

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

**LIMITED REVIEW REPORT AND
THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2024**

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

Interim condensed consolidated financial statements

For the six months period ended 30 June 2024

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Limited Review Report on the Interim Financial Statements

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

Introduction

We conducted our limited review on the accompanying interim condensed consolidated financial position of Cleopatra Hospital Company (S.A.E.) and its subsidiaries (the "Group") as at 30 June 2024 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended. The management is responsible for the preparation and fair presentation of these interim condensed 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
Fellow of Egyptian Society of Accountants & Auditors
Member of AICPA
R.A.A. 17996
F.R.A. 388

29 August 2024
Cairo

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

Interim condensed consolidated statement of financial position – At 30 June 2024

(All amounts are shown in Egyptian Pounds)	Note	<u>30 June 2024</u>	<u>31 December 2023</u>
Assets			
Non-current assets			
Fixed assets	4	2,786,517,129	2,176,609,189
Right-of-use assets	5	142,448,835	133,173,560
Goodwill		355,192,334	355,192,334
Other intangible assets		51,079,183	52,113,825
Investments in associates		3,810,927	3,810,927
Total non-current assets		<u>3,339,048,408</u>	<u>2,720,899,835</u>
Current assets			
Inventories	6	340,062,529	291,998,445
Trade and other receivables	7	953,415,319	648,472,394
Due from related parties	20	256,189	482,343
Debtors and other debit balances	8	798,633,412	468,277,071
Cash and cash equivalent	9	247,241,540	357,897,117
Total current assets		<u>2,339,608,989</u>	<u>1,767,127,370</u>
Total assets		<u>5,678,657,397</u>	<u>4,488,027,205</u>
Equity and liabilities			
Equity			
Share capital		722,717,101	722,717,101
Treasury shares	22	(21,863,727)	(5,051,601)
Retained earnings		1,650,564,762	1,435,625,265
Employees' stock ownership plan		51,213,522	16,076,585
Reserves		93,540,586	80,415,562
Equity attributable to the Company's owners		<u>2,496,172,244</u>	<u>2,249,782,912</u>
Non-controlling interests	10	226,116,777	196,467,097
Net equity		<u>2,722,289,021</u>	<u>2,446,250,009</u>
Liabilities			
Non-Current liabilities			
Lease liabilities	13	73,934,211	85,882,660
Deferred tax liabilities		109,921,210	101,827,221
Loans	11	1,044,847,738	423,009,023
Total non-current liabilities		<u>1,228,703,159</u>	<u>610,718,904</u>
Current liabilities			
Banks overdraft		324,772,559	252,992,341
Provisions		18,010,350	20,308,471
Trade and other payables	12	1,098,815,474	928,098,411
Loans	11	114,009,523	65,923,233
Other liabilities		42,490,000	42,490,000
Lease liabilities	13	44,351,623	45,673,809
Current income tax liabilities		85,215,688	75,572,027
Total current liabilities		<u>1,727,665,217</u>	<u>1,431,058,292</u>
Total liabilities		<u>2,956,368,376</u>	<u>2,041,777,196</u>
Total equity and liabilities		<u>5,678,657,397</u>	<u>4,488,027,205</u>

The accompanying notes from 1 to 24 are integral part of these interim condensed consolidated financial statements.


Mr. Ahmed Adel Badreldin
Non-Executive Chairman


Dr. Ahmed Ezz Eldin Mahmoud
CEO & Managing Director


Mr. Adel Elmistikawi
Group CFO

29 August 2024
Limited review report is attached

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

**Interim condensed consolidated statement of profit or loss
For the six months period ended 30 June 2024**

(All amounts in Egyptian Pounds)

	Note	Six months ended 30 June		Three months ended 30 June	
		2024	2023	2024	2023
Revenue	14	2,372,379,402	1,584,536,617	1,191,165,887	807,684,775
Less:					
Cost of revenue	15	(1,508,536,317)	(1,062,804,781)	(762,970,509)	(551,147,341)
Gross profit		863,843,085	521,731,836	428,195,378	256,537,434
Add / (Less):					
General and administrative expenses	16	(332,365,243)	(218,382,629)	(184,486,227)	(113,072,418)
Impairment of financial assets	17	(17,251,864)	(24,382,329)	(9,274,422)	(14,982,419)
Other expense		(7,363,319)	(3,852,586)	(4,420,403)	(1,282,611)
Operating profit		506,862,659	275,114,292	230,014,326	127,199,986
Costs of acquisition activities		-	(642,810)	515,500	(127,199)
Finance income		23,089,537	17,167,756	10,031,530	5,495,252
Finance expenses		(48,591,805)	(31,477,429)	(27,252,862)	(16,266,380)
Profits for the period before income tax from continuing operations		481,360,391	260,161,809	213,308,494	116,301,659
Current tax		(106,500,089)	(40,750,087)	(55,309,094)	(9,099,508)
Deferred tax		(8,093,989)	(2,499,793)	4,141,271	(308,666)
Profit after income tax		366,766,313	216,911,929	162,140,671	106,893,485
Result from Discontinued operations	18	-	(4,262,386)	-	(852,512)
Total net profit		366,766,313	212,649,543	162,140,671	106,040,973
Owners of the parent company		325,192,760	191,237,731	142,961,598	96,619,305
Non-controlling interests		41,573,553	21,411,812	19,179,073	9,421,668
Profit after income tax		366,766,313	212,649,543	162,140,671	106,040,973
Earnings per share (Basic /Diluted)	19	0.23	0.13	0.10	0.07
Earnings per share from continuing operations	19	0.23	0.15	0.10	0.07

The accompanying notes from 1 to 24 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 six months period ended 30 June 2024

(All amounts in Egyptian Pounds)	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Profit for the period	366,766,313	212,649,543	162,140,671	106,040,973
Other comprehensive income	-	-	-	-
Comprehensive income for the period	366,766,313	212,649,543	162,140,671	106,040,973
Profit for:				
Owners of the parent Company	325,192,760	191,237,731	142,961,598	96,619,305
Non-controlling interests	41,573,553	21,411,812	19,179,073	9,421,668
Profit after income tax	366,766,313	212,649,543	162,140,671	106,040,973

The accompanying notes from 1 to 24 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 six months period ended 30 June 2024**

(All amounts in Egyptian Pounds)

