

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

AUDITOR’S REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2025

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Consolidated financial statements - For the financial year ended 31 December 2025

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Auditor's report

To the shareholders of Cleopatra Hospital Company "S.A.E."

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Cleopatra Hospital Company "S.A.E." (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as of 31 December 2025 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws. Management responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies and the accounting estimates made by management, as well as the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Auditor's report (continued)
Page 2

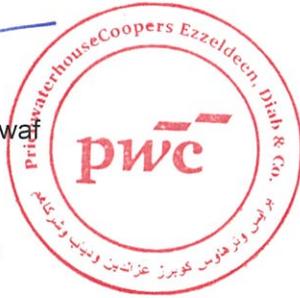
Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cleopatra Hospital Company "S.A.E." as of 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.



Mohamed Elswaf
R.A.A. 39521
F.R.A. 419

17 March 2026
Cairo



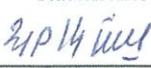
CLEOPATRA HOSPITAL COMPANY "S.A.E."

Consolidated statement of financial position - At 31 December 2025

(All amounts are shown in Egyptian pounds)

	Note	2025	2024
Assets			
Non-current assets			
Fixed assets	7	7,072,923,092	4,642,232,226
Right of use	8	132,920,919	75,608,167
Goodwill	9	355,192,334	355,192,334
Other intangible assets	9	47,975,257	50,044,541
Investments in associates	10	18,585,651	8,519,964
Advance Payments / Lease	11	250,336,106	-
Total non-current assets		7,877,933,359	5,131,597,232
Current assets			
Inventory	12	281,335,004	320,521,316
Trade receivables	13	1,241,456,016	1,046,760,855
Due from related parties		-	20,454,773
Debtors and other debit balances	14	292,992,065	597,203,334
Cash and cash equivalents	15	547,542,841	473,215,037
Total current assets		2,363,325,926	2,458,155,315
Total assets		10,241,259,285	7,589,752,547
Equity and liabilities			
Equity			
Capital	21	724,725,042	722,717,101
Treasury shares	36	-	(5,589,873)
Retained earnings		2,705,002,786	2,048,718,617
Employee incentive plan	22	32,699,496	36,466,935
Reserves	23	159,910,009	97,276,022
Equity attributable to the Company's owners		3,622,337,333	2,899,588,802
Non-controlling interests	24	418,028,210	278,208,598
Total equity		4,040,365,543	3,177,797,400
Liabilities			
Non-current liabilities			
Lease liabilities	20	122,201,397	62,382,913
Deferred tax liabilities	33	83,625,726	116,307,635
Loans	17	2,684,749,460	1,908,817,462
Total non-current liabilities		2,890,576,583	2,087,508,010
Current liabilities			
Bank overdrafts	16	391,325,194	302,160,797
Loans	17	451,063,593	137,505,626
Provisions	18	81,404,628	73,091,321
Trade and other payables	19	1,932,432,352	1,523,387,492
Other liabilities	38	42,490,000	42,490,000
Lease liabilities	20	53,418,784	46,833,150
Employee incentive plan	22	73,961,551	-
Current income tax liabilities	30	284,221,057	198,978,751
Total current liabilities		3,310,317,159	2,324,447,137
Total liabilities		6,200,893,742	4,411,955,147
Total equity and liabilities		10,241,259,285	7,589,752,547

- The accompanying notes from note 1 to 39 represent an integral part of these consolidated financial statements.


Mr. Amr Al Rashid
Chief Financial Officer


Dr. Ahmed Ezz El dien Mahmoud
CEO and Managing Director


Mr. Ahmed Adel Badr El dien
Non-Executive Chairman of the Board of Directors

16 March 2026

- Auditor's Report attached

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Consolidated statement of profit or loss - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian pounds)	<u>Note</u>	<u>2025</u>	<u>2024</u>
Revenues	25	7,227,264,460	5,420,396,411
(Less):			
Cost of obtaining revenues	26	<u>(4,368,794,593)</u>	<u>(3,407,053,062)</u>
Gross profit		2,858,469,867	2,013,343,349
Less:			
General and administrative expenses	27	(1,229,331,039)	(749,796,569)
Expected credit losses in the financial assets	29	(111,738,639)	(50,848,282)
Other expenses	18	(43,189,697)	(71,366,005)
Other revenues	30	15,840,137	17,640,232
Operating profit		1,490,050,629	1,158,972,725
Consulting expenses for acquisition activities		(330,000)	(904,904)
Finance income	31	46,632,479	42,933,901
Finance expenses	31	<u>(227,319,411)</u>	<u>(122,045,000)</u>
		(181,016,932)	(80,016,003)
Share of net profit of investments accounted for using the equity method	10	10,065,687	4,709,037
Profits for the year before income tax		1,319,099,384	1,083,665,759
Current tax	32	(383,914,976)	(252,173,356)
Deferred tax	32	32,681,909	(14,480,414)
Net profit for the year after income tax		967,866,317	817,011,989
Profit attributable to:			
Shareholders of the Parent Company		823,881,689	723,346,615
Non-controlling interests	24	<u>143,984,628</u>	<u>93,665,374</u>
		967,866,317	817,011,989
Earnings per share (basic/diluted)	34	0.46	0.39

- The accompanying notes from note 1 to 39 represent an integral part of these consolidated financial statements.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Consolidated statement of comprehensive income - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian pounds)

	<u>2025</u>	<u>2024</u>
Profit for the year	967,866,317	817,011,989
Other comprehensive income items	-	-
Comprehensive income for the year	<u>967,866,317</u>	<u>817,011,989</u>
Profit attributable to:		
Shareholders of the Parent Company	823,881,689	723,346,615
Non-controlling interests	143,984,628	93,665,374
	<u>967,866,317</u>	<u>817,011,989</u>

- The accompanying notes from note 1 to 39 represent an integral part of these consolidated financial statements.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Consolidated statement of changes in equity - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian pounds)	Capital	Treasury shares	Reserves	Retained earnings	Employee incentive plan	Total equity of the Parent Company	Non- controlling interests	Total equity
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
Treasury shares	-	(34,758,127)	-	-	-	(34,758,127)	-	(34,758,127)
Dividends paid to the employees and the Board of Directors	-	-	-	(97,127,305)	-	(97,127,305)	(11,924,807)	(109,052,112)
Legal reserve	-	-	13,125,024	(13,125,958)	-	(934)	934	-
Employee incentive plan	-	34,219,855	3,735,436	-	20,390,350	58,345,641	-	58,345,641
Comprehensive income for the year	-	-	-	723,346,615	-	723,346,615	93,665,374	817,011,989
Balance at 31 December 2024	722,717,101	(5,589,873)	97,276,022	2,048,718,617	36,466,935	2,899,588,802	278,208,598	3,177,797,400
Balance at 1 January 2025	722,717,101	(5,589,873)	97,276,022	2,048,718,617	36,466,935	2,899,588,802	278,208,598	3,177,797,400
Capital reduction	(824,289)	824,289	-	-	-	-	-	-
Capital increase	2,832,230	-	-	(2,832,230)	-	-	-	-
Treasury shares	-	4,765,584	-	(4,765,584)	-	-	-	-
Dividends paid to the employees and the Board of Directors	-	-	-	(142,179,178)	-	(142,179,178)	(4,166,834)	(146,346,012)
Reserves	-	-	62,633,987	(20,604,077)	-	42,029,910	1,818	42,031,728
Employee incentive plan	-	-	-	2,783,549	(3,767,439)	(983,890)	-	(983,890)
Comprehensive income for the year	-	-	-	823,881,689	-	823,881,689	143,984,628	967,866,317
Balance at 31 December 2025	724,725,042	-	159,910,009	2,705,002,786	32,699,496	3,622,337,333	418,028,210	4,040,365,543

- The accompanying notes from note 1 to 39 represent an integral part of these consolidated financial statements.

CLEOPATRA HOSPITAL COMPANY “S.A.E.”

Consolidated statement of cash flows - For the financial year ended 31 December 2025

(All amounts are shown in Egyptian pounds)

	Note	2025	2024
Cash flows from operating activities			
Profit before tax		1,319,099,384	1,083,665,759
Adjustments for the settlement of profit with cash flows from operating activities:			
Depreciation of fixed assets	7	217,627,003	182,185,998
Depreciation of right-of-use	8	33,045,934	52,986,521
Advance Payments / Revenue Share amortization	11	1,440,000	-
Profits on disposal of fixed assets	30	(2,368,258)	(1,908,593)
Expected credit losses in the financial assets	29	111,738,640	50,848,282
Impairment of inventory	12	5,417,811	1,123,170
Provisions	18	43,189,697	71,366,005
Interests and commissions - credit facilities	31	191,725,396	101,041,075
Interests and commissions - leases	31	32,971,514	21,003,925
Interests and commissions – leases disposal		(715,228)	
Interest income	31	(46,632,479)	(35,152,611)
Share in the results of the associates and joint ventures		(10,065,687)	(4,709,037)
Intangible assets amortisation	9	2,069,284	2,069,284
Lease adjustments		198,553	-
Right of use adjustments		-	37,680,001
Employee reward plan	22	132,000,000	71,072,003
Operating profits before change in assets and liabilities		2,030,741,563	1,633,271,782
Change in assets and liabilities			
Change in inventory		33,768,501	(29,646,041)
Changes in trade receivables		(303,990,576)	(449,124,320)
Change in due from related parties		-	(19,972,430)
Change in debtors and other debit balances		288,666,039	(69,727,600)
Change in creditors and other credit balances		176,278,150	582,562,725
Changes in working capital		2,225,463,677	1,647,364,116
Income tax paid	32	(298,672,670)	(128,766,632)
Utilised provisions	18	(34,876,390)	(18,583,155)
Net cash flows generated from operating activities		1,891,914,617	1,500,014,329
Cash flows from investing activities			
Payments to purchase fixed assets	7	(160,562,972)	(278,783,412)
Payments for projects in progress	7	(2,489,923,928)	(2,370,110,733)
Proceeds from sale of fixed assets		4,537,287	2,993,701
Payments under purchase of fixed assets account		-	(55,090,691)
Interest collected		46,632,479	35,152,611
Net cash flows used in investing activities		(2,599,317,134)	(2,665,838,524)
Cash flows from financing activities			
Proceeds from bank overdrafts			
Proceeds from loans		89,164,397	49,168,456
Payment to loans		1,175,062,662	1,623,314,066
Lease liability payments		(85,572,697)	(65,923,234)
Payments to purchase treasury shares		(56,409,409)	(76,445,460)
Proceeds from the sale of treasury shares		-	(34,758,127)
Paid interest and commissions		(191,725,396)	(101,041,075)
Payment of dividends		(146,346,012)	(113,160,086)
Net cash flows generated from financing activities		784,173,545	1,281,154,540
Change in cash and cash equivalents during the year		76,771,028	115,330,345
Cash and cash equivalents at the beginning of the year		477,812,191	362,481,846
Cash and cash equivalents at the end of the year	15	554,583,219	477,812,191

- The accompanying notes from note 1 to 39 represent an integral part of these consolidated financial statements.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

1. Introduction

Cleopatra Hospital Company (Lasheen and Partners "formerly") 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 entity of Cleopatra Hospital (Lasheen and Partners) from a "Limited Partnership" into Cleopatra Hospital Company "S.A.E." The Company was incorporated and located 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.

Main activity

The Company aims to establish a private hospital to provide modern health and medical services, in addition to medical care for inpatients. The Company may have a share or participate in any way in the companies and others that are engaged in activities similar to its activities in Egypt or abroad. The Company may acquire, merge or join these facilities under the supervision of the General Authority for Investment.

Registered address and workplace

The Company's main office is located at 39, 41 Cleopatra St., Heliopolis, Cairo.

Presentation currency

The presentation currency is the Egyptian pound.

These consolidated financial statements of the Company and its subsidiary (together the "Group") have been approved for issuance by the Company's Board of Directors on 16 March 2026.

2. Operating environment of the Group

The Arab Republic of Egypt is exposed to some characteristics of emerging markets. The legal, tax and regulatory regulations continue to develop and are subject to frequent changes and different interpretations.

For the purpose of measuring ECLs on the Group's financial assets, receivables and similar assets, the Group uses future data, mainly projections of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Significant accounting policies

3.1 Basis of preparation

Going concern

The financial statements have been prepared on a going concern basis. The Group's current liabilities exceed its current assets, resulting in a negative net working capital position. Management has conducted a comprehensive assessment of the Group's ability to continue as a going concern.

This assessment included the preparation and review of budgets and projected cash flows for a period of at least twelve months from the date of the financial statements. These projections were based on operational and financial assumptions that management considers reasonable, taking into account the Group's historical performance and prevailing economic conditions. Based on the approved budget for 2026, management anticipates a significant improvement in the Group's operating performance, with positive operating cash flows. The projections also indicate an improvement in the working capital position, with current assets expected to exceed current liabilities due to increased activity levels and improved working capital management efficiency.

The projections also highlight a strong cash position at the end of the period, in addition to the Group having available and undrawn credit facilities of EGP 331 million, which can be utilized to cover any short-term financing requirements or potential working capital shortfalls.

Management believes that the expected cash flows from operating activities, along with the available credit facilities, will be sufficient to enable the Group to meet its financial obligations as they fall due during the forecast period.

Accordingly, management believes there is no material doubt that would cause uncertainty regarding the Group's ability to continue as a going concern.

These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant laws. In accordance with the historical cost principle, apart from the following significant items presented in the balance sheet:

- The employee compensation system is measured at fair value.

Below is a summary of the key accounting policies used in the preparation of these consolidated financial statements. These policies have been consistently applied throughout the periods presented unless otherwise stated.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.2 Consolidated financial statements

(a) Subsidiaries

Subsidiaries are those investees, that are controlled by the Company since the Company (1) has the power to direct the relevant activities of the investees that significantly affect their returns, (2) obtains, or has the right to variable returns through its shareholding in the investees, and (3) has the ability to use its power over the investees to influence the amount of the investment returns. The existence and effect of material rights, including potentially material voting rights, are taken into consideration when assessing whether the Group has power over another entity. For the right to be significant, it shall have the practical ability to exercise the right when decisions need to be made about the direction of the investee's relevant activities. The Group may have power over the investee. Whereas protection rights represent even when it owns less than the majority of the voting rights in the investee. In such a case, the Group evaluates the volume of its voting rights in relation to the volume and dispersion of the other voting rights holders' properties to determine whether it has effective power over the investee. While the protection rights of other investors, such as those related to fundamental changes in the investee's activities or that apply only in exceptional circumstances, do not prevent the Group from controlling the investee. Subsidiaries are consolidated starting from the date on which control is obtained by the Group (date of acquisition). They are de-consolidated by the Group from the date of losing control.

The acquisition method is used in accounting to account for the acquisition of subsidiaries. Identifiable assets acquired and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date, regardless of the extent of non-controlling interests.

The Group measures non-controlling interests which represent the current ownership share and grants its holder a proportionate share of the net assets in the event of liquidation on a transaction-by-transaction basis, using the non-controlling interests' proportionate share of the net assets of the acquiree. Non-controlling interests that are not an existing equity are measured at fair value.

Goodwill is measured as the difference between the fair value of the net assets of the acquiree out of the total consideration transferred for the acquiree, and the amount of non-controlling interests in the acquiree and the fair value of the interest in the acquiree held immediately prior to the date of acquisition, after the management reassesses whether it has identified all the assets acquired and all liabilities and contingent liabilities assumed and review the appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the waived assets, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from a contingent consideration arrangements, but excluding acquisition-related costs such as advisory, legal, valuation and similar professional services. The acquisition-related transaction costs incurred on the issue of equity instruments are deducted from equity. Transaction costs incurred to issue debt as part of a business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are charged as expenses.

All transactions, balances and unrealized profits relating to intra-group transactions are excluded. Unrealized losses are also excluded unless the cost can be recovered. The Company and all its subsidiaries use consolidated accounting policies that are consistent with the Group's policies.

