,458,082	13,275,078
The impact of the first adoption standard no, 49 "Lease contracts"	-	197,425,332
Adjustments during the period / year	(3,651,108)	-
Lease liabilities on 1 January 2022	<u>207,806,974</u>	<u>210,700,410</u>
Additions during the period / year	4,842,778	19,974,500
Add: Interest formed during the period / year	18,843,992	24,506,126
Deduct: Disposals during the period / year	(122,020)	
Deduct: Payments during the period / year	(30,368,785)	(43,722,954)
Lease liabilities on 30 September 2022	<u><u>201,002,939</u></u>	<u><u>211,458,082</u></u>

15. Bank's overdraft

The group 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 borrowing rate from the Central Bank, The total available credit limits amounted to 280 million EGP and the withdrawn value of these credit limits on 30 September 2022 equals 252,903,109 EGP (31 December 2021: 60,627,560),

16. Trade and other credit balances

	<u>30 September 2022</u>	<u>31 December 2021</u>
Suppliers and notes payable	262,868,281	227,368,417
Accrued expenses	205,763,866	173,697,850
Other creditors	47,068,202	50,253,593
Social insurance	7,814,393	5,787,212
Employee dividends payable	5,335,865	3,925,487
	<u><u>528,850,607</u></u>	<u><u>461,032,559</u></u>

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

Notes to the interim condensed consolidated financial statements For the nine months period ended 30 September 2022

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

17. Loans

	30 September 2022		
	Current portion	Non-Current portion	Balance
Loans	-	20,758,663	20,758,663
	-	20,758,663	20,758,663
	31 December 2021		
	Current portion	Non-Current portion	Balance
Loans	-	-	-
	-	-	-

- On October 27, 2021, Cleopatra Hospital Company signed a medium-term loan contract with Ahli United Bank for 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 Specialized Hospital Company signed an appendix to the loan contract from Ahli United Bank, Below are the most important clauses of the contract,
- Increasing the amount of financing to 285 million Egyptian pounds, and it is divided among the companies as follows:

CLEOPATRA HOSPITAL COMPANY S,A,E	45 million Egyptian Pounds
Cairo Specialised Hospital Company S,A,E,	90 million Egyptian Pounds
Nile Badrawi Hospital Company S,A,E,	150 million Egyptian Pounds

- The purpose of the loan is to finance and/or refinance the capital needs and the renovation of the group's hospitals starting from 2021, including medical equipment, medical beds, medical and non-medical furniture, as well as the internal development of movables (finishes, electromechanical equipment and power station),
- The validity of this contract starts for a period of six years and six months from the date of signing the financing contract on 27/10/2021, with the group giving a maximum grace period of one year and six months ending on December 31, 2023, and a grace period (applicable to the repayment of the principal) of one year and six Months ending on January 31, 2024, and in the event that the entire amount of financing is not withdrawn during the aforementioned availability period, the undrawn portion is automatically canceled and the bank is not obligated to lend the group any other amounts other than what was withdrawn from the financing amount,
- The group is committed to repaying the total amount of the financing in 20 quarterly installments, the first installment being repaid on December 31, 2024,

- Financial ratios

In accordance to the contract terms, the company is required to achieve the following financial ratios:

- Financial leverage ratio for the group should not exceed 0.7 and Nile Badrawi Hospital Company should not exceed 1.
- Debt service ratio should not exceed 1.3.
- Liquidity ratio should not exceed 1.

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

**Notes to the interim condensed consolidated financial statements
For the nine months period ended 30 September 2022**

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

18. Operating revenue

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Surgeries revenue	403,987,279	357,020,962	154,041,483	130,752,598
Accommodation and medical supervision revenue	395,673,275	488,503,560	128,051,849	146,144,751
Outpatient clinics revenue	214,505,223	194,369,958	78,117,722	66,205,221
Laboratories revenue	213,322,287	210,597,576	72,551,416	59,551,507
Service charge revenue	136,261,773	135,071,879	47,893,417	47,728,486
Cardiac catheterization revenue	133,706,506	146,262,326	39,279,678	49,108,984
Pharmacy revenue	101,648,319	81,749,286	37,134,702	30,382,804
Radiology revenue	132,978,798	143,239,551	44,236,930	42,915,264
Emergency revenue	66,017,660	59,558,817	23,225,534	20,635,015
Revenues of oncology centre	27,584,873	26,152,296	8,422,357	8,428,099
Endoscopy revenue	20,541,151	13,342,668	8,618,720	4,860,140
Physiotherapy revenue	19,501,086	15,651,451	7,964,029	6,168,261
Cardiac tests revenue	14,882,503	11,648,898	4,589,788	4,276,685
Dentistry revenue	11,781,705	7,654,679	3,616,320	2,979,866
Other departments revenues	9,796,851	9,775,974	2,765,009	3,709,671
	<u>1,902,189,289</u>	<u>1,900,599,881</u>	<u>660,508,954</u>	<u>623,847,352</u>