	Share capital	Treasury Shares	Reserve	Retained Earnings	Employees stock ownership plan	Total Shareholders' equity of the parent company	Non-controlling interest	Total equity
Balance at 1 January 2023	800,000,000	(766,026,840)	319,211,558	1,517,369,788	8,383,763	1,878,938,269	148,412,296	2,027,350,565
Dividends	-	-	-	(61,746,137)	-	(61,746,137)	(4,154,969)	(65,901,106)
Employees stock ownership Plan	-	-	-	-	8,196,119	8,196,119	-	8,196,119
Treasury shares	(77,282,899)	750,584,719	(247,496,390)	(425,805,430)	-	-	-	-
Reserves formed	-	-	10,862,677	(12,373,471)	-	(1,510,794)	1,510,794	-
Comprehensive income for the period	-	-	-	191,237,731	-	191,237,731	21,411,812	212,649,543
Balance at 30 June 2023	722,717,101	(15,442,121)	82,577,845	1,208,682,481	16,579,882	2,015,115,188	167,179,933	2,182,295,121
Balance at 1 January 2024	722,717,101	(5,051,601)	80,415,562	1,435,625,265	16,076,585	2,249,782,912	196,467,097	2,446,250,009
Dividends	-	-	-	(97,127,305)	-	(97,127,305)	(11,924,807)	(109,052,112)
Employees stock ownership Plan	-	-	-	-	35,136,937	35,136,937	-	35,136,937
Treasury shares	-	(16,812,126)	-	-	-	(16,812,126)	-	(16,812,126)
Reserves formed	-	-	13,125,024	(13,125,958)	-	(934)	934	-
Comprehensive income for the period	-	-	-	325,192,760	-	325,192,760	41,573,553	366,766,313
Balance at 30 June 2024	722,717,101	(21,863,727)	93,540,586	1,650,564,762	51,213,522	2,496,172,244	226,116,777	2,722,289,021

The accompanying notes from 1 to 24 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 six months period ended 30 June 2024

(All amounts in Egyptian Pounds)	<u>Note</u>	<u>30 June 2024</u>	<u>30 June 2023</u>
Cash flows from operating activities			
Profit before tax		481,360,391	258,747,085
Adjustments to reconcile net income to cash flows from operating activities			
Fixed assets depreciation	4	87,318,448	73,521,514
Right of use depreciation	5	13,456,948	13,972,098
Right of use adjustments		1,680,000	-
Profit from sale of fixed assets		(459,846)	3,581,233
Disposals of lease contracts		-	(21,707,542)
Intangible assets amortisation		1,034,642	7,944,642
Impairment of inventories	6	437,419	101,314
Impairment of trade receivables	8	17,623,753	(23,559,801)
Reversal of impairment of cash	9	(371,889)	822,535
Impairment of intangible assets		-	14,071,000
Provisions		12,382,661	6,401,704
Employees stock ownership Plan		35,136,937	8,196,119
Interests and commissions – Credit facilities		41,617,651	23,168,168
Interests and commissions - Lease		6,974,154	11,246,223
Interest income		(17,926,616)	(13,628,206)
Operating profits before changes in assets and liabilities		680,264,653	362,878,086
Changes in assets and liabilities			
Change in inventories		(48,501,503)	(91,964,530)
Change in trade receivables		(322,566,680)	(130,920,762)
Change in debtors and other debit balances		(83,837,239)	(74,473,944)
Change in due from related parties		226,154	(490,358)
Change in Creditors and other credit balances		170,717,063	160,169,807
Change in working capital		396,302,448	225,198,299
Provision used		(14,680,782)	(17,334,393)
Income tax paid		(92,748,458)	(49,485,550)
Net cash flows generated from operating activities		288,873,208	158,378,356
Cash flows from investing activities			
Payments for purchase fixed assets	4	(83,826,650)	(55,429,274)
Payments for projects under construction		(613,564,070)	(213,091,982)
Proceeds from sale of fixed assets		624,182	742,548
Prepayments for purchasing fixed assets		(270,145,770)	(56,662,736)
Interests received		17,553,284	13,717,209
Net cash flows used in investing activities		(949,359,024)	(310,724,235)
Cash flows from financing activities			
Payments of lease liabilities		(20,657,011)	(14,567,742)
Proceeds from bank overdraft		671,229,524	416,708,359
Payment of bank overdraft		(599,449,306)	(377,422,537)
Proceeds from loans		720,116,837	172,522,831
Payment of loans		(50,191,831)	-
Interests and commissions paid		(41,617,651)	(23,168,168)
Treasury shares		(16,812,126)	-
Dividends paid		(113,160,086)	(61,859,276)
Net cash flows generated from financing activities		549,458,350	112,213,467
Change in cash and cash equivalents during the period		(111,027,466)	(40,132,412)
Cash and cash equivalents at the beginning of the period		362,481,846	347,434,402
Cash and cash equivalents at the end of the period	9	251,454,380	307,301,990

The accompanying notes from 1 to 24 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 six months period ended 30 June 2024

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

1. Introduction

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

The company is listed in the Egyptian Stock Exchange.

1.1 Principal activity

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

1.2 Registered address and place of business

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

These interim condensed consolidated financial statements were approved for issue by the Parent Company's Board of Directors on 29 August 2024.

2. Basis of preparation

2.1 Statement of Compliance

This interim condensed consolidated financial statements for the six-month reporting period ended 30 June 2024 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 2023.

The business results for the six months ending at 30 June 2024 are not necessarily indicative of the business results for the fiscal year ending at 31 December 2024.

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 2023 and the fiscal periods Comparison.

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

Notes to the interim condensed consolidated financial statements For the six months period ended 30 June 2024

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

2. Basis of preparation (continued)

2.1 Statement of Compliance (continued)

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

	Relationship with Cleopatra Hospital	Country of incorporation	Percentage of ownership	
			30 June 2024	31 December 2023
Al-Shorouk Hospital Company S.A.E.	Subsidiary	Egypt	99,99%	99,99%
Nile Badrawi Hospital Company S.A.E.	Subsidiary	Egypt	99,99%	99,99%
Cairo Specialised Hospital Company S.A.E.	Subsidiary	Egypt	57,01%	57,01%
CHG for Medical Services Company S.A.E.	Subsidiary	Egypt	20% (Preferred shares)	20% (Preferred shares)
CHG Pharma for Pharmacies Management Company S.A.E.	Subsidiary	Egypt	98%	98%
CHG for hospitals S.A.E.	Subsidiary	Egypt	99,99%	99,99%
Bedaya El Gedida Company for Medical Centers and Hospitals S.A.E.	Subsidiary	Egypt	60%	60%
CHG Sky Hospital S.A.E.	Subsidiary	Egypt	99,99%	99,99%
Cleopatra Heavens Hospital S.A.E.	Subsidiary	Egypt	99,99%	99,99%

New releases and amendments to the Egyptian Accounting Standards

The Minister of Investment issued Decision No. 636 for year 2024 on 3 March 2024, amending some provisions of Egyptian accounting standards, which are summarized as follows:

- A) Egyptian Accounting Standard No. (13) “Effect of change in the currency exchange rate”
- B) Egyptian Accounting Standard No. (17) “Separate financial statements “
- C) Egyptian Accounting Standard No. (34) “Investment in property”

The group has applied the new accounting standards amendments and determined that these amendments do not have a material impact on the group’s financial statements as of 30 June 2024.