Non-controlling interest is that part of the net results and equity of a subsidiary that is attributable to shares not owned, directly or indirectly, by the Group. Non-controlling interests consist a separate component of the Group's equity.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.2 Consolidated financial statements (continued)

(a) Subsidiaries (continued)

The financial statements of the Group consist of Cleopatra Hospital Company and the following companies:

	Relationship with Cleopatra Hospital Company	Country of incorporation	Ownership percentage in 2025	Ownership percentage in 2024
Alshrouk Hospital Company "S.A.E"	Subsidiary	Egypt	99.99%	99.99%
Nile Badrawy Hospital Company "S.A.E."	Subsidiary	Egypt	99.99%	99.99%
Cairo Specialized Hospital Company "S.A.E."	Subsidiary	Egypt	57.01%	57.01%
CHG Medical Services "S.A.E."	Subsidiary	Egypt	20% (Preferred shares)	20%(Preferred shares)
CHG Pharma for Pharmacy Management "S.A.E"	Subsidiary	Egypt	98%	98%
CHG for Hospitals Company "S.A.E"	Subsidiary	Egypt	99.99%	99.99%
Bedaya Hospital 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%

Non-controlling interests' purchases and sales

The Group applies the economic entity model to account for transactions with non-controlling interests' owners in transactions that do not result in a loss of control. Any difference between the consideration of the purchase and the carrying amount of the non-controlling interests acquired is recorded as a capital transaction directly in equity. The Group recognizes the difference between the consideration of the sale and the carrying amount of the sold non-controlling interests as a capital transaction in the statement of changes in equity.

(b) Associates

Associates are all entities over which the Group has (either directly or indirectly) significant influence but not control. Generally, it is accompanied by an ownership percentage between 20 and 50 percent of the voting rights. Investments in associates are accounted by using the equity method of accounting and are initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share in the profit or loss of the investee after the date of acquisition. Dividends received from the associates reduce the carrying amount of the investment in the associates. Other variables after acquisition in the Group's share of the net assets of the associate are recognized as follows: (i) the Group's share of the associates' profits or losses is recognized in the consolidated profit or loss for the year as a share in the associates' results, (ii) the Group's share of other comprehensive income is recognized in the other comprehensive income and presented separately, (iii); All other variables in the Group's share of the carrying amount of net assets of the associates are recognized in profit or loss in the associates' share of results.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.2 Consolidated financial statements (continued)

(b) Associates (continued)

However, if the Group's share in the losses of an associate exceeds or is equal to its interest in that associate, including any other unsecured long-term debit balances, including any other unsecured receivables, the Group does not recognize any additional losses unless It has incurred liabilities or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are derecognised in the extent of the Group's interest in the associates. Unrealized losses are also derecognised unless the transaction provides evidence of an impairment in the transferred asset.

Associates are as follows:

	Relationship with Cleopatra Hospital Company	Country of incorporation	Ownership percentage in 2025	Ownership percentage in 2024
Egypt Healthcare Facilities				
Services for facility management	Associate	Egypt	49%	49%

3.3 Foreign currency translation

(a) Functional and presentation currency

The functional currency of each of the Group's companies is the currency of the primary economic environment in which the Company operates. The functional and presentation currency of the Company and all of its subsidiaries is the national currency of the Arab Republic of Egypt, the Egyptian pound. The consolidated financial statements are presented in Egyptian pound, which is the Group's presentation currency.

(b) Transactions and balances

Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the Central Bank of Egypt (CBE) at the end of the related financial period. Foreign exchange gains and losses arising from the settlement of transactions and from the translation of monetary assets and liabilities into each entity's functional currency at the end of the year are recognized in profit or loss. Foreign exchange gains and losses relating to loans, cash and cash equivalents are presented in the consolidated statement of profit or loss under "finance income or expenses". Translation at year-end exchange rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items that are measured at the fair value of a foreign currency, including equity investments, are translated using the exchange rates at the date on which the fair value is determined. The effects of changes in exchange rates on non-monetary items measured at fair value to a foreign currency are recorded as part of fair value profit or loss.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.4 Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Historical cost includes all expenditures associated with acquiring the asset and bringing it to a ready-for-use condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when the use of such asset is expected to generate future economic benefits to the Group and its cost can be measured with a high degree of accuracy. The costs of minor repairs and daily maintenance are registered as expenses when incurred and the cost of replacing major parts or components of fixed asset items is capitalized and the replaced part is derecognised.

At the end of each reporting period, management assesses whether there is any indication that the fixed assets are impaired. If there is any such indication, management estimates the recoverable amount, which is determined as the asset's fair value less costs of disposal or its value in use, whichever is higher. The carrying amount is reduced to its recoverable amount and the impairment loss is recognised in the statement of profit or loss for the year. Impairment loss recognised for an asset in prior years is reversed, when necessary, if there is a change in the estimates used to determine the asset's value in use or fair value less costs of disposal.

Profits and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognized in the statement of profit or loss for the year within "Other income/ (expenses)".

Depreciation of lands is not calculated. Depreciation of other items of fixed assets is calculated using the straight-line method to reduce their cost to their residual value over their estimated useful lives as follows:

Below are the estimated depreciation rates depending on the asset's types:

Machinery, equipment and devices	10%
Furniture	15%
Buildings	2,5%
Transportations	20% to 25%
Computers	25%
Leasehold improvements	Remainder of the lease

The residual value of an asset is the estimated amount which the Group would currently receive from the disposal of the asset less the estimated costs of disposal, if the asset was still operating and in the expected condition at the end of its useful life. The assets' residual value and useful lives are reviewed, and adjusted, if necessary.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.5 Intangible assets

(a) Goodwill

Goodwill is stated at cost less impairment losses, if any. Goodwill is allocated to cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the business combination. These units or groups of units represent the lowest level at which the Group monitors goodwill and are not larger than an operating segment.

The Group tests the impairment of goodwill at least annually, and whenever there are indications that goodwill may be impaired. The carrying amount of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and fair value less costs of disposal. The Group recognizes impairment as an expense immediately and is not reversed subsequently.

The profits or losses arising from the disposal of an operation within the CGU to which the goodwill is allocated includes the carrying amount of the goodwill associated with the disposed operation, which is generally measured on the basis of the relative values of the disposed operation and the held part of the CGU.

Intangible assets other than goodwill

The Group's intangible assets other than goodwill and trade name have definite useful lives and mainly include capitalized computer software and a non-competition agreement.

Computer software licenses, trademarks and non-competition agreement acquired are capitalized on the basis of the costs incurred to acquire and use them.

Amortisation is recognized in the statement of income on a straight-line basis over the estimated useful life of the intangible asset, from the date it is available.

Useful lives in years

Trade Name	Undefined
Non-competition agreement	7 years
Software licenses	3-5 years

Impairment of non-financial assets

Intangible assets that have indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation are reviewed to determine impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognized when the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of sale or value in use. For the purposes of assessing impairment, assets are compared at the lowest level for which there are largely independent cash inflows (cash-generating units). The impairment of past non-financial assets (other than goodwill) is reviewed for a probable reversal at each reporting date.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

3. Basis of preparation (continued)

3.6 Financial instruments

(1) Classification

The Group classifies its financial assets in the following categories:

- Those that are subsequently measured at fair value (either through the statement of other comprehensive income or through the statement of profit or loss).
- Those measured at amortized cost. The Group's financial assets at amortised cost consist of trade and other receivables and other treasury bills.

The classification is based on the entity's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, profits and losses will be recorded in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition of the equity investment account at FVOCI.

The Group reclassifies debt investments only when its business model for managing those assets changes.

(2) Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on the transaction date, the date on which the Group commits to purchase or sell the asset. Financial asset is derecognised when the contractual rights to receive cash flows from the financial asset have expired or where the Group has substantially transferred all risks and rewards of ownership.

(3) Measurement

Upon initial recognition, the Group measures the financial asset at its fair value in addition to transaction costs that directly lead to the purchase of the financial asset, in the case of financial assets not carried at fair value through the statement of profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are charged to the consolidated statement of profit or loss as expense.

1- Debt instruments

Subsequent measurement of debt instruments depends on the Group's asset management business model and the asset's cash flow characteristics. There are three measurement categories in which the debt instruments are classified by the Group:

Amortised cost: Assets held for collection of the contractual cash flows are measured at amortised cost as these cash flows represent solely payments of principal and interest ("SPPI"). The interest income from these financial assets is classified under the financing income using the effective interest rate method. Any gain or loss resulting from de-recognition is recognized directly in the consolidated statement of profit or loss and is presented in other profits (losses), in addition to foreign exchange gains and losses. Impairment losses are presented as a separate item in the consolidated statement of profit or loss.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.6 Financial instruments (continued)

(3) Measurement (continued)

1- Debt instruments (continued)

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The profit or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in the consolidated statement of profit or loss and is presented net within other profits (losses) in the period in which it arises.

2- Equity instruments

The Group subsequently measures all equity investments at fair value. When the Group's management chose to present the fair value gains and losses on equity investments in the statement of other comprehensive income, there is no subsequent reclassification of the fair value gains and losses in profit or loss after derecognition of the investment. Dividends on these investments continue to be recognised in the statement of profit or loss as other income when the Group's right to receive payment is established.

The changes in the fair value of the financial assets at fair value through profit or loss are recognised within (other profits / losses) in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through statement of other comprehensive income are not recognised separately from other changes in fair value.

Impairment of financial assets - credit loss provision for ECLs

The Group assesses, on a forward-looking basis, the ECL associated with debt instruments measured at AC. The Group measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECLs reflects: (i) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Key measurement conditions

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of the fair value is the price in an active market. An active market is the market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial instruments traded in an active market is measured as a product of the quoted price of an individual asset or liability and the number of instruments held by the entity. This is the case even if the market's normal daily trading volume is insufficient to accommodate the quantity held, and placing orders to sell the position in a single transaction may affect the quoted price.

The fair value of financial instruments that are not traded in an active market is determined using evaluation techniques.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

3. Basis of preparation (continued)

3.6 Financial instruments (continued)

(3) Measurement (continued)

2- Equity instruments (continued)

Key measurement conditions (continued)

Transaction costs are incremental costs directly attributable to the acquisition, issuance or de-recognition of a financial instrument. Incremental cost is the cost that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees who act as selling agents), advisors, brokers, traders, fees imposed by regulatory authorities, stock exchanges, and transfer taxes and fees. Transaction costs do not include debt premiums, discounts, financing costs, internal administrative costs, or retention costs.

Amortised cost is the amount for which a financial instrument was recognised at initial recognition less any principal payments in addition to accrued interests, and for financial assets less any provision for expected credit losses ("ECLs"). Accrued interests include the amortisation of deferred transaction costs at initial recognition and any premium or discount to the accrual amount using the effective interest rate method. Accrued interest income and accrued interest expenses, including accrued coupon, discount or amortized premium (including deferred charges upon construction, if any), are not presented separately and are included in the carrying amounts of the related items in the consolidated statement of financial position.

Impairment of financial assets - credit loss provision for ECLs

The Group assesses, on a forward-looking basis, the ECL associated with debt instruments measured at AC. The Group measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECLs reflects: (i) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at amortised cost, trade and other receivables and contract assets are presented in the consolidated statement of financial position net of provision for ECL. For changes in amortised cost, net of provision of ECL, they are recognised in the profit or loss. The Group applies a simplified approach to impairment of financial assets.

Financial assets - de-recognition

The Company derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) transferring substantially all the risks and rewards of ownership or (iii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without the need to impose additional restrictions on the sale.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.6 Financial instruments (continued)

(3) Measurement (continued)

2- Equity instruments (continued)

Financial liabilities - measurement categories

Financial liabilities are classified as subsequently measured at amortized cost, being the contingent consideration recognized by the acquirer in a business combination and other financial liabilities classified as such at initial recognition, and financial guarantee contracts and loan commitments.

Financial liabilities - de-recognition

Financial liabilities are derecognised when they are terminated (i.e. when the obligation specified in the contract is fulfilled or cancelled).

3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are recorded at AC for the following reasons: (i) They are held to collect contractual cash flows and those cash flows are SPPI, and (ii) they are not designated at FVTPL.

Interest income

Interest income is recognised on accrual basis using the effective interest method.

3.8 Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate.

3.9 Trade and other payables

These amounts represent liabilities to pay for goods and services provided to the Group before the end of the financial year that have not been paid. Trade payables are presented as current liabilities unless payment is due within 12 months after the reporting period. Trade payables are initially recognised at their fair value, and they are subsequently measured at amortised cost using the effective interest method.

3.10 Loans and bank overdrafts

Loans are initially recognized at fair value, net of transaction costs incurred. They are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the recoverable amount is recognized in profit or loss over the loan period, using the effective interest method. Fees paid, upon establishing loan facilities, are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be withdrawn. In this case, the fees will be deferred until the withdrawal takes place. To the extent that there is no evidence that some or all of the facilities are likely to be withdrawn, the fees are capitalized as an advance payment for liquidity services and are amortized over the term of the facilities to which they relate.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Basis of preparation (continued)

3.10 Loans and bank overdrafts (continued)

Loans are derecognized from the financial position when the liability specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been amortized or transferred to another party and the consideration paid, including any non-cash assets transferred or contingent liabilities, is recognized in profit or loss as other financing income or costs.

Capitalization of borrowing costs. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to be ready for their intended use or sale (qualifying assets) are capitalized as part of the costs of such assets.

Loans and advances are classified as current liabilities unless the Group has an unconditional right to defer settlement of such liabilities for at least 12 months after the date of the financial statements.

3.11 Lease liabilities

The liabilities arising from the lease are initially measured on the present value basis. The lease liabilities include the net present value of the following lease payments:

- Fixed payments (including implicitly fixed payments), less any lease incentives receivable.
- Variable lease payments based on the index or rate are initially measured using the index or rate as at the date of inception.
- Amounts expected to be paid by the Group under the residual value guarantees.
- The price of exercising the option to purchase if the Group is reasonably certain of the practice of this option.
- Payments of lease termination fines, if the term of the lease reflects that the Group exercises this option.

Extension and termination options are included in a number of the Group's property and equipment leases. These terms are used to increase operational flexibility in terms of managing the assets used in the Group's operations. The majority of the maintained extension and termination options can only be exercised by the Group not by the relevant lessor. Extension options (or the period after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated). Lease payments made under reasonably certain extension options are also included in the liability measurement.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, which is generally the case for Group's leases, the Group's incremental borrowing rate is used, which is the rate that the Group would have to pay to borrow funds needed to obtain an asset of similar value to a right of use asset in a similar economic environment with similar terms, guarantee, and provisions.

To determine the incremental borrowing rate, the Group shall:

- Where applicable, use a recent third-party financing obtained by the Group as a starting point, adjusted to reflect changes in financing terms since the third-party financing was received.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

3. Significant accounting policies (continued)

3.11 Lease liabilities (continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, not included in the lease liability until it becomes effective. When changes to lease payments based on an index or rate become effective, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between the cost of the principle and the finance. The financing costs are charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments related to short-term leases of equipment and vehicles and low-value assets' leases on a straight-line basis are recognised as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low-value assets include small medical equipment and small items of office equipment.

The Company occasionally provides residual value guarantees in connection with equipment leases. The Group initially estimates the amounts expected to be paid under the residual value guarantees and recognizes them as part of the lease liability. The expected residual value, at the commencement of the lease, is usually equal to or higher than the guaranteed amount, and therefore the Group does not expect to pay anything under the guarantees. At the end of each reporting period, the expected residual values are reviewed and, if appropriate, amended to reflect the actual residual values realized on the comparable assets and expectations about future prices.

Lease revenue

The Groups shall lease areas to other parties. Lease value is recognised in the statement of profit or loss over the term of the contract.

3.12 Current and deferred income tax

The income tax for the period is calculated based on the tax laws enacted at the date of the financial position. The management periodically evaluates tax position through tax returns, taking into consideration the differences that may arise from some interpretations issued by administrative or regulatory authorities, and establishes the appropriate provisions based on amounts expected to be paid to the Tax Authority.

Deferred income tax is fully recognised using the liabilities method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability other than those arising from a business combination that at the time of the transaction affects neither accounting income nor taxable income.

Deferred income tax is measured using the tax rates in accordance with the prevailing law at the date of the consolidated statement of financial position, that are expected to be applied when the deferred income tax asset is recognized, or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that there will be future taxable profits against which temporary differences can be utilised.

Current and deferred taxes are recognised in profit or loss, except for items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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3. Significant accounting policies (continued)

3.13 Inventory

Inventory is assessed at the lower of actual cost and the net realisable value, whichever is lower. Cost is determined using the weighted average method and includes purchase cost and other direct costs. Net realisable value is the estimated selling price in the normal course of business, less sale expenses. Provision for slow moving inventory is formed based on management's assessment of inventory movements. The cost of inventory is recognized as an expense and is included in cost of revenue.

3.14 Capital

Ordinary shares are classified as equity.

Treasury shares.