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

19. Operating costs

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Medical and pharmaceutical supplies	365,579,395	379,661,372	126,447,990	124,544,510
Salaries, wages and benefits	336,242,698	323,505,184	111,685,863	106,216,252
Doctors' fees	320,586,696	297,614,499	113,223,318	109,153,568
Fixed assets depreciation	75,953,526	68,026,013	27,147,082	18,709,272
Other expenses	61,790,476	42,509,410	24,838,268	14,962,191
Maintenance, spare parts, and energy expenses	56,906,607	50,647,297	18,344,102	5,137,371
Consumables costs	34,669,807	34,556,677	12,324,071	23,200,577
Right of use amortization	14,781,022	13,726,024	4,911,184	12,258,516
	<u>1,266,510,227</u>	<u>1,210,246,476</u>	<u>438,921,878</u>	<u>414,182,257</u>

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

Notes to the interim condensed consolidated financial statements For the nine months period ended 30 September 2022

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

20. General and administrative expenses

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Salaries, wages, and benefits	141,421,499	129,393,397	46,345,000	47,234,902
Other expenses	41,064,444	42,711,444	15,760,317	11,241,665
Fixed assets depreciation	21,436,596	15,498,477	6,863,560	5,814,914
Professional and consulting fees	20,857,622	18,473,866	6,573,992	5,699,935
Service from others	17,944,089	14,340,425	6,519,737	7,753,430
Maintenance, spare parts, and energy expenses	15,164,807	11,324,625	4,955,775	4,851,487
Intangible's amortization	11,916,963	11,916,964	3,972,321	3,972,321
Right of use amortization	4,857,077	5,730,494	1,660,794	1,530,051
Consumables costs	1,747,634	1,904,337	525,178	822,986
Rent	359,839	1,193,236	(127,141)	486,459
	<u>276,770,570</u>	<u>252,487,265</u>	<u>93,049,533</u>	<u>89,408,150</u>

- The present value of the fair value of the part of the equity instruments of the acquisition of Bedaya Hospital (which represents 40% of the shares of the New Bedaya Company for Medical Centers and Hospitals) was estimated in June 2023 in exchange for 38,005,000 Egyptian pounds, of which 6,910,000 Egyptian pounds were recognized as part of the year's expenses, which represents the period from January 1, 2021 to September 30, 2022,

21. Impairment of financial instruments

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Expected credit loss in trade receivables	20,964,816	46,591,899	3,083,541	5,527,765
Expected credit loss in cash at banks	571,693	(1,088,201)	493,865	1,049,552
	<u>21,536,509</u>	<u>45,503,698</u>	<u>3,577,406</u>	<u>6,577,317</u>

22. Earnings per share (basic / diluted)

The basic earnings per share is calculated by dividing the net profit for the period by the number of shares outstanding during the period,

	Nine months ended 30 September		Three months ended 30 September	
	2022	2021	2022	2021
Distributable profit	246,932,144	271,845,924	82,505,298	79,962,501
Weighted average number of shares	1,516,968,223	1,600,000,000	1,516,968,223	1,582,956,742
Earnings per share	<u>0.16</u>	<u>0.17</u>	<u>0.05</u>	<u>0.05</u>

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

Notes to the interim condensed consolidated financial statements For the nine months period ended 30 September 2022

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

23. Commitments

Capital commitments:

Capital commitments at financial period end, which are not yet due, amounted to EGP 345,451,979 (31 December 2021: EGP 141,285,345),

24. Treasury shares

On February 24, 2022, the board of directors unanimously agreed that the company would purchase treasury shares from the stock market, and the purchase would be on the price of the security during the trading sessions, It was also unanimously agreed that the financing of the purchase process would be self-financing from the company's resources, and that purchase would take place from the session on February 27, 2022, until the implementation of the purchase of treasury shares amounting to a maximum of 10% of the company's total shares, without the participation of any of the main shareholders or Internal and their associated groups in accordance with the law,

Based on the decision of the Board of Directors, the group purchased 155,535,913 shares of its shares from the stock market for a total amount of 750,584,719 Egyptian pounds, and it was offered by deduction from the equity of treasury shares,

25. Significant and subsequent events

On 13 February 2020, the Cleopatra Hospital Company, the General Authority for River Transport, the 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 EGP 36 million, bearing in mind that part of the settlement falls within the limits of the amounts deducted from the sale price of the shares of Nile Badrawi Hospital in favor of Cleopatra Hospital, and it was agreed to waive between the General Authority for River Transport and the Nile Badrawi Hospital Company for the disputes raised by each of them, Regarding the land being settled, On 30 September 31, 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 court hearing was set for 21 June 2022, until both parties submit the settled settlement contracts 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 the notes for whomever he wishes.

On October 31, 2022, Cleopatra Hospitals Group signed, through one of its subsidiaries, "Cleopatra Hospital Heaven Company" an eighteen-year usufruct contract for Heaven Hospital located in 6th of October City, Giza Governorate, owned by the Ministry of Interior - Fund for the Improvement of Social and Health Care Services for Members of the Authority The police and their families, and the building and assets will remain owned by them and an amount of EGP 45 Million was paid .