2.2 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.

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

Notes to the interim condensed consolidated financial statements For the six months period ended 30 June 2024

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

2. Basis of preparation (continued)

2.3 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 2023.

2.4 Financial assets and financial liabilities

The Company holds the following financial instruments:

	Amortized cost	
	30 June 2024	31 December 2023
Financial assets		
Trade receivables - gross	1,102,375,141	779,808,463
Due from related parties	256,189	482,343
Debtors and other debit balances *	44,283,845	73,538,654
Cash on hand and at banks	251,454,380	362,481,846
	1,398,369,555	1,216,311,306

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

	Amortized cost	
	30 June 2024	31 December 2023
Financial Liabilities		
Loan	1,158,857,261	488,932,256
Creditors and other credit balances **	1,084,549,340	914,393,779
Lease liabilities	118,285,834	131,556,469
Bank's overdraft	324,772,559	252,992,341
	2,686,464,994	1,787,874,845

** Excluding social insurance.

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

Notes to the interim condensed consolidated financial statements For the six months period ended 30 June 2024

(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 June 2024 for each segment:

	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG for Medical Services	CHG Pharma for pharmacies management	CHG for Hospitals	Queens Hospitals	Al Kateb Hospitals	Bedaya El Gedida for Medical Centers and Hospitals	CHG SKY Hospital	Cleopatra Heaven	Consolidated adjustment*	Total
<u>Statement of financial position</u>														
Non-current assets	2,077,208,269	466,405,384	449,964,226	314,846,850	24,769,797	2,236,168	-	-	168,231,356	102,388,201	610,136,270	112,960,778	(990,098,891)	3,339,048,408
Current assets	746,605,007	432,260,571	334,126,942	291,907,031	31,986,106	19,635,316	32,640,658	-	50,305,164	70,098,228	493,250,557	103,168,866	(266,375,457)	2,339,608,989
Total assets	2,823,813,276	898,665,955	784,091,168	606,753,881	56,755,903	21,871,484	32,640,658	-	218,536,520	172,486,429	1,103,386,827	216,129,644	(1,256,474,348)	5,678,657,397
Current liabilities	781,566,642	263,999,412	234,770,937	106,361,728	98,538,939	27,666,315	1,566,061	-	82,050,493	72,348,264	164,973,067	166,440,030	(272,616,671)	1,727,665,217
Non-current liabilities	205,538,401	79,358,181	151,778,903	30,374,599	14,011,075	2,938,359	-	-	3,444,196	3,283,911	692,672,229	1,178,683	44,124,622	1,228,703,159
Total Liabilities	987,105,043	343,357,593	386,549,840	136,736,327	112,550,014	30,604,674	1,566,061	-	85,494,689	75,632,175	857,645,296	167,618,713	(228,492,049)	2,956,368,376
<u>Statement of profit or loss:</u>														
Revenue	836,384,008	521,864,387	369,397,204	361,588,612	68,679,850	33,990,372	-	-	104,274,707	45,095,087	-	98,694,395	(67,589,220)	2,372,379,402
Cost of revenue	(453,122,935)	(342,340,327)	(252,234,538)	(237,069,203)	(55,167,803)	(32,926,825)	-	-	(77,757,138)	(26,952,267)	-	(81,102,060)	50,136,779	(1,508,536,317)
Gross profit	383,261,073	179,524,060	117,162,666	124,519,409	13,512,047	1,063,547	-	-	26,517,569	18,142,820	-	17,592,335	(17,452,441)	863,843,085
Other expenses and revenues	(197,946,859)	(84,134,509)	(70,200,560)	(66,475,206)	(10,802,914)	(2,017,115)	(150,124)	-	(21,864,698)	(19,422,110)	(467,414)	(19,028,669)	(4,566,595)	(497,076,772)
Profit for the year	185,314,214	95,389,551	46,962,106	58,044,203	2,709,133	(953,568)	(150,124)	-	4,652,871	(1,279,290)	(467,414)	(1,436,334)	(22,019,036)	366,766,313
<u>Other Items</u>														
Capital expenditure	133,012,082	49,869,763	46,944,653	12,499,987	2,817,622	124,257	-	-	13,552,672	4,683,801	382,801,209	11,574,327	-	697,390,720
Fixed assets depreciation	21,935,353	17,908,605	15,335,415	16,833,734	349,265	14,224	-	-	5,712,923	3,114,448	-	2,943,183	3,171,298	87,318,448

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

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

Notes to the interim condensed consolidated financial statements For the six months period ended 30 June 2024