If the Company or its subsidiaries purchase the Company's equity instruments, the paid consideration that includes any additional costs attributable directly is deducted from the equity attributable to the Company's owners, until the equity instruments are reissued, disposed of or cancelled. When those shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and related income tax effects, is included in equity attributable to the Company's owners.

3.15 Legal reserve

5% of the net profits is transferred to form legal reserve once the financial statements are approved by the Company's General Assembly. This transfer may be partially discontinued if the legal reserve reaches 50% of the Company's issued and paid-up capital. Whenever the reserve is less than such limit, the transfer should resume. Knowing that such reserve is non-distributable.

3.16 Dividends

Dividends are included in the consolidated financial statements in the period in which the Shareholders' General Assembly of the Company approve these dividends, and the Company does not record dividends liabilities until the proposed dividends are approved by the General Assembly.

3.17 Provisions

Provisions are recognized when the Company has a (legal or constructive) obligation as a result of past events. It is expected that this settlement results an outflow of the Company's resources, and it is probable that the use of resources will be required to settle this liability; and the amount of liability can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the obligation. The increase in the provision to reflect the passage of time is recognised as interest expense.

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

3. Significant accounting policies (continued)

3.18 Revenue recognition

Revenue is the revenue arising in Group's ordinary course of business. Revenue is recognised at the transaction price. The transaction price is the amount of the consideration that the Group expects to receive in exchange for transferring the control over goods or services it promised to provide to the customer, excluding the amounts collected on behalf of other parties.

Revenue is measured at the fair value of the consideration received or receivable for services in the Group's normal course of business. The Group recognises revenue based on a five-step model:

Step 1. Determine the contract(s) with customer.

Step 2. Determine performance obligations in the contract.

Step 3. Determine the transaction price.

Step 4. Allocate the transaction price of the performance obligations in the contract.

Step 5. Revenue is recognized when the Group fulfils the performance obligation. The Group fulfils the performance obligation and recognises revenue over time, if one of the following criteria is met:

- The patient receives at the same time the benefits provided by the Group's performance.

Medical services revenue

Revenue comprises fees charged for inpatient, day case and outpatient medical services. The Group renders several medical services, including surgeries, admission, medical supervision, analyses, investigations, x-rays and outpatient services. Inpatient and day case revenue is recognised as services are provided to patients. These services are typically rendered over a short period of time. Outpatient cases do not contain surgical procedures and revenue is recognised on an individual component basis when performance obligations are satisfied. Other revenue comprises non-medical services rendered to patients and third parties, including the rendering of restaurant services at the hospitals, corporate and site-based emergency service contracts and other third-party revenue.

Revenues are measured at the transaction price, which is the amount of consideration that the Group expects to be entitled to in exchange for the services provided. Fees charged for medical services are calculated and billed based on tariff agreements. In determining the transaction price, variable consideration in terms of EAS 48 exists in the form of discounts, tariff adjustments and rejected claims.

The business practice with insurers includes claims rejected for various technical or medical reasons. Accordingly, the Group expects an amount of consideration that is less than what was originally invoiced. These write-offs constitute variable consideration under EAS 48. Variable consideration is recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur. The rejected claims are calculated based on historical experience of outcomes to negotiations with insurers. This is regularly reassessed based on the actual outcome of negotiations. In accordance with EAS 48, these rejected claims are recognised as a reduction of revenue with a corresponding recognition within trade receivables.

Sale of medicine revenue

The Group sells medicines through the hospital's pharmacy or when it is provided to the inpatients in the hospital. The Group recognises the revenue of medicines when the control of goods is transferred, which normally happens when a patient receives the medicine or when the medicine is used for the treatment of inpatients - revenue is recognized at point of time.

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

3. Significant accounting policies (continued)

3.19 Earnings per share

Preference shares are not redeemable and are considered to be participating shares. Earnings per share are determined by dividing the profit or loss attributable to Company's owners by the weighted average number of participating shares outstanding during the financial year.

3.20 Employees' benefits

3.20.1 Pension and insurance plan

The Group pays contributions to the Public Authority for Social Insurance Plans on a mandatory basis in accordance with the rules of Social Insurance Law. The Group had no further liabilities once it discharged its obligations. The regular contributions are recognised as periodic costs for the period in which they are due and as such are included in staff costs.

3.20.2 Employee share ownership plan

Share-based compensation benefits are provided to employees through "Employee share ownership plan", an employee share plan, the executive short-term incentive plan and share appreciation rights.

The fair value of options granted under the "Employee share ownership plan" is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions.
- Excluding the effect of any service and non-market performance maturity conditions.
- Including the effect of any non-maturity conditions.

The total expense is recognised over the maturity period, which is the period over which all of the specified maturity conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to be granted based on the non-market maturity and service conditions. It recognises the impact of the amendment to original estimates, if any, in profit or loss, with a corresponding amendment to equity.

- On 15 October 2020, the Company's General Assembly approved the reward and incentive plan for employees, managers, and executive Board Members of the Company and its subsidiaries, by undertaking to sell shares, to be effective as at 1 July 2020, and the plan was approved by the FRA at 31 December 2020.
- Plan definition:
 - (a) An undertaking has been made to sell shares equivalent to 5% of the issued shares of the Company to employees, managers and executive board members of the Company and its subsidiaries who are selected by the supervisory committee, knowing that the same beneficiary may be chosen more than once during the term of the plan within the limits of this percentage. The supervisory committee may include other beneficiaries during the term of the plan.
 - (b) The term of the plan is a maximum of seven years, starting from 1 July 2020, during which each beneficiary is allocated a specific number of units as per the decision of the supervisory committee, with a maximum of five units.

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

3. Significant accounting policies (continued)

3.20 Employees' benefits (continued)

3.20.2 Employee share ownership plan (continued)

(c) The shares allocated to the beneficiary are calculated in accordance with the following formula:

The difference between (1) the weighted average share price (weighted average price) determined in the month prior to the allocation date and (2) the weighted average share price (weighted average price) determined in the month preceding the commencement date of exercising the right, which is the expiration date of one year since the date of each allocation (the "share price when exercising the right"). The result is then multiplied by the number of units allocated to each segment assigned to each beneficiary, and the aforementioned output is divided by the share price when exercising the right, resulting in the final number of shares allocated to the beneficiary ("the final number of shares"), with the aim of linking the economic interest of the beneficiaries of the plan with the interests of the Company's shareholders

In the event that the total result percentage of all beneficiaries' shares number of the plan exceeds 1% of the total issued shares of the Company annually at any time, the increase percentage shall be reduced to 1% in proportion to all beneficiaries of the plan who have not exercised their right on the shares allocated to them.

- (1) The final number of shares allocated to each beneficiary shall be distributed over three years according to the allocation contract for each beneficiary.
- (2) In the event that the beneficiary does not exercise his right during the period of exercising the right, his right to these shares shall be forfeited.
- (3) The issuance of the increase in the shares allocated to apply the plan is financed through a special reserve and/or issuance premium and/or retained earnings and/or by transferring the funds reserve or part thereof into shares, the value of which shall be increased by the amount of the issued capital based on a decision of the Board of Directors of the Company or the cash purchase of the Company's shares traded on the Egyptian Stock Exchange as treasury shares and distributing them according to the plan.
- (4) The fair value of these liabilities is recognised in the statement of profit or loss.
- (5) The General Assembly may terminate this plan, provided that the approval of the FRA is obtained, in a manner that does not conflict with the rights of the beneficiaries.

3.21 Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The management is considered the operating decision-maker and is responsible for allocating resources and evaluating the performance of the operating segments. Knowing that the segments for which reports are issued separately have revenue, results or assets of ten percent or more of all segments.

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

4. Significant accounting estimates and judgements in applying the accounting policies

The Company makes estimates and assumptions that affect the amounts recognised in the separate financial statements. Estimates and judgements are continually assessed based on the management's past experience and some other factors, including future events that are expected to occur and that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimates, in the process of applying accounting policies. Judgements that have a significant impact on the amounts recognized in the separate financial statements and estimates that could cause a significant adjustment to the carrying amount of assets and liabilities during the following financial year include:

4.1 Impairment of goodwill and other intangible assets

The Company's management evaluates goodwill and other intangible assets annually to determine any impairment in the goodwill. The carrying amount of goodwill is reduced if it is higher than the expected recoverable amount. Any losses resulting from the impairment of goodwill are charged to the statement of profit or loss and cannot be reversed later. (Note 9) provides more information in this regard.

4.2 Measurement of ECLs

The measurement of ECLs is a critical estimate that includes identification methodology, models and data inputs. The following components have a significant effect on the provision for credit loss: Definition of default, probability of default (PD), risk given default, and loss given default (LGD), as well as macroeconomic scenario models. The Company periodically reviews and verifies the models and inputs to the models to reduce any differences between ECLs estimates and the actual historical credit losses.

The Company has used future information to measure ECL, which is primarily a result of its macroeconomic forecasting model. The significant future assumptions related to the level of ECL are the GDP and the inflation rate.

4.3 Useful life of fixed assets

Estimating the useful lives of items of fixed assets is a matter of judgement based on experience with similar assets. The future economic benefits included in the assets are primarily amortised through use. However, other factors, such as technical or commercial obsolescence, often result in the decrease of economic benefits of the assets. Management assesses the remaining useful lives based on the current technical conditions of the assets and the estimated period during which the assets are expected to generate benefits to the Company. The following basic factors are taken into consideration: (a) The expected use of assets; (b) The expected physical depreciation, that depends on operating factors and maintenance programme; and (c) Technical or commercial obsolescence arising from changes in market conditions.

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

4. Significant accounting estimates and judgements in applying the accounting policies (continued)

4.4 Useful life of right-of-use assets

Depreciation of right-of-use assets. In determining the lease term, the management considers all facts and circumstances that form an economic incentive to exercise extension option or not to exercise the termination option. Extension options (or the periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated).

For leases of premises and equipment, the following factors are usually the most relevant:

- If there are significant fines for terminating (or not extending), the Company is usually reasonably certain to extend (or not to terminate) the lease. Most extension options in leases (premises and equipment) are not included in the lease liability, because the Company can replace assets without significant cost or business disruption.
- If any leasehold improvements are expected to have a significant residual value, the Company is usually reasonably certain to extend (or not terminate) the lease.

Otherwise, the Company considers other factors including previous lease periods, costs and business disruption needed to replace the leased asset. Most extension options in leases (premises and equipment) are not included in the lease liability, because the Company can replace assets without significant cost or business disruption.

Extension and termination options: Extension and termination options are included in a number of the Company's premises and equipment leases. These options are used to increase operational flexibility in terms of managing the assets used in the Company's operations. The majority of the maintained extension and termination options can only be exercised by the Company not by the relevant lessor.

4.5 Discount rates used to determine lease liabilities.

The Company uses the incremental borrowing rate as the basis for calculating the discount rate because the interest rate implicit in the lease cannot be easily determined.

The following factors determine the use of the incremental borrowing rate: Using recent third-party financing obtained by the Company as a starting point, adjusted to reflect changes in financing terms since the third-party financing was received.

The contractual lease period for a building has not been taken into account, due to the Group being in the final stages of changing fundamental clauses in the contract that affect the measurement of the lease obligation and the right to use the asset.

4.6 Provisions

Provisions are recognised when there is a present (legal or constructive) obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount has been reliably estimated. The Group reviews the provision at the date of each statement of financial position and adjusts it to show the best present estimate after taking the appropriate advice.

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

5. Financial risk management

5.1 Financial risk factors

The risk management function within the Group develops plans to address financial, operational and legal risks. Financial risk includes market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary function of financial risk management is to set risk limits and to ensure that any exposure to risks remains within these limits. Operational and legal risk management functions aim to ensure the proper functioning of internal policies and procedures to reduce operational and legal risks.

5.1.1 Credit risk.

The Group exposes itself to credit risk, which is the risk of exposing one party to the financial instruments to financial losses to the other party through non-performance of its obligations.

Trade receivables are presented net of provisions for ECLs. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base, which consists mainly of insured customers, corporate and government related entities. The financial situation of those clients shall be assessed in relation to their credit situation on an ongoing basis. The policy for uninsured patients that do not represent corporate clients or government entities is to require a preliminary payment instead.

The Group's maximum exposure to credit risk is shown in the carrying amounts of financial assets in the consolidated statement of financial position.

Credit risk management: Credit risk is one of the biggest risks to the Group's business. Therefore management carefully manages potential credit risks.

Credit ratings issued by consolidated international rating agencies, such as S&P, Moody's and Fitch, are available for public use. Such ratings and the corresponding scope of PD apply to the following financial instruments: [Cash at banks.]

Measurement of ECL. ECL is a probability-weighted estimate of the present value of future cash deficit (i.e., the weighted average of credit losses, with the relevant risk of default occurring in a particular time period used as weights). The measurement of ECL is unbiased and is determined by evaluating a range of potential outcomes. The measurement of ECL is based on four components that a Group uses: Probability of default (PD), impact of default, loss given default (LGD) and discount rate.

Risk given default is an estimate of the PD at a future date, taking into consideration the expected changes in the risk after the financial period, including the payment of principal and interest, and the expected withdrawal of the committed facilities.

For the purposes of measuring the PD, the Group defines default as a situation in which the exposure meets one or more of the following criteria:

For trade and other receivables:

- The customer meets the unwillingness to pay criteria listed below:
- Evidence of the customer's inability to pay.
- Bouncing of customer's cheques.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.1 Credit risk. (continued)

For disclosure purposes, the Group has fully conformed the definition of default with the definition of credit impaired assets. The definition of default mentioned above is applied to all types of financial assets of the Group.

The Group makes assessments based on the external ratings of [cash at banks]

Future information included in ECL models. The calculation of ECL includes supportable future information. The Group has identified certain key economic variables that are associated with developments in credit risk and ECL. Forecasts of economic variables (“basic economic scenario”) are provided by the Group’s [management] and provide a best estimate of the expected macroeconomic development in the future.

The Group applies the simplified model to measure ECLs, which uses a lifetime expected loss provision for all trade and other receivables and due from related parties.

To measure ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the profiles of customers’ payments over a period of 36 months before the date of the statement of financial position and 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 debit balances. The Group has identified the GDP and unemployment rate in Egypt to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in such factors.

Trade receivables are written-off when there is no reasonable expectation of recovery. Provision of credit loss for trade receivables are presented as net impairment losses within operating profit. Recoverable amounts that were previously written-off are subsequently included against the same item.

Debt investments

The Group's investments in debt instruments at “amortised cost” are considered low risk investments. Therefore, the provision for loss recognised during the period is limited to 12-month expected losses. Management considers “low credit risk” for listed bonds to have investment grade credit rating with at least one major rating agency. Other instruments are considered to have low credit risk as they have a low risk of default, and the issuer has a strong ability to meet contractual cash flows obligations in the short term.

The Group regularly reviews its methodology and assumptions to reduce any difference between estimated and actual credit loss.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.1 Credit risk. (continued)

Debt investments (continued)

The following are the balances exposed to credit risk before deducting ECLs:

	<u>ECL model</u>	<u>2025</u>	<u>2024</u>
Cash at banks	General	550,800,902	472,432,116
Trade receivables	Simplified	1,532,923,357	1,228,932,781
Employees' advances and loans and insurances with third parties	General	11,253,281	9,719,905
		<u>2,094,977,540</u>	<u>1,711,084,802</u>

Credit risk on debit balances and bank balances is limited as follows:

- Cash balances and term deposits are held with reputable banks in Egypt that have a strong financial position, as all banks in Egypt are guaranteed by the Central Bank of Egypt (CBE).
- The carrying amount of the financial assets represents the maximum limit for credit risk.

5.1.2 Market risk

The Group is exposed to market risk. Market risk arises from open positions in (a) currency, (b) interest rates and (c) equity instruments, all of which are subject to general and specific market movements. Management sets limits on the amount of risk that can be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside these limits in the event of more significant movements in the market.

Currency risk. With regard to currency risk, management sets limits on the level of exposure to risks by currency and in aggregate for both one day positions and daily positions, which are monitored daily.

The table below summarizes the Group's exposure to foreign currency exchange risk at the end of the year:

	<u>At 31 December 2025</u>			<u>At 31 December 2024</u>		
	Monetary financial assets	Monetary financial liabilities	Net position	Monetary financial assets	Monetary financial liabilities	Net position
USD	104,396,660	-	104,396,660	150,325,366	-	150,325,366
EUR	321,500	-	321,500	1,184,534	-	1,184,534
GBP	171,379	-	171,379	171,868	-	171,868
Total	<u>104,889,539</u>	<u>-</u>	<u>104,889,539</u>	<u>151,681,768</u>	<u>-</u>	<u>151,681,768</u>

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Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.2 Market risk (continued)

The following table presents the change degree in the profit or loss and equity for reasonably possible changes in the exchange rates applicable at the end of the year in relation to the functional currency of the companies of the concerned Group, with all other variables held constant:

	Impact on the profit or loss	
	2025	2024
An increase by 10% in USD (2024: an increase by 60%)	10,439,666	90,195,220
A decrease by 10% in USD (2024: a decrease by 60%)	(10,439,666)	(90,195,220)
An increase by 10% in EUR (2024: an increase by 60%)	32,150	710,720
A decrease by 10% in EUR (2024: a decrease by 60%)	(32,150)	(710,720)
An increase by 10% in GBP (2024: an increase by 60%)	17,138	103,121
A decrease by 10% in GBP (2024: a decrease by 60%)	(17,138)	(103,121)

(1) Interest rate risks

The Company is exposed to the risk effects of fluctuations in the prevailing levels of market interest rates on its financial position and its cash flows. Interest margins may increase as a result of such changes, but may reduce or cause losses if unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch in interest rate re-pricing that can be made.

The table below summarizes the Group's exposure to the interest rate risk. The table shows the combined amounts of the Group's financial assets and liabilities at carrying amounts, categorized by the earlier of contractual interest re-pricing or maturity dates:

	Less than one year	More than one year	Total
31 December 2025			
Total financial assets	547,542,841	-	547,542,841
Total financial liabilities	(895,807,571)	(2,806,950,857)	(3,702,758,428)
Net interest sensitivity gap at 31 December 2025	(348,264,730)	(2,806,950,857)	(3,155,215,587)
31 December 2024			
Total financial assets	473,215,037	-	473,215,037
Total financial liabilities	(486,499,573)	(2,002,471,691)	(2,488,971,264)
Net interest sensitivity gap at 31 December 2024	(13,284,536)	(2,002,471,691)	(2,015,756,227)

On 31 December 2025, if interest rates on such date are 600 basis points lower (2024: 600 basis points lower) with all other variables held constant, the profit for the year will be higher by EGP 189,312,935 (2024: EGP 120,945,374), mainly due to decrease of interest expenses on variable interest liabilities.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.2 Market risk (continued)

(1) Interest rate risks (continued)

On 31 December 2025, if interest rates on such date are 600 basis points higher (2024: 600 basis points higher) with all other variables held constant, the profit for the year will be lower by EGP 189,312,935 (2024: EGP 120,945,374), mainly due to decrease of interest expenses on variable interest liabilities.

The Group monitors the interest rates of its financial instruments. The table below summarizes the interest rates at the relevant financial statements date based on the reports reviewed by key management personnel. For securities, interest rates represent returns until maturity based on market price offers at the date of the financial statements:

	2025		2024	
	EGP	USD	EGP	USD
Assets				
Cash and cash equivalents - current accounts	%16 - %15	%2.75	18%	3%
Cash and cash equivalents - Term deposits	-	%3.5	-	3.75%
Liabilities				
Bank overdrafts	%21.1	-	28.35%	-
Loans	%21.8 - %21.65	-	28.90%	-

5.1.3 Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its obligations associated with financial liabilities. The Group is exposed to daily calls for its available cash resources. Liquidity risk is managed by the Group's Finance Department. Management monitors the monthly periodic forecasts of the Group's cash flows.

The Group seeks to maintain a stable financing base consisting primarily of loans and trade and other payables. The Group invests funds in different portfolios of liquid assets, in order to be able to respond quickly and easily to unexpected liquidity requirements. The Group's liquidity portfolio comprises cash and cash equivalents (Note 14). Management estimates that cash liquidity portfolio and bank deposits can be realised in cash within a day in order to meet unexpected liquidity requirements.

The liquidity position is monitored and liquidity stress is tested regularly in accordance with a variety of scenarios covering both normal and risky market conditions by the Finance Department.

At the date of the financial statements, the Group's current liabilities exceeded its current assets, resulting in a negative net working capital. Management has conducted a comprehensive assessment of the Group's ability to meet its obligations as they fall due.

This assessment included the preparation and review of projected budgets and cash flows for a period of at least twelve months from the date of the financial statements. These projections were based on operational and financial assumptions that management considers reasonable, taking into account the Group's historical performance and prevailing economic conditions.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.3 Liquidity risk (continued)

Based on the approved budget for 2026, management anticipates a significant improvement in the Group's operating performance, with positive operating cash flows. The projections also indicate an improved working capital position, with current assets expected to exceed current liabilities due to increased activity levels and improved working capital management efficiency.

The forecast also highlights the availability of a strong cash balance at the end of the period, in addition to the company having available and unused credit facilities worth EGP 331 Million, which can be used when needed to cover any short-term financing requirements or any potential shortage of working capital.

Management believes that the expected cash flows from operating activities, along with the available credit facilities, will be sufficient to enable the Group to meet its financial obligations as they fall due during the forecast period.

The table below shows the liabilities at 31 December 2025 through the remaining contractual maturity. The amounts disclosed in the accrual table are the contractual undiscounted cash flows, including total finance lease liabilities (before future finance fees are deducted) and total loan commitments and financial guarantees. These undiscounted cash flows differ from the amount in the statement of financial position, because the amount of the statement of financial position depends on the discounted cash flows.

When the amount due is not fixed, the disclosed amount is determined by reference to the terms at the end of the financial period. Foreign currency payments are transferred using the spot exchange rate at the end of the financial period.

The following is the analysis of the maturity of financial liabilities as at 31 December 2025:

	<u>Less than one year</u>	<u>More than one year</u>	<u>Total</u>
Liabilities			
Bank overdrafts	391,325,194	-	391,325,194
Trade payables	1,932,432,355	-	1,932,432,355
Loans	451,063,593	5,161,373,950	5,612,437,543
Lease liabilities	53,418,784	326,843,506	380,262,290
Employee incentive plan	106,661,047	-	106,661,047
Total future payments, including future payments of principal and interest	<u>3,033,232,836</u>	<u>5,488,217,456</u>	<u>8,423,118,429</u>

The following is the analysis of the maturity of financial liabilities as at 31 December 2024:

	<u>Less than one year</u>	<u>More than one year</u>	<u>Total</u>
Liabilities			
Bank overdrafts	302,160,797	-	302,160,797
Trade payables	1,523,387,492	-	1,523,387,492
Loans	137,505,626	3,669,661,125	3,807,166,751
Lease liabilities	46,833,150	93,654,229	140,487,379
Total future payments, including future payments of principal and interest	<u>2,009,887,065</u>	<u>3,763,315,354</u>	<u>5,773,202,419</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

5.1.3 Liquidity risk (continued)

The Group's objectives when managing the capital are to safeguard the Group's ability to continue as a going concern in order to increase returns for shareholders and provide benefits for stakeholders who use financial statements, and to maintain an optimal capital structure to reduce the cost of capital, as consistent with other companies operating in the same field.

The Group's management monitors the capital structure using the gearing ratio, which is calculated based on net debt to the total loans ratio, advances, notes payables and due to related parties, net of cash. Total capital represents total net debt plus equity as shown in the consolidated statement of financial position.

Net debt to total invested capital ratio as at 31 December 2025 and 31 December 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Creditors and other credit balances	1,904,150,198	1,507,179,622
Bank overdrafts	391,325,194	302,160,797
Lease liabilities	175,620,181	109,216,063
Loans	3,135,813,053	2,046,323,088
Less: Cash and cash equivalents	<u>(554,583,219)</u>	<u>(477,812,191)</u>
Net debt	5,059,365,785	3,487,067,379
Total equity	<u>4,040,365,543</u>	<u>3,177,797,400</u>
Total invested capital	<u>9,092,690,950</u>	<u>6,664,864,779</u>
Net debt to total invested capital	<u>%55.65</u>	<u>52.32%</u>

Loans include specific covenants. Covenants are monitored by the management, during 2025, no non-compliance with any of these covenants was observed.

5.2 Fair value of financial instruments estimates

Fair value is the price that would be received from the sale of an asset or a payment against any liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction of selling the asset or paying the liability occurs either:

- In the asset's or liability's primary market; or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Group should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Group does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Group takes into consideration all information reasonably available.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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5. Financial risk management (continued)

5.2 Fair value of financial instruments estimates (continued)

The table below shows the financial assets and liabilities at fair value in the consolidated financial statements at 31 December 2025 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

Recurring fair value measurement	Note	Level 1	Level 2	Level 3	Total
At 31 December 2025					
Financial assets					
Employee reward plan at FVTPL	22	106,661,047	-	-	106,661,047
Total financial assets		106,661,047	-	-	106,661,047

Recurring fair value measurement	Note	Level 1	Level 2	Level 3	Total
At 31 December 2024					
Financial assets					
Employee reward plan at FVTPL	22	36,466,935	-	-	36,466,935
Total financial assets		36,466,935	-	-	36,466,935

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, to which the Company can have access at the date of measurement.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Unobservable inputs of the asset or the liability.

The Group has on the date of preparing the consolidated financial statements, financial assets at FVTPL, that are listed under Level 1. The Group determines in case of necessary transfers between levels within the hierarchy for fair value measurement through the revaluation of the classification (based on the lowest input levels that are material to the fair value measurement as a whole). The Group did not make any transfers between the levels during the year.

The fair value of the current financial assets and liabilities approximate their carrying amount, after considering any impairment.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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6. Segment reporting

Business segments are reported in line with the reports provided internally to senior management, which makes decisions about allocation of resources and assessment of segment performance in the Group. Senior management is represented on the Group's Executive Management Committee. Segment reporting is provided to the Group based on each company, whereas each subsidiary is considered a separate business segment.

Below is a summary of each segment, which is presented for the year ended 31 December 2025 for each segment:

	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawy Hospital	Al Shrouk Hospital	CHG Pharma Medical for Services	CHG for Pharmacy Management	CHG for Hospitals Company	EiKateb Hospital	Bedaya El Gedida Company for Medical Centers and Hospitals	CHG SKY Hospital	Cleopatra Heaven	Consolidation entries	Total
Statement of financial position													
Non-current assets	3,253,157,921	608,969,751	844,331,371	331,718,222	16,012,350	1,519,064	-	184,265,267	96,178,340	3,835,639,044	496,359,524	(1,790,217,495)	7,877,933,359
Current assets	1,356,551,148	808,183,514	290,671,928	622,985,715	54,165,435	35,968,622	48,376,245	95,842,745	109,810,819	122,123,615	133,372,986	(1,314,726,846)	2,363,325,926
Total assets	4,609,709,069	1,417,153,265	1,135,003,299	954,703,937	70,177,785	37,487,686	48,376,245	280,108,012	205,989,159	3,957,762,659	629,732,510	(3,115,010,028)	10,241,259,285
Current liabilities	1,817,042,206	403,380,576	357,150,981	207,287,925	65,774,140	44,884,429	2,233,543	100,056,859	82,980,883	1,240,508,340	308,073,184	(1,319,055,904)	3,310,317,162
Non-current liabilities	294,893,610	77,962,435	254,416,527	31,481,838	13,442,616	2,847,451	-	3,638,207	2,101,739	1,810,460,460	367,319,277	32,012,420	2,890,576,580
Total liabilities	2,111,935,816	481,343,011	611,567,508	238,769,763	79,216,756	47,731,880	2,233,543	103,695,066	85,082,622	3,050,968,800	675,392,461	(1,287,043,484)	6,200,893,742
Statement of profit or loss:													
Revenue	2,461,037,749	1,579,063,693	1,056,561,565	1,074,090,828	205,154,327	117,727,831	3,789,997	350,388,230	166,098,826	-	404,518,175	(191,166,761)	7,227,264,460
Cost of obtaining revenue	(1,280,600,614)	(988,677,445)	(714,228,174)	(666,628,996)	(137,262,594)	(114,287,800)	-	(238,794,303)	(106,481,164)	-	(312,095,386)	190,261,883	(4,368,794,593)
Gross profit	1,180,437,135	590,386,248	342,333,391	407,461,832	67,891,733	3,440,031	3,789,997	111,593,927	59,617,662	-	92,422,789	(904,878)	2,858,469,867
Other income and expenses	(660,423,354)	(305,568,346)	(260,196,937)	(222,568,626)	(31,152,348)	(4,912,129)	(1,834,670)	(75,720,022)	(42,498,303)	(133,926,040)	(153,020,136)	1,217,358	(1,890,603,553)
Profit for the year	520,013,781	284,817,902	82,136,454	184,893,206	36,739,385	(1,472,098)	1,955,327	35,873,905	17,119,359	(133,926,040)	(60,597,347)	312,480	967,866,317
Other items													
Capital expenditures	294,886,907	97,704,776	254,939,127	58,010,758	1,396,361	403,308	-	19,699,678	3,782,728	1,745,207,327	175,562,255	-	2,651,593,225
Fixed assets depreciation	58,841,355	42,220,031	42,853,081	34,151,534	1,980,826	55,097	-	10,681,534	6,865,943	-	13,635,001	6,342,600	217,627,002

* Consolidation entries mainly present the derecognition of investment in subsidiaries and inter-companies balances and transactions.

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6. Segment reporting (continued)

Business segments are reported in line with the reports provided internally to senior management, which makes decisions about allocation of resources and assessment of segment performance in the Group. Senior management is represented on the Group's Executive Management Committee. Segment reporting is provided to the Group based on each company, whereas each subsidiary is considered a separate business segment.

Below is a summary of each segment, which is presented for the year ended 31 December 2024 for each segment:

	Cleopatra Hospital Company	Cairo Specialised Hospital	Nile Badrawy Hospital	Al Shrouk Hospital	CHG Medical Services	CHG Pharma for Pharmacy Management	CHG for Hospitals Company	EiKateb Hospital	Bedaya El Gedida Company for Medical Centers and Hospitals	CHG SKY Hospital	Cleopatra Heaven	Consolidation entries	Total
Statement of financial position													
Non-current assets	2,460,878,342	530,657,144	587,059,851	310,411,236	20,537,093	1,882,075	-	172,255,511	101,534,904	2,090,342,154	84,494,117	(1,228,455,195)	5,131,597,232
Current assets	991,536,690	518,266,776	291,364,878	419,548,538	43,961,520	29,129,314	48,895,323	69,016,176	80,199,754	255,634,027	171,736,087	(461,133,768)	2,458,155,315
Total assets	3,452,415,032	1,048,923,920	878,424,729	729,959,774	64,498,613	31,011,389	48,895,323	241,271,687	181,734,658	2,345,976,181	256,230,204	(1,689,588,963)	7,589,752,547
Current liabilities	1,083,990,200	315,540,537	244,577,355	158,250,356	103,964,382	38,014,790	4,707,947	97,568,929	74,430,241	441,790,766	237,398,550	(475,786,914)	2,324,447,139
Non-current liabilities	311,872,997	72,702,582	179,756,815	32,642,397	6,312,587	1,768,694	-	3,163,718	3,517,358	1,428,465,516	3,894,258	43,411,086	2,087,508,008
Total liabilities	1,395,863,197	388,243,119	424,334,170	190,892,753	110,276,969	39,783,484	4,707,947	100,732,647	77,947,599	1,870,256,282	241,292,808	(432,375,828)	4,411,955,147
Statement of profit or loss:													
Revenue	1,909,579,511	1,178,975,455	827,017,546	814,164,721	152,817,082	79,108,108	18,300,866	238,265,538	114,914,355	-	248,166,411	(160,913,182)	5,420,396,411
Cost of obtaining revenue	(1,018,572,568)	(778,044,851)	(571,494,642)	(539,020,011)	(116,559,741)	(76,574,211)	-	(177,309,404)	(66,648,744)	-	(213,757,803)	150,928,913	(3,407,053,062)
Gross profit	891,006,943	400,930,604	255,522,904	275,144,710	36,257,341	2,533,897	18,300,866	60,956,134	48,265,611	-	34,408,608	(9,984,269)	2,013,343,349
Other income and expenses	(491,111,831)	(200,168,614)	(152,011,567)	(148,051,040)	(23,532,453)	(3,526,370)	(1,574,860)	(48,806,055)	(42,612,096)	-	(69,418,477)	(5,028,952)	(1,196,331,361)
Profit for the year	399,895,112	200,761,990	103,511,337	127,093,670	12,724,888	(992,473)	16,726,006	12,150,079	5,653,515	-	(35,009,869)	(15,013,221)	817,011,989
Other items													
Capital expenditures	307,004,166	134,154,553	202,767,341	23,928,476	3,694,550	142,963	-	21,086,194	8,441,237	-	45,157,226	-	2,648,894,145
Fixed assets depreciation	48,113,212	37,787,073	31,703,665	34,039,110	1,332,503	31,413	-	8,905,364	6,657,990	-	7,273,071	6,342,597	182,185,998

* Consolidation entries mainly present the derecognition of investment in subsidiaries and inter-companies balances and transactions.