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

3. Segment reporting (continued)

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

	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG for Medical Services	CHG Pharma for pharmacies management	CHG for Hospitals	Queens Hospitals	Al Kateb Hospitals	Bedaya El Gedida for Medical Centers and Hospitals	CHG SKY Hospital	Cleopatra Heaven	Consolidated adjustment*	Total
Statement of financial position														
Non-current assets	1,872,969,981	434,856,918	420,320,848	320,312,023	26,427,833	2,481,746	-	-	158,048,240	101,853,492	187,824,715	81,049,634	(885,245,595)	2,720,899,835
Current assets	566,689,510	390,112,362	235,667,437	249,189,041	34,116,023	23,410,492	32,640,658	56,745,478	37,339,642	74,219,920	233,055,550	62,068,295	(228,127,038)	1,767,127,370
Total assets	2,439,659,491	824,969,280	655,988,285	569,501,064	60,543,856	25,892,238	32,640,658	56,745,478	195,387,882	176,073,412	420,880,265	143,117,929	(1,113,372,633)	4,488,027,205
Current liabilities	670,084,210	249,222,256	161,922,995	117,595,001	98,366,160	30,733,501	1,415,937	-	63,376,146	74,846,168	115,355,228	91,227,168	(243,086,478)	1,431,058,292
Non-current liabilities	122,299,483	88,094,424	133,656,184	30,235,282	20,680,940	2,938,359	-	-	3,622,778	3,093,700	159,316,092	1,943,497	44,838,165	610,718,904
Total Liabilities	792,383,693	337,316,680	295,579,179	147,830,283	119,047,100	33,671,860	1,415,937	-	66,998,924	77,939,868	274,671,320	93,170,665	(198,248,313)	2,041,777,196
Statement of profit or loss:														
Revenue	1,296,153,142	774,207,367	537,520,242	586,254,495	114,751,141	64,840,518	-	-	134,607,628	83,581,861	-	64,564,557	(61,181,587)	3,595,299,364
Cost of revenue	(743,687,879)	(524,473,406)	(400,369,621)	(403,166,678)	(88,770,212)	(61,689,257)	-	-	(108,712,460)	(48,928,272)	-	(67,848,349)	60,969,063	(2,386,677,071)
Gross profit	552,465,263	249,733,961	137,150,621	183,087,817	25,980,929	3,151,261	-	-	25,895,168	34,653,589	-	(3,283,792)	(212,524)	1,208,622,293
Other expenses and revenues	(276,821,842)	(135,050,652)	(101,203,569)	(109,500,630)	(18,421,557)	(3,344,679)	(300,248)	(4,262,386)	(23,550,171)	(37,688,092)	(193,168)	(26,768,943)	(2,216,667)	(739,322,604)
Profit for the year	275,643,421	114,683,309	35,947,052	73,587,187	7,559,372	(193,418)	(300,248)	(4,262,386)	2,344,997	(3,034,503)	(193,168)	(30,052,735)	(2,429,191)	469,299,689
Other Items														
Capital expenditure	181,677,275	114,137,138	161,062,422	38,906,652	1,724,489	52,308	-	-	20,029,950	18,476,855	187,824,715	49,181,270	-	768,579,074
Fixed assets depreciation	41,050,384	30,569,114	25,277,755	31,347,270	296,259	22,432	-	1,135,751	7,320,115	5,593,182	-	2,451,636	7,330,237	152,394,135

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

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

Notes to the interim condensed consolidated financial statements For the six months period ended 30 June 2024

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

3. Segment reporting (continued)

Below is a summary of each segment, which is presented for the period ended 30 June 2023 for each segment:

	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG for Medical Services	CHG Pharma for pharmacies management	CHG for Hospitals	Queens Hospitals	Al Kateb Hospitals	Bedaya El Gedida for Medical Centers and Hospitals	CHG SKY Hospital	Consolidated adjustment*	Total
<u>Statement of financial position</u>													
Non-current assets	1,730,612,344	396,577,545	343,895,521	313,481,138	29,480,758	2,833,839	-	3,296,719	149,105,327	95,090,051	45,157,108	(827,754,257)	2,281,776,093
Current assets	537,705,468	276,591,643	218,226,339	209,755,539	30,194,139	19,888,728	32,640,658	74,440,835	47,934,282	67,880,243	114,739,764	(157,131,712)	1,472,865,926
Total assets	2,268,317,812	673,169,188	562,121,860	523,236,677	59,674,897	22,722,567	32,640,658	77,737,554	197,039,609	162,970,294	159,896,872	(984,885,969)	3,754,642,019
Current liabilities	647,869,384	194,123,552	140,712,925	115,349,929	94,444,881	27,784,129	1,265,813	21,422,472	67,910,567	62,807,483	8,876,235	(228,679,655)	1,153,887,715
Non-current liabilities	122,312,766	60,384,970	89,551,445	29,354,544	26,836,340	3,434,570	-	-	3,550,311	2,540,382	35,000,000	45,493,855	418,459,183
Total Liabilities	770,182,150	254,508,522	230,264,370	144,704,473	121,281,221	31,218,699	1,265,813	21,422,472	71,460,878	65,347,865	43,876,235	(183,185,800)	1,572,346,898
<u>Statement of profit or loss:</u>													
Revenue	594,675,596	333,411,943	236,138,085	267,639,993	52,487,206	25,792,784	-	-	53,910,070	34,265,415	-	(13,784,475)	1,584,536,617
Cost of revenue	(342,420,634)	(230,070,923)	(182,328,239)	(188,058,603)	(37,744,332)	(25,136,492)	-	-	(45,914,648)	(23,346,628)	-	12,215,718	(1,062,804,781)
Gross profit	252,254,962	103,341,020	53,809,846	79,581,390	14,742,874	656,292	-	-	7,995,422	10,918,787	-	(1,568,757)	521,731,836
Other expenses and revenues	(114,675,355)	(57,649,645)	(46,414,410)	(49,132,779)	(10,286,582)	(1,566,220)	(150,124)	(4,262,386)	(8,460,653)	(14,464,416)	(1,181,519)	(838,204)	(309,082,293)
Profit for the period	137,579,607	45,691,375	7,395,436	30,448,611	4,456,292	(909,928)	(150,124)	(4,262,386)	(465,231)	(3,545,629)	(1,181,519)	(2,406,961)	212,649,543
<u>Other Items</u>													
Capital expenditure	70,192,662	60,176,053	68,326,966	15,252,147	164,165	37,101	-	-	8,061,261	7,722,906	38,587,995	-	268,521,256
Fixed assets depreciation	18,610,612	15,432,018	11,523,723	15,097,255	137,013	10,743	-	1,135,751	4,637,604	2,649,035	-	4,287,760	73,521,514

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

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

Notes to the interim condensed consolidated financial statements
For the six months period ended 30 June 2024