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

7. Fixed assets

	Lands	Machinery, equipment and devices	Furniture	Buildings	Transportations	Computers	Projects in progress	Total
At 1 January 2024								
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 carrying amount	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 2024								
Opening net carrying amount	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	-	228,407,009	21,528,069	992,935	17,350,000	10,505,399	2,370,110,733	2,648,894,145
Disposals	-	(4,901,429)	(2,626,938)	(359,881)	(860,550)	(717,004)	(62,522)	(9,528,324)
Transferred from projects in progress	-	36,766,711	1,946,309	165,546,134	-	3,190,926	(207,450,080)	23,429
Depreciation for the year	-	(88,144,039)	(26,026,319)	(33,204,807)	(8,424,154)	(26,386,679)	-	-
Accumulated depreciation of disposal	-	4,185,631	2,494,461	223,291	860,550	599,872	-	(182,185,998)
Adjustments on accumulated depreciation	-	-	-	-	-	55,980	-	8,363,805
At 31 December 2024	173,240,262	700,308,086	108,569,448	812,664,432	39,138,537	39,868,899	2,768,442,562	55,980
Cost	173,240,262	1,204,328,371	213,910,044	1,035,227,517	58,744,148	188,021,707	2,768,442,562	5,641,914,611
Accumulated depreciation	-	(504,020,285)	(105,340,596)	(222,563,085)	(19,605,611)	(148,152,808)	-	(999,682,385)
Net carrying amount at the end of the year	173,240,262	700,308,086	108,569,448	812,664,432	39,138,537	39,868,899	2,768,442,562	4,642,232,226
At 31 December 2025								
Opening net carrying amount	173,240,262	700,308,086	108,569,448	812,664,432	39,138,537	39,868,899	2,768,442,562	55,980
Additions	-	64,385,244	20,037,003	61,031,702	5,755,000	9,354,023	2,491,030,253	2,651,593,225
Disposals	-	(3,988,703)	(3,923,955)	(182,182)	(3,985,000)	(1,690,049)	(1,106,325)	(14,876,214)
Adjustments on cost	-	(192,495)	358,658	-	-	(166,163)	-	-
Transferred from projects in progress	-	70,448,084	12,826,933	432,301,480	-	4,522,151	(520,098,648)	-
Depreciation for the year	-	(115,155,714)	(27,927,009)	(46,034,559)	(8,749,837)	(19,759,883)	-	(217,627,002)
Accumulated depreciation of disposal	-	3,322,276	3,373,932	177,126	3,092,956	1,634,567	-	11,600,857
Adjustments on accumulated depreciation	-	(53,520)	129,171	-	-	(75,651)	-	-
Balance at 31 December 2025	173,240,262	719,073,258	113,444,181	1,259,957,999	35,251,656	33,687,894	4,738,267,842	7,072,923,092
Cost	173,240,262	1,334,980,501	243,208,683	1,528,378,517	60,514,148	200,041,669	4,738,267,842	8,278,631,622
Accumulated depreciation	-	(615,907,243)	(129,764,502)	(268,420,518)	(25,262,492)	(166,353,775)	-	(1,205,708,530)
Net carrying amount at the end of the year	173,240,262	719,073,258	113,444,181	1,259,957,999	35,251,656	33,687,894	4,738,267,842	7,072,923,092

The capitalized interest on projects under constructions from loans amounted to EGP 837,689,037 on December 31, 2025 (2024: EGP 386,226,438).

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

8. Right-of-use

EAS No. (49) "Leases" was applied in two stages as follows:

Stage 1 relates to leases that were subject to Law (95) of 1995, starting on or after 1 January 2019, which are leases related to medical equipment and were measured at the beginning of the contract at a value equal to the value of lease liabilities in addition to lease expenses, and were subsequently depreciated over the life of leases using straight line basis.

Stage 2 represents leases related to buildings that were subject to Law (95) of 1995 that starts on or after 1 January 2021 and were measured at the carrying amount as if the standard had been applied since the beginning of the lease, but discounted using the lending rate of the lessee on the date of application. They are subsequently depreciated over the life of the lease using straight line basis.

	<u>2025</u>	<u>2024</u>
Machinery and equipment		
Opening balance of the year	10,470,794	12,586,722
Depreciation for the year	(2,115,928)	(2,115,928)
Total - machinery and equipment	<u>8,354,866</u>	<u>10,470,794</u>
Buildings		
Opening balance of the year	65,137,373	133,173,560
Adjustments	1,580,406	188,850
Additions for the year	88,951,146	31,232,278
Disposals for the year	(172,866)	(36,000,000)
Depreciation for the year	(30,930,006)	(50,870,593)
Total	<u>124,566,053</u>	<u>65,137,373</u>
	<u>132,920,919</u>	<u>75,608,167</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 shall pay to borrow the funds needed for the acquisition of an equivalent value asset in a similar economic environment with similar terms and conditions. An average interest rate of 11,5% was used at initial recognition.

9. Goodwill and other intangible assets

<u>Cost</u>	<u>Non- competition agreement</u>	<u>Name Commercial</u>	<u>Total</u>	<u>Goodwill</u>
Balance at 1 January 2025	5,690,541	44,354,000	50,044,541	355,192,334
Amortisation for the year	(2,069,284)	-	(2,069,284)	-
Balance at 31 December 2025	<u>3,621,257</u>	<u>44,354,000</u>	<u>47,975,257</u>	<u>355,192,334</u>
Balance at 1 January 2024	7,759,825	44,354,000	52,113,825	355,192,334
Amortisation for the year	(2,069,284)	-	(2,069,284)	-
Balance at 31 December 2024	<u>5,690,541</u>	<u>44,354,000</u>	<u>50,044,541</u>	<u>355,192,334</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

9. Goodwill and other intangible assets (continued)

Goodwill is as follows:

	<u>2025</u>	<u>2024</u>
ElKateb Hospital Business	158,516,300	158,516,300
Al Shorouk Hospital Company "S.A.E"	120,823,014	120,823,014
Nile Badrawy Hospital	<u>75,853,020</u>	<u>75,853,020</u>
Total	<u>355,192,334</u>	<u>355,192,334</u>

Goodwill

To calculate goodwill, Nile Badrawy Hospital Company S.A.E, Alshrouk Hospital S.A.E, Queens Hospital and AlKatib Hospital were considered as a separate CGU, and the goodwill resulting from the acquisition was allocated.

Recoverable amount of CGU is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by management, which cover a period of five years maximum. The management determines the specific assumptions of cash flow forecasts based on revenues, past experience and expectations of the market.

Estimates have been made in terms of sales growth, operating costs and expected total profit. Future capital expenditures for future renovation plans have been taken into consideration for the same existing assets. The discount rate and the long-term growth rate have been used to reflect the specific risks associated with the activity and sector of the economy.

Based on the Board of Directors' decision on 6 July 2023, all operations and operating activities of Queens Hospital were closed and suspended, and were disposed from the Company and considered part of discontinued operations.

The following table sets out the key assumptions for CGUs that have significant goodwill allocated thereto:

	<u>ElKateb Hospital Business</u>	<u>Al Shorouk Hospital Company "S.A.E"</u>	<u>Nile Badrawy Hospital</u>
2025			
Average sales growth rate	%17	%21	%29
Discount rate before tax	%20	%20	%20
Long-term discount rate	%16	%16	%16
2024			
Average sales growth rate	44%	32%	42%
Discount rate before tax	25.1%	25.1%	25.1%
Long-term discount rate	17%	17%	17%

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

9. Goodwill and other intangible assets (continued)

Goodwill (continued)

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Sales growth rate	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Discount rates before tax	The discount rate, i.e. Weighted Average Cost of Capital (WACC), is applied for specific business areas based on assumptions regarding interest rates, tax rates and risk premiums and is recalculated to a pre-tax rate ("Pre-tax discount rate").

Trade Name

The fair value of the trade name is estimated using the exemption of royalty method. This method determines the value with reference to the nominal royalty payments, which are presented when the asset is acquired in comparison to the licensing of the asset and trade name by another party.

The management has assessed the impairment of goodwill and intangible assets at the date of the financial statements using the adjusted cash flow that reflects the actual data until the date of the financial statements and expected changes in the next periods, including revenues and operating and capital expenses, which did not result in any impact on impairment of goodwill or intangible assets.

Bedaya El Gedida Company for Medical Centers and Hospitals

On September 2020, Cleopatra Hospital Company signed an agreement to transfer the assets and activities of Bedaya Hospital Company, owned by its founder, Dr. Ismail Aboul Fotouh. Under the new agreement, the assets and activities of Bedaya Hospital will be transferred to a new company - Bedaya El Gedida Company for Medical Centers and Hospitals - at the beginning of October 2020.

The transaction value comprising medical equipment, assets, and real estates was estimated at approximately EGP 105 million, which were paid as capital in the new company. As a part of the transaction, on the final settlement date Dr. Aboul Fotouh shall be entitled to receive a consideration equivalent to 40% of the capital of Bedaya Hospital Company, provided that the appointment agreement remains effective and certain conditions are fulfilled. The remuneration is accounted for in accordance with EAS No. 39 as a share-based compensation to be settled in cash. The remainder of the transaction value shall be determined and paid based on the results of the new company's business during 2021 and 2022 and is accounted for as employee benefits under EAS No. 38. The final settlement date of the transaction will be in June 2024.

The present value of the cash portion of the remainder of the transaction value at the transaction date was estimated at EGP 14,485,000, and an amount of EGP 10,000,000 of this balance was paid to Dr. Ismail Aboul Fotouh in 2022. The fair value of the share-based payments based on a part of the transaction (which is equivalent to 40% of the shares of Bedaya Hospital Company) was estimated at the acquisition date at an amount of EGP 38,005,000. The share-based compensation is due in June 2023 and has certain conditions, unrelated to maturity, specified in the transfer agreement. Remunerations expenses amounting to EGP 6,910,000 of the share-based payments was recognised in 2023. The total liability due to Dr. Ismail Aboul Fotouh at 31 December 2025 was EGP [xxx] (EGP [xxx] at 31 December 2024), which is included within other liabilities balance in the statement of financial position.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

9. Goodwill and other intangible assets (continued)

Trade Name (continued)

Bedaya El Gedida Company for Medical Centers and Hospitals (continued)

The fair value of the net business assets acquired at the date of acquisition, which represents other assets other than tangible non-current assets, was estimated at the date of acquisition. Net acquired assets and goodwill was as follows:

	<u>EGP</u>
Acquisition Costs	
Cash paid	105,000,000
Investment creditors purchases	14,485,000
Total acquisition costs	<u>119,485,000</u>
Fair value of acquired assets	
Buildings	60,000,000
Machinery and Equipment	15,099,000
Furniture	789,000
Computers	145,000
Inventory	3,967,000
Cash	25,000,000
Fair value of acquired assets	<u>105,000,000</u>
Non-competition agreement	14,485,000
Accumulated depreciation	(10,863,743)
Balance as of 31 December 2025	<u>3,621,257</u>

	<u>EGP</u>
Acquisition Costs	
Cash paid	105,000,000
Investment creditors purchases	14,485,000
Total acquisition costs	<u>119,485,000</u>
Fair value of acquired assets	
Buildings	60,000,000
Machinery and Equipment	15,099,000
Furniture	789,000
Computers	145,000
Inventory	3,967,000
Cash	25,000,000
Fair value of acquired assets	<u>105,000,000</u>
Non-competition agreement	14,485,000
Accumulated depreciation	(8,794,459)
Balance as of 31 December 2024	<u>5,690,541</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

10. Investments in associates

	<u>2025</u>	<u>2024</u>
Egypt Healthcare Facilities Services for facility management	8,519,964	3,810,927
	<u>8,519,964</u>	<u>3,810,927</u>
Amounts recognised in the profit or loss:		
Egypt Healthcare Facilities Services for facility management	10,065,687	4,709,037
	<u>18,585,651</u>	<u>8,519,964</u>

The statement below shows the Company's associates at 31 December 2025, and the capital of the below associates consists of ordinary shares only, in which the Company contributes directly.

<u>Name of the Company</u>	<u>Head office place/ Country of incorporation</u>	<u>Measurement</u>	<u>Group shareholding</u>
Healthcare facilities services in Egypt for facilities management	Egypt	Equity method	49%

Below are the summarised financial information of associates as at 31 December 2025:

	<u>Total assets</u>	<u>Total equity</u>	<u>Total revenue</u>	<u>Profits for the year</u>
Egypt Healthcare Facilities Services for facility management	49,323,632	19,299,970	252,707,586	20,542,219

Below are the summarised financial information of associates as at 31 December 2024:

	<u>Total assets</u>	<u>Total equity</u>	<u>Total revenue</u>	<u>Profits for the year</u>
Egypt Healthcare Facilities Services for facility management	49,323,632	19,299,970	165,185,924	9,610,280

The Company's main activity is providing medical cleaning services.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

11. Advance Payments / Lease

	<u>2025</u>	<u>2024</u>
Beginning balance for the period / year	-	-
Additions for the period / year	286,000,000	-
Amortization during the period / year	(1,440,000)	-
Deduction of revenue share	(34,223,894)	-
Balance at the end of the period / year	<u>250,336,106</u>	<u>-</u>

- Participation contract in the management and operation of Cleopatra Haven Hospital

On February 6, 2025, a contract was signed to participate in the management and operation of the Haven Medical Complex in 6th of October City for a period of 25 years from the date of obtaining the operating license for the Haven Medical Complex between the Fund for Improving Social and Health Care Services for Police Members and Their Families (first party) and Cleopatra Haven Hospital Company "LLC" (second party). The following are the most important terms of the contract:

1. The Haven Hospital usufruct contract dated October 31, 2022, has expired by mutual consent of both parties. This contract shall replace it, and this contract shall become the contract governing the relationship between the two parties with respect to the project land and the integrated Haven Medical Complex (including Haven Hospital) located therein.
2. This contract shall commence on the date of its signing and shall expire twenty-five years after the date of obtaining the operating license for the Haven Medical Complex. It may be renewed for one or more additional terms with the written consent of both parties pursuant to an addendum to this contract.
3. Under this contract, the First Party undertakes to construct and complete the Haven Medical Complex (either by itself or through its contractors). The scope of the First Party's work includes all civil and construction works, all installation and construction works (electrical and mechanical), and the correction of defects. The First Party is also responsible (either by itself or through its contractors) for the execution of the construction works (including the management and supervision of the construction works).
4. The Second Party undertakes to continue managing and operating the Haven Hospital and to receive the Haven Medical Complex from the First Party after its completion and completion. The Second Party is responsible for equipping the Haven Medical Complex at its own expense with medical and non-medical equipment, offices, and furniture. The Second Party is also committed to operating and managing the Haven Hospital throughout the contract term and paying the agreed-upon consideration to the First Party.
5. Upon expiration of the contract term, the Second Party undertakes to return the Haven Medical Complex (including any improvements) in good condition to the First Party, taking into account normal wear and tear. The Second Party is also obligated to deliver to the First Party the movables it contracted to furnish, furnish, and operate the Haven Medical Complex, including medical and non-medical equipment and medical and non-medical furniture.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

11. Advance Payments / Revenue Share (continued)

6. The Second Party has not recovered the amount ("Advance Payment") of (thirty-six million Egyptian Pounds) that was paid as a contract payment upon signing the Haven Hospital usufruct contract. The First Party is not obligated to return this amount, nor is this amount considered part of the annual participation rates of the Haven Medical Complex, which the Second Party is obligated to pay.
7. The Second Party is obligated to pay the First Party an amount of 250 million Egyptian Pounds (two hundred and fifty million Egyptian Pounds) within a maximum period of 30 days from the date of signing this contract. The contract advance is treated as an advance payment to be amortized according to the specified annual participation rates. Any remaining amounts from the contract advance are carried over to subsequent fiscal years until fully amortized. Upon exhaustion of the contract advance, the Second Party shall begin repaying all financial obligations without any additional deductions.
8. The first party shall obtain, in return for granting the second party the right to grant and operate the Haven Medical Complex, a return for each fiscal year as follows, provided that the percentages below

<u>Year</u>	<u>Amount due</u>
For the years from the first to the fifth year from the beginning of the contract	8% of the total revenues of Cleopatra Haven Hospital according to the approved financial statements
For the years from the sixth to the tenth year	9% of the total revenues of Haven Medical Complex according to the approved financial statements
Remaining contract term	10% of the total revenues of Haven Medical Complex according to the approved financial statements

shall not be paid until the contract advance amount paid by the second party has been exhausted.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

12. Inventory

	<u>2025</u>	<u>2024</u>
Medical supply inventory	150,551,431	180,695,483
Medicine inventory	123,496,938	130,788,023
Stationery inventory	7,120,766	2,939,412
Hospitality supplies inventory	2,949,398	4,846,746
Maintenance and spare parts inventory	3,570,847	2,415,206
Foodstuff and beverage inventory	943,204	716,215
	288,632,584	322,401,085
Less: Impairment of inventory	(7,297,580)	(1,879,769)
	281,335,004	320,521,316

The movement of the impairment is as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	1,879,769	957,996
Formed during the year	5,436,462	1,234,643
No longer required during the year	(18,651)	(111,473)
Utilised during the year	-	(201,397)
Balance at the end of the year	7,297,580	1,879,769

13. Trade receivables

	<u>2025</u>	<u>2024</u>
Due from customers	1,491,005,143	1,187,432,033
Revenue from inpatients	41,918,214	41,500,748
	1,532,923,357	1,228,932,781
Less:		
ECLs of trade receivables	(291,467,341)	(182,171,926)
	1,241,456,016	1,046,760,855

Revenue from inpatients includes revenue that has not been billed at the financial position date for their residency while the medical services' procedures have not been completed. This revenue is calculated after deducting the amounts collected in advance during their residency.

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

The expected loss rates are based on the profiles of customers' payments over a period of 36 months before the date of the statement of financial position and 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 debit balances. The Group has identified the GDP and the unemployment rate in countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

13. Trade receivables (continued)

Credit loss provision 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 an asset is past due.

2025				
	Loss rate	Gross carrying amount	Lifetime ECL	Net carrying amount
Trade receivables				
- Current until default for less than 30 days	%0.4	863,374,459	2,901,407	860,473,052
- Default for a period from 30 to 60 days	%2	132,802,207	3,247,257	129,554,949
- Default for a period from 61 to 90 days	%5	87,529,441	4,673,154	82,856,287
- Default for a period from 91 to 120 days	%10	65,636,856	6,849,592	58,787,264
- Default for a period from 121 to 360 days	%29	139,273,913	40,757,118	98,516,795
- Default for a period from 361 to 720 days	%59	27,510,946	16,243,277	11,267,669
- Default for a period more than 720 days	%100	216,795,536	216,795,536	-
Total		<u>1,532,923,357</u>	<u>291,467,341</u>	<u>1,241,456,016</u>

2024				
	Loss rate	Gross carrying amount	Lifetime ECL	Net carrying amount
Trade receivables				
- Current until default for less than 30 days	0.3%	778,679,680	1,855,009	776,824,671
- Default for a period from 30 to 60 days	3%	108,790,867	2,941,871	105,848,996
- Default for a period from 61 to 90 days	6%	59,408,212	3,785,710	55,622,502
- Default for a period from 91 to 120 days	10%	43,752,778	4,477,172	39,275,606
- Default for a period from 121 to 360 days	30%	89,983,616	26,649,442	63,334,174
- Default for a period from 361 to 720 days	50%	11,778,179	5,923,273	5,854,906
- Default for a period more than 720 days	100%	136,539,449	136,539,449	-
Total		<u>1,228,932,781</u>	<u>182,171,926</u>	<u>1,046,760,855</u>

The movement of ECLs of trade receivables is as follows:

	2025	2024
Balance at the beginning of the year	182,171,926	131,336,069
Formed during the year	122,071,591	60,721,411
No longer required during the year	(12,776,176)	(9,885,554)
Balance at the end of the year	<u>291,467,341</u>	<u>182,171,926</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

14. Debtors and other debit balances

	<u>2025</u>	<u>2024</u>
Advances to suppliers	193,659,419	418,117,351
Prepaid expenses	38,691,787	46,557,854
Withholding tax	17,824,643	13,556,763
Insurances with third parties	10,842,280	9,506,900
Accrued revenue	465,131	262,791
Employees' advances and loans	411,001	213,005
Other receivables	31,099,278	108,990,144
	292,993,539	597,204,808
Less: Impairment of debtors and other debit balances	(1,474)	(1,474)
	292,992,065	597,203,334

The movement in impairment is as follows:

	<u>2025</u>	<u>2024</u>
Balance at 1 January	1,474	1,474
Utilised during the year	-	-
	1,474	1,474

15. Cash and cash equivalents

	<u>2025</u>	<u>2024</u>
Current accounts	461,316,153	326,638,404
Term deposits	89,484,749	145,793,712
Cash in hand	3,782,317	5,380,075
Less:		
ECLs of cash and cash equivalents	(7,040,378)	(4,597,154)
	547,542,841	473,215,037

The movement of ECLs of cash is as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	4,597,154	4,584,729
Formed during the year	4,395,459	1,992,090
No longer required	(1,952,235)	(1,979,665)
Balance at the end of the year	7,040,378	4,597,154

Term deposits amounting to EGP 89,484,749 at 31 December 2025 (2024: EGP 145,793,712) denominated in local banks in US dollars and paid within one of the deposit date and subject to a fixed annual return of 3,5%.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

15. Cash and cash equivalents (continued)

For the purpose of preparing the statement of cash flows, cash and cash equivalents comprises of:

	<u>2025</u>	<u>2024</u>
Cash and balances at banks before deducting ECLs	554,583,219	477,812,191
Total	<u>554,583,219</u>	<u>477,812,191</u>

Time deposits are held with banks and are presented as cash and cash equivalents if they are due for three months or less from the date of deposit and are redeemable with 24-hour notice without loss of interest.

The Company's cash and balances at banks are held with reputable financial institutions with credit ratings of Moody's and Standard & Poor's, from B2 and up to CAA1.

The table below shows an analysis of liabilities from financing activities and movements in the Group's liabilities from financing activities for each of the periods presented. The terms of these liabilities are those that are recorded as finance in the statement of cash flows:

Net debt settlement

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	554,583,219	477,812,191
Less:		
Lease liabilities	(175,620,181)	(109,216,063)
Bank overdrafts	(391,325,194)	(302,160,797)
Loans	(3,135,813,053)	(2,046,323,088)
Total	<u>(3,148,175,209)</u>	<u>(1,979,887,757)</u>

	<u>Leases</u>	<u>Cash at banks</u>	<u>Bank overdrafts</u>	<u>Loans</u>	<u>Net</u>
Net debt at					
31 December 2024	109,216,063	(477,812,191)	302,160,797	2,046,323,088	1,979,887,757
Cash flows	(56,409,409)	(76,771,028)	89,164,397	1,089,489,965	1,045,473,925
Change in leases	89,842,013	-	-	-	89,842,013
Interest expense	32,971,514	-	-	-	32,971,514
Net debt at 31					
December 2025	<u>175,620,181</u>	<u>(554,583,219)</u>	<u>391,325,194</u>	<u>3,135,813,053</u>	<u>3,148,175,209</u>

	<u>Leases</u>	<u>Cash at banks</u>	<u>Bank overdrafts</u>	<u>Loans</u>	<u>Net</u>
Net debt at					
31 December 2023	131,556,469	(362,481,846)	252,992,341	488,932,256	510,999,220
Cash flows	(76,445,460)	(115,330,345)	49,168,456	1,557,390,832	1,414,783,483
Change in leases	33,101,129	-	-	-	33,101,129
Interest expense	21,003,925	-	-	-	21,003,925
Net debt at 31					
December 2024	<u>109,216,063</u>	<u>(477,812,191)</u>	<u>302,160,797</u>	<u>2,046,323,088</u>	<u>1,979,887,757</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

16. Bank overdrafts

The Group has obtained total credit limits in the form of bank overdrafts to finance the working capital at an interest rate of 0,1% in addition to the lending rate announced by the Central Bank of Egypt. The total available credit limits amounted to EGP 430 million and the used value of these credit limits at 31 December 2025 amounted to EGP 391,325,194 (EGP 302,160,797 at 31 December 2024).

17. Loans

	31 December 2025		
	Current portion	Non-current portion	Total
Loans	451,063,593	2,684,749,460	3,135,813,053
Total	451,063,593	2,684,749,460	3,135,813,053

	31 December 2024		
	Current portion	Non-current portion	Total
Loans	137,505,626	1,908,817,462	2,046,323,088
Total	137,505,626	1,908,817,462	2,046,323,088

KFH Loan

- On 27 October 2021, Cleopatra Hospital Company signed a contract for a medium term loan with Kuwait Fune House, with a total amount of EGP 145 million, with a return of 0,65%, in addition to the lending rate announced by the Central Bank of Egypt.
- On 10 August 2022, Cleopatra Hospital Company, Nile Badrawy Hospital Company, and Cairo Specialised Hospital Company signed an appendix to the loan contract from Kuwait Fund House. Following are the most significant contracting terms.
- Increasing the financing amount to EGP 285 million, and it will be divided among the companies as follows:

Cleopatra Hospital Company	EGP 45 million
Cairo Specialised Hospital	EGP 90 million
Nile Badrawy Hospital Company	EGP 150 million

- The purpose of the loan is to finance and/or refinance the capital needs and renovate the Group's specialized hospitals starting from 2021, including medical equipment, medical beds, medical and non-medical furniture, as well as internal development of movables (final finishes, electromechanical equipment and power station).
- On 10 May 2023, the financing amount was redistributed among the companies as follows, provided that the maximum available financing limit is EGP 340 million, and the mentioned amount is not exceeded at any time throughout the contract term.

Cleopatra Hospital Company	EGP 100 million
Cairo Specialised Hospital	EGP 90 million

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

17. Loans (continued)

KFH Loan (continued)

On 18 January 2024, the financing amount was redivided among the companies as follows, provided that the maximum amount of financing available amounts to EGP 740 million, and the aforementioned amount shall not be exceeded at any time throughout the contract period.

Cleopatra Hospital Company	EGP 500 million
Cairo Specialized Hospital Company	EGP 90 million
Nile Badrawy Hospital Company	EGP 150 million

On 17 April 2024, the financing amount was redivided among the companies as follows, provided that the maximum amount of financing available amounts to EGP 740 million, and the aforementioned amount shall not be exceeded at any time throughout the contract period.

Cleopatra Hospital Company	EGP 400 million
Cairo Specialized Hospital Company	EGP 90 million
Nile Badrawy Hospital Company	EGP 250 million

- This contract shall take effect for a period of six years and six months from the date of signing the finance contract on 27 October 2021, with the Group being granted availability period of a maximum of one year and six months ending on 31 December 2024, and a grace period (applied to payment of the asset) of one year and six months ending on 31 January 2024. In the event that the entire financing amount is not withdrawn during the aforementioned availability period, the unwithdrawn portion shall be automatically cancelled and the bank is not obligated to lend the Group any other amounts other than what has been withdrawn from the financing amount.
- Cleopatra Hospital company is committed to pay total amount of 397,500,000 EGP on 20 Quarterly installments where first trench with amount of 95,500,000 to be paid starting from January 2024 and the second trench amounted to 300,000,000 EGP to be paid starting from October 2025 and it ends in July 2030 and the payment schedule is as follows:

Installment	First installment		Second installment	
	Amount	Due date	Amount	Due date
1 st installment	4,875,000	31/01/2024	15,000,000	30/10/2025
2 nd installment	4,875,000	30/04/2024	15,000,000	31/01/2026
3 rd installment	4,875,000	31/07/2024	15,000,000	30/04/2026
4 th installment	4,875,000	30/10/2024	15,000,000	31/07/2026
5 th installment	4,875,000	31/01/2025	15,000,000	30/10/2026
6 th installment	4,875,000	30/04/2025	15,000,000	31/01/2027
7 th installment	4,875,000	31/07/2025	15,000,000	30/04/2027
8 th installment	4,875,000	30/10/2025	15,000,000	31/07/2027
9 th installment	4,875,000	31/01/2026	15,000,000	30/10/2027
10 th installment	4,875,000	30/04/2026	15,000,000	31/01/2028
11 th installment	4,875,000	31/07/2026	15,000,000	30/04/2028
12 th installment	4,875,000	30/10/2026	15,000,000	31/07/2028
13 th installment	4,875,000	31/01/2027	15,000,000	30/10/2028
14 th installment	4,875,000	30/04/2027	15,000,000	31/01/2029
15 th installment	4,875,000	31/07/2027	15,000,000	30/04/2029
16 th installment	4,875,000	30/10/2027	15,000,000	31/07/2029
17 th installment	4,875,000	31/01/2028	15,000,000	30/10/2029
18 th installment	4,875,000	30/04/2028	15,000,000	31/01/2030
19 th installment	4,875,000	31/07/2028	15,000,000	30/04/2030
20 th installment	4,875,000	30/10/2028	15,000,000	31/07/2030

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

17. Loans (continued)

KFH Loan (continued)

- Cairo specialized hospital company is committed to pay total amount of 89,543,425 EGP on 20 Quarterly installments starting from January 2024 and it ends in October 2028 and the payment schedule is as follows:

Installment	Amount	Due date
1 st installment	4,477,171	31/01/2024
2 nd installment	4,477,171	30/04/2024
3 rd installment	4,477,171	31/07/2024
4 th installment	4,477,171	30/10/2024
5 th installment	4,477,171	31/01/2025
6 th installment	4,477,171	30/04/2025
7 th installment	4,477,171	31/07/2025
8 th installment	4,477,171	30/10/2025
9 th installment	4,477,171	31/01/2026
10 th installment	4,477,171	30/04/2026
11 th installment	4,477,171	31/07/2026
12 th installment	4,477,171	30/10/2026
13 th installment	4,477,171	31/01/2027
14 th installment	4,477,171	30/04/2027
15 th installment	4,477,171	31/07/2027
16 th installment	4,477,171	30/10/2027
17 th installment	4,477,171	31/01/2028
18 th installment	4,477,171	30/04/2028
19 th installment	4,477,171	31/07/2028
20 th installment	4,477,171	30/10/2028
Total	89,543,425	

- Nile Badrawi Hospital company is committed to pay total amount of 235,562,038 EGP on 20 Quarterly installments where first trench with amount of 142,572,737 to be paid starting from January 2024 and the second trench amounted to 92,989,301 EGP to be paid starting from October 2025 and it ends in July 2030 and the payment schedule is as follows:

Installment	First installment		Second installment	
	Amount	Due date	Amount	Due date
1 st installment	7,128,637	31/01/2024	4,649,465	30/10/2025
2 nd installment	7,128,637	30/04/2024	4,649,465	31/01/2026
3 rd installment	7,128,637	31/07/2024	4,649,465	30/04/2026
4 th installment	7,128,637	30/10/2024	4,649,465	31/07/2026
5 th installment	7,128,637	31/01/2025	4,649,465	30/10/2026
6 th installment	7,128,637	30/04/2025	4,649,465	31/01/2027
7 th installment	7,128,637	31/07/2025	4,649,465	30/04/2027
8 th installment	7,128,637	30/10/2025	4,649,465	31/07/2027
9 th installment	7,128,637	31/01/2026	4,649,465	30/10/2027
10 th installment	7,128,637	30/04/2026	4,649,465	31/01/2028
11 th installment	7,128,637	31/07/2026	4,649,465	30/04/2028
12 th installment	7,128,637	30/10/2026	4,649,465	31/07/2028
13 th installment	7,128,637	31/01/2027	4,649,465	30/10/2028
14 th installment	7,128,637	30/04/2027	4,649,465	31/01/2029
15 th installment	7,128,637	31/07/2027	4,649,465	30/04/2029
16 th installment	7,128,637	30/10/2027	4,649,465	31/07/2029
17 th installment	7,128,637	31/01/2028	4,649,465	30/10/2029
18 th installment	7,128,637	30/04/2028	4,649,465	31/01/2030
19 th installment	7,128,637	31/07/2028	4,649,465	30/04/2030
20 th installment	7,128,637	30/10/2028	4,649,465	31/07/2030

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

17. Loans (continued)

KFH Loan (continued)

KFH Loan (Nile Badrawai Hospital)

- On October 7, 2025, Nile Badrawai Hospital Company entered into a medium-term loan agreement with Kuwait Finance House (KFH) for a total facility amount of EGP 140 million. The primary objective of this facility is to finance the investment costs associated with the construction of the Nile Badrawai Hospital clinics. The loan carries a floating interest rate consisting of the Central Bank of Egypt (CBE) lending rate plus a margin of 0.8%
- The loan facility has a total tenor of six years and six months commencing from the signing date. This includes an availability and drawdown period of a maximum of eighteen months (one year and six months). Following the lapse of the availability period, any undrawn portion of the facility shall be automatically cancelled, and the Bank shall have no further obligation to extend any additional credit beyond the amounts already disbursed
- On December 17, 2025, an amendment to the original loan agreement was executed. Under this amendment, an amount of EGP 60 million from the total facility was reallocated for the acquisition of the basement, ground floor, and mezzanine of Building No. 33, located adjacent to Nile Badrawai Hospital
- As of December 31, 2025, the total amount drawn down from the facility amounted to EGP 48,611,037.