(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
At 1 January 2023								
Cost	173,240,262	795,123,614	167,125,093	732,172,323	18,912,495	154,335,709	215,092,045	2,256,001,541
Accumulated depreciation	-	(354,858,003)	(64,783,545)	(159,907,376)	(13,694,077)	(95,501,911)	-	(688,744,912)
Net book value	173,240,262	440,265,611	102,341,548	572,264,947	5,218,418	58,833,798	215,092,045	1,567,256,629
Year ended 31 December 2023								
Opening net book value	173,240,262	440,265,611	102,341,548	572,264,947	5,218,418	58,833,798	215,092,045	1,567,256,629
Additions	-	108,638,527	22,670,658	2,264,060	29,510,000	22,785,190	582,710,639	768,579,074
Disposals	-	(8,612,523)	(1,411,463)	(512,208)	(6,107,298)	(2,715,222)	-	(19,358,714)
Write off	-	-	-	-	-	(26,700)	(2,669,840)	(2,696,540)
Cost adjustments	-	5,060,080	(7,574,926)	2,201,230	(60,499)	374,115	-	-
Transfers from projects under construction	-	43,846,382	12,253,242	132,922,924	-	265,865	(189,288,413)	-
Depreciation for the year	-	(72,267,621)	(21,003,202)	(27,294,544)	(3,581,949)	(28,246,819)	-	(152,394,135)
Accumulated depreciation of disposal	-	7,175,613	1,165,109	126,483	5,182,514	1,558,173	-	15,207,892
Accumulated depreciation of write-off	-	-	-	-	-	14,983	-	14,983
Adjustments on accumulated depreciation	-	(111,866)	2,812,900	(2,506,132)	51,505	(246,407)	-	-
Closing net book value	173,240,262	523,994,203	111,253,866	679,466,760	30,212,691	52,596,976	605,844,431	2,176,609,189
At 31 December 2023								
Cost	173,240,262	944,056,080	193,062,604	869,048,329	42,254,698	175,018,957	605,844,431	3,002,525,361
Accumulated depreciation	-	(420,061,877)	(81,808,738)	(189,581,569)	(12,042,007)	(122,421,981)	-	(825,916,172)
Net book value	173,240,262	523,994,203	111,253,866	679,466,760	30,212,691	52,596,976	605,844,431	2,176,609,189
At 30 June 2024								
Opening net book value	173,240,262	523,994,203	111,253,866	679,466,760	30,212,691	52,596,976	605,844,431	2,176,609,189
Additions	-	58,765,969	5,332,940	3,813,712	10,230,000	5,684,029	613,564,070	697,390,720
Disposals	-	(1,301,277)	(1,286,575)	(26,815)	-	(47,522)	-	(2,662,189)
Transfers from projects under construction	-	5,354,667	3,075,894	122,936,850	3,070,000	1,910,139	(136,347,550)	-
Depreciation for the period	-	(41,450,307)	(12,582,413)	(15,955,409)	(4,024,521)	(13,305,798)	-	(87,318,448)
Accumulated depreciation of disposal	-	1,208,151	1,242,750	19,301	-	27,655	-	2,497,857
Balance at 30 June 2024	173,240,262	546,571,406	107,036,462	790,254,399	39,488,170	46,865,479	1,083,060,951	2,786,517,129
Cost	173,240,262	1,006,875,439	200,184,863	995,772,076	55,554,698	182,565,603	1,083,060,951	3,697,253,892
Accumulated depreciation	-	(460,304,033)	(93,148,401)	(205,517,677)	(16,066,528)	(135,700,124)	-	(910,736,763)
Net book value at the period end	173,240,262	546,571,406	107,036,462	790,254,399	39,488,170	46,865,479	1,083,060,951	2,786,517,129

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

Notes to the consolidated interim financial statements For the six months period ended 30 June 2024

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

4. Fixed Assets (continued)

The value of the projects under implementation that were financed through the Ahli United Bank loan for the purpose of renovating and developing hospitals is 422,311,555 Egyptian pounds, and the value of interest and bank commissions charged at a value of 44,044,347 Egyptian pounds, as Egyptian Accounting Standard No. 14 Borrowing Costs was applied, and according to the principles of Standard No. 14 Borrowing costs (interests) directly related to the acquisition of an asset or the construction of an asset are charged to this asset as part of the cost, provided that the asset is eligible for capitalization in a specific period of time.

5. Right-of-use assets

The Egyptian Standard No. (49) “Leasing Contracts” has been applied in two phases as follows:

The first stage relates to lease contracts that were subject to Law (95) for the year 1995 starting on or after 1 January 2019. which are lease contracts related to medical equipment and measured at the beginning of the contract at a value equal to the value of the lease obligations in addition to rental expenses and subsequently depreciated over the life of the lease contracts using the straight-line method.

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

	30 June 2024	31 December 2023
Machinery and equipment		
Beginning balance for the period/year	12,586,722	14,702,650
Depreciation during the period/year	(1,057,963)	(2,115,928)
Total – machinery and equipment	11,528,759	12,586,722
Buildings		
Beginning balance for the period/year	120,586,838	134,459,286
Adjustments	(1,680,000)	(555,757)
Additions for the period /year	24,412,222	67,470,075
Disposals for the period year	-	(56,090,552)
Depreciation for the period /year	(12,398,984)	(23,697,178)
Discontinued operations	-	(999,036)
Total	130,920,076	120,586,838
	142,448,835	133,173,560

Lease payments are discounted using the interest rate implicit in the lease, if this rate cannot be determined, the lessee's borrowing rate is used, which is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions, an average interest rate of 11.15% was used at initial recognition.

* The value of exclusions during the financial period ending on 30 June 2024 represents the value of the usufruct of Queens Hospital after terminating the lease on 30 May 2023 and considering it as part of discontinued operations.

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Notes to the consolidated interim financial statements For the six months period ended 30 June 2024

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

6. Inventories

	30 June 2024	31 December 2023
Medical supply inventory	230,232,592	181,580,364
Medicine inventory	102,363,017	104,023,338
Hospitality inventory	3,340,550	2,459,418
Stationary inventory	2,801,544	2,582,345
Maintenance and spare parts inventory	2,003,065	1,533,706
Food and beverage inventory	717,176	777,270
	341,457,944	292,956,441
Less: Impairment of inventory	(1,395,415)	(957,996)
	340,062,529	291,998,445

Movement in the provision for inventory is as follows:

	30 June 2024	31 December 2023	30 June 2023
Balance at the beginning of the period / year	957,996	789,281	789,281
Provisions formed during the period / year	640,153	379,325	145,564
Provisions no longer required during the period / year	(1,337)	(210,610)	(44,250)
Used during the period / year	(201,397)	-	-
Balance at the end of the period / year	1,395,415	957,996	890,595

7. Trade receivables

	30 June 2024	31 December 2023
Trade receivables	1,058,138,583	753,513,328
Inpatients	44,236,558	26,295,135
	1,102,375,141	779,808,463
Less: Expected credit losses	(148,959,822)	(131,336,069)
	953,415,319	648,472,394

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

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

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

Notes to the consolidated interim financial statements For the six months period ended 30 June 2024

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

7. Trade receivables (continued)

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

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

Trade receivables	30 June 2024			
	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value
- current until less than 30 days overdue	0.4%	706,996,620	2,700,642	704,295,978
- 31 to 60 days overdue	3%	108,941,537	2,779,954	106,161,583
- 61 to 90 days overdue	5%	65,820,458	3,578,446	62,242,012
- 91 to 120 days overdue	10%	38,540,603	3,816,543	34,724,060
- 121 to 360 days overdue	24%	52,590,748	12,840,574	39,750,174
- 361 to 720 days overdue	43%	10,362,232	4,120,720	6,241,512
- More than 720 days	100%	119,122,943	119,122,943	-
		1,102,375,141	148,959,822	953,415,319