Financial ratios

According to the contract terms, the companies shall achieve the following financial ratios:

- The financial leverage of the company shall not exceed 1,6
- Debt service rate shall not fall below 1.
- Liquidity rate shall not fall below 1.

Loans include specific covenants. A future breach of these covenants may lead to renegotiation. The covenants are monitored by management, in case of potential breach, actions are taken by management to ensure compliance. During 2024, the Group had no breaches of any of these covenants.

CIB Loan

- On 5 June 2023, CHG Sky Hospital Company signed a contract for a medium term loan with Commercial International Bank, with a total amount of EGP 1,339,573,000, with a return of 0,05% in addition to the lending rate announced by the Central Bank of Egypt for the first 9 months and then 0,09% in addition to the lending rate announced by the Central Bank of Egypt from the tenth month till the end of loan term.
- The purpose of the loan is to finance the capital needs to finalize the company's hospitals starting, including medical equipment, medical beds, medical and non-medical furniture, as well as internal development of movables (final finishes, electromechanical equipment and power station).
- This contract shall take effect for a period of nine years and six months from the date of signing the finance contract on 5 June 2023, with the Group being granted availability period of a maximum of two years and six months ended in 31 December 2025, and a grace period (applied to payment of the asset) ending on 30 June 2026. In the event that the entire financing amount is not withdrawn during the aforementioned availability period, the unwithdrawn portion shall be automatically cancelled and the bank is not obligated to lend the Group any other amounts other than what has been withdrawn from the financing amount.
- On October 10, 2024, the credit limit was increased to EGP 1,897,000,000 with all other contract terms remaining unchanged.

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17. Loans (continued)

CIB Loan (continued)

- On July 31, 2025, an addendum to the loan agreement was signed, increasing the credit limit to EGP 2,194,600,000 (only two billion, one hundred and ninety-four million, six hundred thousand Egyptian pounds). The repayment schedule was changed to 27 quarterly installments, starting on September 30, 2026, and ending on December 31, 2032. The repayment schedule is as follows:

Installment	Amount	Due date
1 st installment	74,195,500	30/09/2026
2 nd installment	232,347,000	31/12/2026
3 rd installment	158,151,500	30/06/2027
4 th installment	74,195,500	30/09/2027
5 th installment	232,347,000	31/12/2027
6 th installment	79,075,750	31/03/2028
7 th installment	79,075,750	30/06/2028
8 th installment	79,075,750	30/09/2028
9 th installment	79,075,750	31/12/2028
10 th installment	79,075,750	31/03/2029
11 th installment	79,075,750	30/06/2029
12 th installment	79,075,750	30/09/2029
13 th installment	79,075,750	31/12/2029
14 th installment	79,075,750	31/03/2030
15 th installment	79,075,750	30/06/2030
16 th installment	79,075,750	30/09/2030
17 th installment	79,075,750	31/12/2030
18 th installment	79,075,750	31/03/2031
19 th installment	79,075,750	30/06/2031
20 th installment	79,075,750	30/09/2031
21 th installment	79,075,750	31/12/2031
22 th installment	39,537,880	31/03/2032
23 th installment	39,537,880	30/06/2032
24 th installment	39,537,880	30/09/2032
25 th installment	39,537,880	31/12/2032
Total	2,194,600,20	

- Financial ratios

According to the contract terms, the Company shall achieve the following financial ratios:

- The financial leverage of the Group shall be as follows:

2026	2027	2028	2029	2030	2031	2032
5.18	2.85	1.98	1.34	0.94	0.65	0.46

- Debt service rate shall not fall below 1.

- CAPEX should not exceed the following

2026	2027	2028	2029	2030	2031	2032
6,838,000	8,117,000	9,404,000	10,663,000	12,252,000	13,960,000	17,291,000
EGP						

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

17. Loans (continued)

CIB Loan (continued)

As a guarantee and security for the repayment of the financing granted by the bank to the company under this contract, in addition to interest, commissions, expenses, fees, and related charges, the company undertakes to provide the bank with a joint guarantee issued by Cleopatra Hospital Company LLC, Commercial Registration No. 199393, issued by the Cairo Investment Commercial Registry Office, guaranteeing the company's repayment of the financing amount, including principal, interest, commissions, expenses, and any other amounts due under the contract.

Compliance with Financial Covenants

Loans include certain commitments. Failure to meet these commitments in the future may lead to renegotiation. Management monitors these commitments, and in the event of a potential breach, it takes the necessary measures to ensure compliance. Financial ratios are tested as of December 31, 2026, and there are no outstanding payments.

Banque Misr - Cleopatra Haven Company S.A.E

- On 13 November 2024, Cleopatra Heavens Company (a subsidiary) entered into a medium-term loan agreement for a total amount of EGP 190,500,000 .The maximum amount allocated for capital expansion financing is divided into two tranches: a first tranche of EGP 163,000,000 for capital expansion financing and a second tranche of EGP 27,500,000 for financing the reimbursement of amounts disbursed as part of the total investment cost before the first withdrawal.
- The purpose of the loan is to finance the Company's capital expansion projects, with an interest rate of 0.65% plus the lending corridor rate announced by the Central Bank of Egypt. The loan shall be repaid over 20 equal quarterly instalments, The loan term is 7 years, including the grace period. The repayment schedule is as follows:

Installment	Amount	Due date
1 st installment	9,525,000	31/01/2027
2 nd installment	9,525,000	30/04/2027
3 rd installment	9,525,000	31/07/2027
4 th installment	9,525,000	31/10/2027
5 th installment	9,525,000	31/01/2028
6 th installment	9,525,000	30/04/2028
7 th installment	9,525,000	31/07/2028
8 th installment	9,525,000	31/10/2028
9 th installment	9,525,000	31/01/2029
10 th installment	9,525,000	30/04/2029
11 th installment	9,525,000	31/07/2029
12 th installment	9,525,000	31/10/2029
13 th installment	9,525,000	31/01/2030
14 th installment	9,525,000	30/04/2030
15 th installment	9,525,000	31/07/2030
16 th installment	9,525,000	31/10/2030
17 th installment	9,525,000	31/01/2031
18 th installment	9,525,000	30/04/2031
19 th installment	9,525,000	31/07/2031
20 th installment	9,525,000	31/10/2031
Total	190,500,000	

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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17. Loans (continued)

Banque Misr - Cleopatra Haven Company S.A.E (continued)

- On 27 February 2025, Cleopatra Heavens Company (a subsidiary) entered into a medium-term loan agreement for a total amount of EGP 238,000,000 (only two hundred and thirty-eight million Egyptian pounds).
- The purpose of the loan is to finance the advance payment related to the management and operation partnership agreement of the Heavens Medical Complex.
- The loan carries an interest rate of 0.65% plus the lending corridor rate announced by the Central Bank of Egypt, and it shall be repaid over 20 equal quarterly instalments, The loan term is 7 years, including the grace period. The repayment schedule is as follows:

Installment	Amount	Due date
1 st installment	11,900,000	30/04/2027
2 nd installment	11,900,000	31/07/2027
3 rd installment	11,900,000	31/10/2027
4 th installment	11,900,000	31/01/2028
5 th installment	11,900,000	30/04/2028
6 th installment	11,900,000	31/07/2028
7 th installment	11,900,000	31/10/2028
8 th installment	11,900,000	31/01/2029
9 th installment	11,900,000	30/04/2029
10 th installment	11,900,000	31/07/2029
11 th installment	11,900,000	31/10/2029
12 th installment	11,900,000	31/01/2030
13 th installment	11,900,000	30/04/2030
14 th installment	11,900,000	31/07/2030
15 th installment	11,900,000	31/10/2030
16 th installment	11,900,000	31/01/2031
17 th installment	11,900,000	30/04/2031
18 th installment	11,900,000	31/07/2031
19 th installment	11,900,000	31/10/2031
20 th installment	11,900,000	31/01/2032
Total	238,000,000	

As a guarantee and security for the repayment of the financing granted by the bank to the company under this contract, in addition to interest, commissions, expenses, fees, and related charges, the company undertakes to provide the bank with a joint guarantee issued by Cleopatra Hospital Company LLC, Commercial Registration No. 199393, issued by the Cairo Investment Commercial Registry Office, guaranteeing the company's repayment of the financing amount, including principal, interest, commissions, expenses, and any other amounts due under the contract.

Financial ratios

According to the contract terms, the companies shall achieve the following financial ratios:

- The financial leverage of the company shall not exceed 2
- Debt service rate shall not fall below 1.
- Liquidity rate shall not fall below 1.

Compliance with Financial Covenants

Loans include certain commitments. Failure to meet these commitments in the future may lead to renegotiation. Management monitors these commitments, and in the event of a potential breach, it takes the necessary measures to ensure compliance. Financial ratios are tested as of December 31, 2026, and there are no outstanding payments.

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18. Provisions

	<u>2025</u>	<u>2024</u>
Provision for human resources	25,926,406	17,156,682
Claims provision	55,478,222	55,934,639
	<u>81,404,628</u>	<u>73,091,321</u>

Provision movement during the year is as follows:

	<u>2025</u>				
	<u>Balance at the beginning of the year</u>	<u>Formed during the year</u>	<u>Utilised during the year</u>	<u>Provisions no longer required</u>	<u>Balance at the end of the year</u>
Provision for human resources	17,156,682	57,001,876	(19,971,062)	(28,261,090)	25,926,406
Claims provision	55,934,639	16,273,916	(14,905,328)	(1,825,005)	55,478,222
Total	<u>73,091,321</u>	<u>73,275,792</u>	<u>(34,876,390)</u>	<u>(30,086,095)</u>	<u>81,404,628</u>

	<u>2024</u>				
	<u>Balance at the beginning of the year</u>	<u>Formed during the year</u>	<u>Utilised during the year</u>	<u>Provisions no longer required</u>	<u>Balance at the end of the year</u>
Provision for human resources	12,265,339	38,025,076	(14,387,716)	(18,746,017)	17,156,682
Claims provision	8,043,132	52,086,946	(4,195,439)	-	55,934,639
Total	<u>20,308,471</u>	<u>90,112,022</u>	<u>(18,583,155)</u>	<u>(18,746,017)</u>	<u>73,091,321</u>

Provision for human resources

Other provisions for human resources include provisions for restructuring the Company's employees, a provision for employees leaves, and a provision for benefits for employees over the age of 60 in accordance with the law.

Claims provision

Other provisions represent the provisions for contingent liabilities of expected claims from some entities and parties with respect to the Company's activities. The Company has not disclosed usual information on the provisions made in accordance with accounting standards, as the management believes that doing so may seriously affect the outcome of negotiations with such entities and authorities. The management reviews those provisions annually and adjusts the amount provided based on the latest updates, discussions and agreements with third parties.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

19. Trade and other payables

	<u>2025</u>	<u>2024</u>
Trade and notes payable	830,322,991	760,922,968
Accrued expenses	799,793,657	554,671,369
Social insurances	28,282,157	16,207,872
Other creditors	274,033,547	191,585,283
	<u>1,932,432,352</u>	<u>1,523,387,492</u>

20. Lease liabilities

Lease liabilities represent the present value of lease liabilities related to medical equipment (Stage 1 - Note 8), entered into by one of the Group's companies, and premises leases (Stage 2). It was measured at the present value of the contractual lease payments discounted at an implicit rate of return of a range between 11.15% and 16.65%.

	<u>2025</u>	<u>2024</u>
During the year	53,418,784	46,833,150
More than one year	326,843,506	93,654,229
	<u>380,262,290</u>	<u>140,487,379</u>

The present value of lease liabilities is as follows:

During the year	53,418,784	46,833,150
More than one year	122,201,397	62,382,913
Balance	<u>175,620,181</u>	<u>109,216,063</u>

	<u>2025</u>	<u>2024</u>
Lease liabilities are presented as follows:		
Lease liabilities as at 31 December	109,216,063	131,556,469
Settlements during the year	1,606,094	1,868,851
Add: Additions during the year	88,951,147	31,232,278
Add: Interest charged during the year	32,971,514	21,003,925
(Less): Disposals during the year	(715,228)	-
(Less): Payments during the year	(56,409,409)	(76,445,460)
Lease liabilities as at 31 December	<u>175,620,181</u>	<u>109,216,063</u>

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

21. Share capital

The Company's paid-up capital is EGP 724,725,042 distributed over 1,449,450,084 shares

The shareholders structure at 31 December 2025 is as follows:

Name	Ownership percentage	Number of shares	Nominal value
Care Health Care	%32.01	464,000,000	232,000,000
MCI Capital Health care	%30.68	444,688,538	222,344,269
Goldman Sachs International	%5.10	73,971,205	36,985,603
Other shareholders	%32.21	466,790,341	233,395,170
Total	%100	1,449,450,084	724,725,042

The shareholders structure at 31 December 2024 is as follows:

Name	Ownership percentage	Number of shares	Nominal value
Care Health Care	32.10%	464,000,000	232,000,000
MCI Capital Health care	30.77%	444,688,538	222,344,269
Goldman Sachs International	5.12%	73,971,205	36,985,603
Other shareholders	32.01%	462,774,459	231,387,229
Total	100%	1,445,434,202	722,717,101

The Company purchased treasury shares during the year, and the outstanding balance at 31 December 2024 amounts to EGP 5,589,973.

Capital Reduction: On July 17, 2025, the Company's General Assembly approved a reduction in the issued share capital by cancelling 1,648,577 treasury shares at their par value, totalling EGP 824,288. Following this cancellation, the issued share capital amounted to EGP 721,892,813.

Capital Increase: On September 8, 2025, the General Assembly approved an increase in the issued share capital by EGP 2,832,229, divided into 5,664,458 shares with a par value of EGP 0.5 per share. This increase was funded through retained earnings and was fully allocated to the Employees Incentive Plan for employees, managers, and executive board members.

22. Employee reward plan

The employee share ownership plan balance is calculated on the basis of the difference between the weighted average price for the month prior to the date the units are granted and the month prior to the unit maturity date which is one year after the granting. The difference is multiplied by the number of units granted to each beneficiary and then divided by the price at maturity, which results the final shares of the beneficiary.

The estimated current value of the incentive and bonus program for a period of three years is EGP 540,039,928 (the estimated dues per year are EGP 106,661,048), and the estimated value for the period recorded in equity is EGP 32,699,496 .

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

23. Other reserves

Movement of the reserves during the year is as follows:

	Balance at the beginning of the year	Formed during the year	Balance at the end of the year
31 December 2025			
Legal reserve	123,765,376	20,602,259	144,367,635
Special reserve	49,090,006	-	49,090,006
Acquisition Reserve	(93,257,352)	-	(93,257,352)
Other reserves	17,677,992	42,031,728	59,709,720
Total	97,276,022	62,633,987	159,910,009
31 December 2024			
Legal reserve	110,640,352	13,125,024	123,765,376
Special reserve	(49,090,006)	-	49,090,006
Acquisition Reserve	(93,257,352)	-	(93,257,352)
Other reserves	13,942,556	3,735,436	17,677,992
Total	80,415,562	16,860,460	97,276,022

23.1 Legal reserve

In accordance with the Law No. 159 of 1981 and the Company's Articles of Association, 5% of the net profit for the year shall be transferred to the legal reserve. According to the proposal of the Board of Directors, this transfer may be partially discontinued if the legal reserve reaches 50% of the issued capital. This legal reserve is not distributable to the shareholders.