Trade receivables	31 December 2023			
	Loss Rate	Gross carrying amount	Lifetime ECL	Net carrying value
- current until less than 30 days overdue	0,3%	507,013,240	1,423,414	505,589,826
- 31 to 60 days overdue	3%	58,624,652	1,515,086	57,109,566
- 61 to 90 days overdue	6%	27,699,700	1,639,243	26,060,457
- 91 to 120 days overdue	9%	16,059,023	1,520,283	14,538,740
- 121 to 360 days overdue	27%	57,821,627	15,876,394	41,945,233
- 361 to 720 days overdue	49%	6,319,602	3,091,030	3,228,572
- More than 720 days	100%	106,270,619	106,270,619	-
		779,808,463	131,336,069	648,472,394

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

Notes to the consolidated interim financial statements For the six months period ended 30 June 2024

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

7. Trade receivables (continued)

The movement in the impairment consists of the following:

	30 June 2024	31 December 2023	30 June 2023
Balance at the beginning of the period / year	131,336,069	87,083,087	87,083,087
Formed during the period / year	24,159,085	49,126,221	24,228,982
Used during the period / year	-	(3,035,962)	(3,035,960)
No longer required during the period / year	(6,535,332)	(1,911,314)	(669,188)
Discontinued operation	-	74,037	74,038
	148,959,822	131,336,069	107,680,959

8. Debtors and other debit balances

	30 June 2024	31 December 2023
Advances to suppliers	695,271,395	366,922,517
Prepaid expenses	48,838,729	18,184,768
Withholding taxes	10,240,917	9,632,606
Deposits with others	5,770,086	5,761,123
Accrued income	858,893	485,561
Employee's custodies	823,636	337,994
Other debtors	36,831,230	66,953,976
	798,634,886	468,278,545
Less: ECL of other debit balances during the period / year	(1,474)	(1,474)
	798,633,412	468,277,071

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

	30 June 2024	31 December 2023	30 June 2023
Balance at 1 January	1,474	2,784	2,784
Used during the period / year	-	(1,310)	-
	1,474	1,474	2,784

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

Notes to the consolidated interim financial statements For the six months period ended 30 June 2024

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

9. Cash and cash equivalent

	30 June 2024	31 December 2023
Current accounts	230,849,739	352,725,550
Time deposit	9,955,000	6,526,720
Cash on hand	10,649,641	3,035,353
Treasury bills	-	194,223
Deduct: Cash and cash equivalents impairment	(4,212,840)	(4,584,729)
	247,241,540	357,897,117

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

	30 June 2024	31 December 2023
Treasury Bills (Maturity 31 days)	-	200,000
Treasury Bills (Maturity 61 days)	-	-
Less: Unearned revenue	-	(5,777)
	-	194,223

- The fair value of the treasury bills does not differ materially from the book value. as all maturities of treasury bills are short-term.
- The time deposits item includes an amount EGP 9,955,000 on 30 June 2024 (31 December 2023: EGP 6,191,720) are denominated in local banks in US dollars and are payable within one month from the date of deposit and are subject to a fixed annual return of 4%
- Current accounts deposited in Egyptian Pounds are subject to a fixed annual rate from 17% to 18% (31 December 2023: 12%)

Movement in the impairment is as follows:

	30 June 2024	31 December 2023	30 June 2023
Balance at the beginning of the period / year	4,584,729	1,291,130	1,291,130
Formed during the period / year	744,302	3,938,375	1,094,467
No longer required	(1,116,191)	(644,776)	(271,932)
Ending balance at the ending of the period / year	4,212,840	4,584,729	2,113,665

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

	30 June 2024	30 June 2023
Cash and bank balances	251,454,380	307,126,092
Treasury bills with maturities of 3 months or less	-	175,898
Total	251,454,380	307,301,990

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

Notes to the consolidated interim financial statements For the six months period ended 30 June 2024

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

10. Non-controlling interests

	Capital	Reserves	Retained earnings	NCI share in acquisition adjustments	Total
Balance at 1 January 2023	34,074,639	10,078,547	104,138,926	120,184	148,412,296
Minority's share of acquisition of subsidiaries	(420,198)	-	-	-	(420,198)
Employee profit share	-	-	(4,154,969)	-	(4,154,969)
Legal reserve	-	1,510,794	-	-	1,510,794
Comprehensive income for the year	-	-	51,119,174	-	51,119,174
Balance at 31 December 2023	33,654,441	11,589,341	151,103,131	120,184	196,467,097
Balance at 1 January 2024	33,654,441	11,589,341	151,103,131	120,184	196,467,097
Employee profit share	-	-	(11,924,807)	-	(11,924,807)
Legal reserve	-	934	-	-	934
Comprehensive income for the period	-	-	41,573,553	-	41,573,553
Balance at 30 June 2024	33,654,441	11,590,275	180,751,877	120,184	226,116,777

11. Loans

30 June 2024	Current	Non-current	Total
Loans	114,009,523	1,044,847,738	1,158,857,261
Total	114,009,523	1,044,847,738	1,158,857,261
31 December 2023	Current	Non-current	Total
Loans	65,923,233	423,009,023	488,932,256
Total	65,923,233	423,009,023	488,932,256

- On 27 October 2021. Cleopatra Hospital Company signed a medium-term loan contract with Ahli United Bank. with a total amount of 145 million Egyptian pounds. with a return of 0.65% in addition to the lending rate announced by the Central Bank.

- On 10 August 2022. Cleopatra Hospital Company. Nile Badrawi Hospital Company. and Cairo Specialist Hospital Company signed an appendix to the loan contract from Ahli United Bank. The following are the most important terms of the contract:

- Increasing the financing amount to 285 million Egyptian pounds and it will be divided among the companies as follows:

- Cleopatra Hospital Company	45 million Egyptian pounds
- Cairo Specialist Hospital Company	90 million Egyptian pounds
- Nile Badrawi Hospital Company	150 million Egyptian pounds

- On May 10, 2023, the financing amount was redistributed among the companies as follows, with the maximum available financing amounting to EGP 340 million, and the aforementioned amount not to be exceeded at any time during the validity period of the contract.

- Cleopatra Hospital Company	100 million Egyptian pounds
- Cairo Specialist Hospital Company	90 million Egyptian pounds
- Nile Badrawi Hospital Company	150 million Egyptian pounds

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

11. Loans (continued)

- On 18 January 2024. Cleopatra Hospital Company. Nile Badrawi Hospital Company. and Cairo Specialist Hospital Company signed an appendix to the loan contract from Ahli United Bank to increase loan amount to 740 million EGP and reallocate the loan between companies to be as follows
 - Cleopatra Hospital Company 500 million Egyptian pounds
 - Cairo Specialist Hospital Company 90 million Egyptian pounds
 - Nile Badrawi Hospital Company 150 million Egyptian pounds
- On 17 April 2024. Cleopatra Hospital Company. Nile Badrawi Hospital Company. and Cairo Specialist Hospital Company signed an appendix to the loan contract from Ahli United Bank to reallocate the loan between companies to be as follows
 - Cleopatra Hospital Company 400 million Egyptian pounds
 - Cairo Specialist Hospital Company 90 million Egyptian pounds
 - Nile Badrawi Hospital Company 250 million Egyptian pounds
- The purpose of the loan is to finance and/or refinance the capital needs and renovation of the group’s hospitals starting from 2021. including medical equipment. medical beds. medical and non-medical furniture. as well as internal development of movables (finishes. electromechanical equipment. and power station).
- The validity of this contract begins for a period of six years and six months from the date of signing the financing contract on 27 October 2021. with the group being granted a grace period of a maximum of one year and six months ending on 31 December 2023. and a grace period (applied to repayment of the principal) of one year and six Months ending on 31 January 2024, and in the event that the entire amount of financing is not withdrawn during the aforementioned grace period. the unwithdrawn part will be automatically cancelled, and the bank is not obligated to lend the group any amounts other than what has been withdrawn from the financing amount. Except for the third tranche of Cleopatra Hospital Company, which amounts to 400 million Egyptian pounds, the withdrawal period is two years starting from the date of signing the contract and a grace period of 18 months from the date of the first withdrawal from the tranche.
- The group is committed to repaying the total financing amount in 20 quarterly instalments. with the first instalments starting on 31 December 2024.

Financial ratios

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

- The financial leverage of the group should not exceed 0.7 and that of the Nile Badrawi Hospital Company should not be less than 1.
- The debt service ratio should not be less than 1.3.
- The liquidity ratio should not be less than 1.
- On 5 June 2023, CHG Sky Hospital (a subsidiary) signed a medium-term loan contract with a total amount of 1,339,573,000 Egyptian pounds (only one billion three hundred thirty-nine million five hundred seventy-three thousand Egyptian pounds only) to finance The company's capital expansions related to finishing, furnishing and equipping Sky Hospital with a debit return of 0.5% in addition to the corridor return for lending announced by the Central Bank of Egypt for the first nine months from the date of activation of the facility and with a debit return of 0.9% in addition to the return of the corridor for lending announced by the Central Bank of Egypt Starting from the tenth month.

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11. Loans (continued)

- The amount will be paid in 24 instalments starting from 30 June 2026 and ending on 31 December 2032.
- 35 million was withdrawn from the total loan value for the financial period for the six-month period ending on 30 June 2024.

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

- The financial leverage should not exceed the following

<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
5.18	1.85	1.98	1.14	0.94	0.65	0.46

- The debt service rate should not be less than 1
- The value of capital expansions should not exceed the following in each fiscal year

<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
68,380,000	8,117,000	9,404,000	10,663,000	12,252,000	13,960,000	17,291,000

Loans include certain covenants. Violation of these commitments in the future may lead to renegotiation. The administration monitors the commitments, and in the event of a possible breach, the administration takes the necessary measures to ensure compliance. During 2024, the Group had no breach of any of these covenants.

12. Trade and other payables

	<u>30 June 2024</u>	<u>31 December 2023</u>
Trade and other payables	596,854,596	569,780,930
Accrued expenses	347,543,768	273,462,075
Social insurance	14,266,134	13,704,632
Other creditors	140,150,976	71,150,774
	<u>1,098,815,474</u>	<u>928,098,411</u>

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13. Lease liabilities

The lease liabilities represent the present value of the lease obligations related to medical equipment (first stage - Note 5) entered by one of the group companies and lease contracts for buildings (second stage). It was measured at the present value of the contractual lease payments discounted at an implied rate of return in the range between 11.15% and 16.65%.

	30 June 2024	31 December 2023
Undiscounted		
During the period/year	44,351,623	45,673,809
More than a period/year	98,577,107	125,169,517
	142,928,730	170,843,326
The present value of the lease obligations is as follows:		
During the period/year	44,351,623	45,673,809
More than a period/year	73,934,211	85,882,660
Balance	118,285,834	131,556,469
	30 June 2024	31 December 2023
Lease Liabilities were presented as follows:		
Lease liabilities shown as at 31 December 2023	131,556,469	194,442,401
Adjustments	-	848,408
Add: Additions during the period /year	412,222	31,470,078
Add: Interest formed during the period /year	6,974,154	16,832,659
Add: Discontinued operation during the period /year	-	2,207,245
Deduct: Disposal during the period /year	-	(77,798,096)
Deduct: Payments during the period / year	(20,657,011)	(36,446,226)
Lease liabilities at 30 June 2024	118,285,834	131,556,469

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

14. Revenue

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Accommodation and medical supervision revenue	511,817,482	282,213,430	257,475,702	134,287,103
Surgeries revenue	470,076,291	336,090,828	248,492,338	170,671,571
Laboratories revenue	231,489,522	173,800,129	115,634,396	89,817,510
Outpatient clinics revenue	224,973,147	192,642,723	107,142,094	98,637,743
Service charge revenue	199,590,028	115,985,134	101,529,195	58,990,634
Cardiac catheterization revenue	191,221,388	132,883,835	92,639,430	69,892,662
Radiology revenue	153,714,201	107,271,925	78,393,526	57,417,193
Pharmacy revenue	146,607,572	89,015,960	69,250,931	45,095,034
Emergency revenue	86,960,942	55,070,708	45,902,937	29,574,063
Physiotherapy revenue	67,756,657	27,509,583	29,042,857	15,669,708
Cardiac tests revenue	21,509,263	17,048,739	10,442,023	8,751,172
Endoscopy revenue	20,132,855	16,479,315	10,577,396	9,161,369
Revenues of oncology centre	15,017,416	18,052,591	7,056,633	8,820,338
Dentistry revenue	8,670,087	6,347,402	4,457,118	3,089,590
Other departments revenues	22,842,551	14,124,315	13,129,311	7,809,085
	2,372,379,402	1,584,536,617	1,191,165,887	807,684,775

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

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

	30 June 2024	30 June 2023
At a point in time	1,860,561,920	1,302,323,187
Over time -Accommodation and medical supervision revenue	511,817,482	282,213,430
	2,372,379,402	1,584,536,617

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

15. Cost of revenue

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Medical and pharmaceutical supplies	488,826,592	329,125,897	247,542,727	176,268,242
Salaries, wages and benefits	368,954,336	262,588,524	186,966,350	133,962,286
Doctors' fees	338,750,555	260,685,105	166,570,285	131,973,588
Maintenance, spare parts and energy expenses	85,719,932	49,796,683	46,711,637	24,605,826
Fixed assets depreciation	71,217,830	58,133,069	36,322,103	29,101,549
consumables costs	47,015,944	34,385,798	24,641,263	17,350,633
Services from others	44,546,235	27,493,827	22,630,201	16,233,564
Right of use depreciation	9,185,545	7,686,453	4,593,697	3,839,922
Other expenses	54,319,348	32,909,425	26,992,246	17,811,731
	1,508,536,317	1,062,804,781	762,970,509	551,147,341

16. General and administrative expenses

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Salaries, wages, and benefits	160,379,955	98,563,620	92,477,548	50,697,721
Service from others	26,189,705	14,731,430	12,457,832	8,220,129
Professional and consulting fees	19,443,341	21,643,029	10,944,212	11,869,016
Fixed assets depreciation	16,100,618	14,252,693	8,250,680	7,370,902
Maintenance, spare parts and energy expenses	8,776,199	17,109,919	4,733,071	9,532,090
Right of use depreciation	4,271,403	5,286,609	2,135,701	2,161,567
Consumables costs	3,321,673	1,854,185	1,387,728	1,084,411
Intangible amortization	1,034,642	7,944,642	517,321	3,972,321
Other expenses	92,847,707	36,996,502	51,582,134	18,164,261
	332,365,243	218,382,629	184,486,227	113,072,418

17. Net impairment losses on financial assets

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Impairment in trade receivables	17,623,753	23,559,794	9,696,079	16,004,688
Impairment in cash at banks	(371,889)	822,535	(421,657)	(1,022,269)
	17,251,864	24,382,329	9,274,422	14,982,419

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18. Result from discontinued operations

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Discontinued operations	-	12,656,276	-	17,056,114
Impairment of intangible assets	-	(14,071,000)	-	(14,071,000)
Tax on discontinued operations	-	(2,847,662)	-	(3,837,626)
Profit after income tax from discontinued operations	-	(4,262,386)	-	(852,512)

19. Earnings per share

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

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Distributable profit	325,192,760	191,237,731	142,961,598	96,619,305
Weighted average number of shares	1,443,807,866	1,441,509,083	1,443,807,866	1,441,509,083
Earnings per share	0.23	0.13	0.10	0.07

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

Earnings per share from continuing operations:

Basic earnings per share for the period from continuing operations is calculated by dividing the net profit for the period from continuing operations attributable to shareholders of the Company by the weighted average number of shares outstanding during the period after excluding employee dividends.

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Profit for the period from continuing operations	325,192,760	216,911,929	142,961,598	106,893,485
Weighted average number of shares	1,443,807,866	1,441,509,083	1,443,807,866	1,441,509,083
Earnings per share from continuing operations	0.23	0.15	0.10	0.07

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20. 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

(Related parties)	<u>Nature of transaction</u>	<u>Balance due from / (to) related parties 30 June 2024</u>	<u>Balance due from / (to) related parties 31 December 2023</u>
Other parties	Expenses paid on behalf of the Company	<u>256,189</u>	<u>482,343</u>
		<u>256,189</u>	<u>482,343</u>

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

21. Commitments

Capital commitments:

Capital commitments at financial period end, which are not yet due, amounted to EGP 58,808,470 (31 December 2023: EGP 499,515,071), which represent the capital commitments to purchase of fixed assets and projects under constructions.

22. Treasury shares

Based on the Board of Directors approval dated 23 May 2024 the company bought 2,500,000 treasury shares from the open market with total amount of 16,812,126 EGP to be transferred to Employees' stock ownership Plan.

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23. 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 Engineer Hassan Badrawi signed a comprehensive and final settlement agreement, according to which it was agreed to resolve, settle, and end all disputes and claims related to the land on which the Nile Badrawi Hospital was built. The total settlement amounted to 36 million pounds, noting that part of the settlement falls within the limits of the amounts deducted from the sale price of Nile Badrawi Hospital shares in favour of Cleopatra Hospital. Concerning the land subject to settlement, On 31 March 2021, the Administrative Court issued a ruling accepting the case in form and rejecting it in substance. Cairo Governorate and the Nile Badrawi Hospital Company appealed the aforementioned ruling before the Supreme Administrative Court, and a hearing session was set for 21 June 2022, so that both parties submit settlement contracts drawn up between the parties. The consideration of the appeal has been adjourned to a hearing session on 7 February 2023, to take measures for the intervention of the heirs of the late Hassan Badrawi, court decision was postponed till 7 October 2024.

The Monetary Policy Committee of the Central Bank of Egypt decided to raise the deposit and lending rates by 200 basis points on February 1, 2024, and then by 600 basis points on March 6, 2024. The credit and discount rates were also raised by 600 basis points on March 6, 2024.

On 23 July 2024, the Board of Directors unanimously approved that the company purchase treasury shares from the open market with a total purchase of 2,566,521 shares to be transferred to Employees' stock ownership Plan.

24. Discontinued operations

Based on the hospital closure on May 30th, 2023, based on the decision of the Board of Directors on 6 July 2023, all operations and operating activities of Queen's Hospital were closed and suspended in preparation for its exclusion from the group and its consideration as part of the non-continuing operations.

	Six months ended 30 June		Three months ended 30 June	
	2024	2023	2024	2023
Operating Revenue	-	-	-	-
(Less)				
Operating Cost	-	(1,939,553)	-	(257,353)
Gross profit		(1,939,553)		(257,353)
Add / (Less)				
General and administrative expenses	-	(793,802)	-	(339,059)
Impairment of intangible assets	-	(14,071,000)	-	(14,071,000)
Net impairment losses on financial assets	-	(74,037)	-	(3,255)
Provisions	-	124,613	-	124,613
Other expense	-	(59,542,994)	-	(59,542,994)
Finance income	-	20,914	-	5,782
Finance expenses	-	74,861,135	-	77,068,380
Profit for the period before income tax				
tax	-	(1,414,724)	-	2,985,114
Tax on discontinued operations	-	(2,847,662)	-	(3,837,626)
Profit after income tax		(4,262,386)		(852,512)