23.2 Acquisition reserve

This reserve represents the difference between the acquisition value by Cleopatra Hospital Company S.A.E. and the carrying amount of the net assets and liabilities of Cairo Specialised Hospital Company S.A.E at the acquisition date, as the two companies are under common control. The reason for the acquisition is the reorganization of the group companies. Therefore, the assets and liabilities of the subsidiary have been transferred at historical cost. Cleopatra Hospital Company S.A.E acquired 85,428 additional shares from the non-controlling interests of Cairo Specialised Hospital Company "S.A.E" which led to adding EGP 7,688,520 to the acquisition reserve represented in the difference between the fair value of the shares EGP 100 per share and nominal value EGP 10 per share. During 2023, the Company acquired 42,020 additional shares from the non-controlling interests of Cairo Specialised Hospital "S.A.E". Which led to adding 3,781,778 to the acquisition reserve, represented by the difference between the fair value of the shares, EGP 110 per share, and the nominal value, EGP 10 per share.

23.3 Special reserve

The special reserve represents the amount due to Care Healthcare Limited. (Shareholder), in an amount of EGP 47,379,722 under a letter issued by the Company on 12 April 2016, the parties agreed to claim this amount only in the event that the Company is dissolved or liquidated, either voluntarily or for any other legal reason. In this case, the amount due must be divided among the new shareholders of the company upon liquidation or dissolution in the same amount as their shares in the capital of the company to the total number of issued shares. Accordingly, this amount has been recognised as a special reserve in equity. In addition to the settlement resulting from the treasury shares of Cairo Specialised Hospital (subsidiary) at a value of EGP 1,710,284.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

23. Other reserves

23.4 Other reserves

During the year, the Group effected a capital increase through the issuance of additional shares. Subsequently, the total shares were transferred to (ESOP) at the spot rate. This transaction was executed as part of the Group's Employee Stock Ownership Plan (ESOP) to incentivize and retain employees by aligning their interests with the Group's performance. The difference between the nominal value of the shares issued and the sale price has been recorded in a special reserve within equity, in accordance with Egyptian accounting standards. The amount represents the amount transferred from the issue premium in accordance with the requirements of Law No. 159 of 1981, in addition to the difference between the purchase price of treasury shares and the sale price.

24. Non-controlling interests

	Share capital	Reserves	Retained earnings	Non-controlling interests share in adjustments of acquisition	Total
Balance at 1 January 2024	33,654,441	11,589,341	151,103,131	120,184	196,467,097
Employees' dividends	-	-	(11,924,807)	-	(11,924,807)
Legal reserve	-	934	-	-	934
Comprehensive income for the year	-	-	93,665,374	-	93,665,374
Balance at 31 December 2024	33,654,441	11,590,275	232,843,698	120,184	278,208,598
Balance at 1 January 2025	33,654,441	11,590,275	232,843,698	120,184	278,208,598
Employees' dividends	-	-	(4,166,834)	-	(4,166,834)
Legal reserve	-	1,818	-	-	1,818
Comprehensive income for the year	-	-	143,984,628	-	143,984,628
Balance at 31 December 2025	33,654,441	11,592,093	372,661,492	120,184	418,028,210

Below is a summary of the financial information for each subsidiary that has significant non-controlling interests to the Group. The amounts disclosed to each subsidiary are prior to consolidation entries between companies:

	Cairo Specialised Hospital Company "S.A.E"	Nile Badrawy Hospital Company "S.A.E"	Al Shorouk Hospital Company "S.A.E"	CHG Pharma for Pharmacy Management "S.A.E"	CHG Medical Services "S.A.E"
2025					
Summarized financial position					
Current assets	808,183,514	290,671,928	622,985,715	35,968,622	54,165,435
Current liabilities	403,380,576	357,150,981	207,287,925	44,884,429	65,774,140
Net current assets	404,802,938	(66,479,053)	415,697,790	(8,915,807)	(11,608,705)
Non-current assets	608,969,751	844,331,371	331,718,222	1,519,064	16,012,350
Non-current liabilities	77,962,435	254,416,527	31,481,838	2,847,451	13,442,616
Net non-current assets	531,007,316	589,914,844	300,236,384	(1,328,387)	2,569,734
Equity	935,810,254	523,435,791	715,934,174	(10,244,194)	(9,038,971)
Non-controlling interests	%42.99	%0.01	%0.01	2.00%	40.00%

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

24. Non-controlling interests (continued)

	Cairo Specialised Hospital Company "S.A.E"	Nile Badrawy Hospital Company "S.A.E"	Al Shorouk Hospital Company "S.A.E"	CHG Pharma for Pharmacy Management "S.A.E"	CHG Medical Services "S.A.E"
2024					
Summarized financial position					
Current assets	518,266,776	291,364,878	419,548,538	29,129,314	43,961,520
Current liabilities	315,540,537	244,577,355	158,250,356	38,014,790	103,964,382
Net current assets	202,726,239	46,787,523	261,298,182	(8,885,476)	(60,002,862)
Non-current assets	530,657,144	587,059,851	310,411,236	1,882,075	20,537,093
Non-current liabilities	72,702,582	179,756,815	32,642,397	1,768,694	6,312,587
Net non-current assets	457,954,562	407,303,036	277,768,839	113,381	14,224,506
Equity	660,680,801	454,090,559	539,067,021	(8,772,095)	(45,778,356)
Non-controlling interests	42.99%	0.01%	0.01%	2.00%	40.00%
2025					
Summary of profit or loss					
Revenues	1,579,063,693	1,056,561,565	1,074,090,828	117,727,831	205,154,327
Profit for the year	284,817,902	82,136,454	184,893,206	(1,472,098)	36,739,385
Other comprehensive income	-	-	-	-	-
Total income	284,817,902	82,136,454	184,893,206	(1,472,098)	36,739,385
Non-controlling interests	122,448,912	9,035	18,489	(29,442)	14,695,754
2024					
Summary of profit or loss					
Revenues	1,178,975,455	827,017,546	814,164,721	79,108,108	152,817,082
Profit for the year	200,761,990	103,511,337	127,093,670	(992,473)	12,724,888
Other comprehensive income	-	-	-	-	-
Total income	200,761,990	103,511,337	127,093,670	(992,473)	12,724,888
Non-controlling interests	86,311,595	11,386	12,709	(19,849)	5,089,955

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

24. Non-controlling interests (continued)

	Cairo Specialised Hospital Company "S.A.E"	Nile Badrawy Hospital Company "S.A.E"	Al Shorouk Hospital Company "S.A.E"	CHG Pharma for Pharmacy Management "S.A.E"	CHG Medical Services "S.A.E"
2025					
Summary of cash flows					
Cash flows from operating activities	144,506,323	297,899,268	96,951,542	5,820,961	14,476,025
Cash flows from investing activities	(86,635,000)	(246,894,166)	(51,269,859)	1,015,082	179,432
Cash flows from financing activities	(33,281,376)	(35,168,690)	(12,401,996)	(1,255,341)	(15,332,023)
Net in cash and cash equivalents	24,589,947	15,836,412	33,279,687	5,580,702	(827,852)
2024					
Summary of cash flows					
Cash flows from operating activities	193,679,745	160,673,029	43,964,147	(1,627,909)	19,898,924
Cash flows from investing activities	(125,817,654)	(198,481,056)	(17,576,888)	459,438	(2,968,649)
Cash flows from financing activities	(46,725,161)	45,143,565	(14,108,241)	(869,501)	(15,440,976)
Net in cash and cash equivalents	21,136,930	7,335,538	12,279,018	(2,037,972)	1,489,297

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

25. Revenue

	<u>2025</u>	<u>2024</u>
Residency and medical supervision revenue	1,583,244,138	1,233,265,771
Surgeries revenue	1,359,734,909	1,100,684,402
Laboratories revenue	786,970,168	509,020,271
Outpatient clinics revenue	667,565,609	497,640,710
Service revenue*	542,606,995	439,045,444
Radiology revenue	525,213,413	335,664,111
Pharmacy revenue	501,505,451	346,628,992
Cardiac catheterization revenue	467,408,288	391,893,335
Emergency revenue	266,014,679	182,107,126
Physiotherapy revenue	209,706,872	148,698,126
Cardiac tests revenue	74,604,038	47,422,252
Fluoroscopes revenue	68,327,960	49,903,335
Oncology center revenue	56,223,486	37,273,741
Dental revenue	20,618,644	18,768,204
Other divisions revenues	97,519,810	82,380,591
	<u>7,227,264,460</u>	<u>5,420,396,411</u>

* "Service fees" are not a separate performance obligation but rather a fixed percentage incremental cost applied to all flows of revenue except medicines sales.

All types of revenue are recognised at a certain point in time, except for residency and medical supervision, which are recognised over time as follows:

	<u>2025</u>	<u>2024</u>
At a point of time	5,644,020,322	4,187,130,640
Recognised over time	1,583,244,138	1,233,265,771
	<u>7,227,264,460</u>	<u>5,420,396,411</u>

26. Cost of obtaining revenue

	<u>2025</u>	<u>2024</u>
Medical and pharmaceutical supplies	1,650,595,778	1,187,422,589
Employees' wages, salaries and benefits	1,045,589,981	818,835,091
Doctors' fees	900,546,805	753,129,443
Maintenance, spare parts and energy expenses	220,121,782	189,401,497
Fixed assets depreciation	189,035,104	150,163,840
Consumables costs	117,124,121	103,388,921
External services from third parties	119,790,755	93,331,981
Right of use depreciation	22,692,367	44,594,142
Amortization of rent prepayments	1,440,000	-
Miscellaneous expenses	101,857,900	66,785,558
	<u>4,368,794,593</u>	<u>3,407,053,062</u>

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

27. General and administrative expenses

	<u>2025</u>	<u>2024</u>
Employees' wages, salaries and benefits	606,746,595	354,852,617
Marketing expenses	153,267,608	70,071,533
IT programs expenses	120,482,329	68,203,797
External services from third parties	88,056,812	58,644,936
Professional and consulting fees	55,741,547	41,933,843
Maintenance, spare parts and energy expenses	33,462,608	18,516,419
Fixed assets depreciation	28,591,899	32,022,158
Right of use depreciation	10,353,567	8,392,379
Consumables costs	8,272,803	5,907,495
Amortisation of intangible asset	2,069,284	2,069,284
Miscellaneous expenses	122,285,987	89,182,108
	<u>1,229,331,039</u>	<u>749,796,569</u>

28. Expenses by nature

	<u>2025</u>	<u>2024</u>
Salaries, wages and benefits	1,652,336,576	1,173,687,708
Medical and pharmaceutical supplies	1,650,595,778	1,187,422,589
Doctor fees	900,546,805	753,129,443
Maintenance, spare parts and energy expenses	253,584,390	207,917,916
Fixed assets depreciation	217,627,003	182,185,998
Service from others	207,847,567	151,976,917
Marketing expenses	153,267,608	70,071,536
Consumables costs	125,396,924	109,296,416
Right of use depreciation	33,045,934	52,986,521
IT programs expenses	120,482,329	68,203,797
Amortization of rent prepayments	1,440,000	-
Intangible assets amortization	2,069,284	2,069,284
Other expenses	279,885,434	197,901,506
	<u>5,598,125,632</u>	<u>4,156,849,631</u>

29. Expected credit losses in financial assets

	<u>2025</u>	<u>2024</u>
Impairment of trade receivables	109,295,416	50,835,857
Reversal of impairment in cash	2,443,224	12,425
	<u>111,738,639</u>	<u>50,848,282</u>

30. Other revenue

	<u>2025</u>	<u>2024</u>
Capital losses	2,368,258	1,908,593
Lease	2,231,623	3,591,934
Other revenue	11,240,256	16,848,742
	<u>15,840,137</u>	<u>22,349,269</u>

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31. Finance income / expenses

	<u>2025</u>	<u>2024</u>
Finance income		
Interest income	46,632,479	35,152,611
Foreign currency valuation	-	7,781,290
Total finance income	<u>46,632,479</u>	<u>42,933,901</u>
Finance expenses		
Interests expense - credit facilities	(191,725,396)	(101,041,075)
Interests expense - leases	(32,971,514)	(21,003,925)
Interests expense - De-recognition of Leases	-	-
Foreign currency valuation	(2,622,501)	-
Total finance expenses	<u>(227,319,411)</u>	<u>(122,045,000)</u>
Net finance expenses	<u>(180,686,932)</u>	<u>(79,111,099)</u>

32. Income taxes

	<u>2025</u>	<u>2024</u>
Current income tax	383,914,976	252,173,356
Deferred tax (Note 32)	(32,681,909)	14,480,414
	<u>351,233,067</u>	<u>266,653,770</u>

Tax on profit before tax theoretically differs from the amount expected to be earned by applying the average tax rate that is applicable to the Company's profits as follows:

	<u>2025</u>	<u>2024</u>
Profit before tax from continued operations	1,319,099,384	1,083,665,759
Income tax calculated at the applicable local tax rate	296,797,361	243,824,796
Add (less):		
Expenses not recognised	(13,884,930)	17,375,195
Non-taxable revenue	(13,884,930)	(2,277,742)
Unrecognised deferred tax assets	14,672,943	7,731,521
Deferred tax assets on retained losses	(2,507,807)	-
Income tax	<u>351,233,067</u>	<u>266,653,770</u>
Effective tax rate	<u>%26.66</u>	<u>24,61%</u>

	<u>2025</u>	<u>2024</u>
<i>Current income tax liabilities</i>		
Balance at 1 January	198,978,751	75,572,027
Payments during the year	(212,354,461)	(79,835,652)
Tax for the year	383,914,976	252,173,356
Paid under tax account	(86,318,209)	(48,930,980)
	<u>284,221,057</u>	<u>198,978,751</u>

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33. Deferred tax

The change in tax assets and liabilities during the year is as follows:

	Balance at 1 January 2025 (Liability)	(Expense) charged to the statement of profit or loss during the year	Balance at 31 December 2025 (Liability)
Liabilities			
Fixed assets	(82,640,837)	(8,085,762)	(90,726,599)
Fixed assets - fair value impact	(33,431,227)	1,427,085	(32,004,142)
Intangible assets - fair value impact	(9,979,650)	-	(9,979,650)
Total liabilities	(126,051,714)	(6,658,677)	(132,710,391)
Assets			
Provisions (excluding claims provision)	2,280,507	(1,580,210)	700,301
Accumulated losses of subsidiary	7,463,572	40,920,795	48,384,367
Net deferred tax - liability	(116,307,635)	32,681,908	(83,625,723)
	Balance at 1 January 2024 (Liability)	(Expense) charged to the statement of profit or loss during the year	Balance at 31 December 2024 (Liability)
Liabilities			
Fixed assets	(67,729,393)	(14,911,444)	(82,640,837)
Fixed assets - fair value impact	(34,858,312)	1,427,085	(33,431,227)
Intangible assets - fair value impact	(9,979,650)	-	(9,979,650)
Total liabilities	(112,567,355)	(13,484,359)	(126,051,714)
Assets			
Provisions (excluding claims provision)	3,276,562	(996,055)	2,280,507
Accumulated losses of subsidiary	7,463,572	-	7,463,572
Net deferred tax - liability	(101,827,221)	(14,480,414)	(116,307,635)

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

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

34. Earnings per share

Basic earnings per share for the year is calculated by dividing the net profit of the Company's shareholders for the year by the weighted average number of shares outstanding during the year after the derecognition of employees' dividends.

	<u>2025</u>	<u>2024</u>
Profit for the year from continued operations	823,881,689	723,346,615
(Less):		
Dividends of employees and the Board of Directors	<u>(154,056,861)</u>	<u>(156,060,296)</u>
	<u>669,824,828</u>	<u>567,286,319</u>
The weighted average number of ordinary shares for basic earnings per share purposes	1,441,509,083	1,441,509,083
The weighted average number of ordinary shares for the purpose of employee reward plan	<u>2,298,783</u>	<u>2,298,783</u>
The weighted average number of ordinary shares for diluted earnings per share purposes	<u>1,443,807,866</u>	<u>1,443,807,866</u>
Basic earnings per share	0.46	0.39
Diluted earnings per share	<u>0.46</u>	<u>0.39</u>

The weighted average number of shares is adjusted to take into account the shares held under the reward and incentive plan for employees, managers, and executive Board members.

35. Tax position

35.1 Cleopatra Hospital Company

First: Corporates income tax

- Inspection was made until 31 December 2019, and the settlement and full payment were made.
- In 2020, the inspection, and the payment were made, and the settlement is in progress.
- Tax return for the years 2021 and 2022 and 2023 have been submitted at the legal deadlines

Second: Salaries tax

- Inspection was made until 31 December 2019, and the settlement and full payment were made.
- The years 2020 and 2021 and 2022 was inspected and the principal tax was paid
- Salaries settlements and models 4 (salaries) for the year 2023 have been submitted at the legal deadlines

Third: Stamp duty tax

- Inspection and payment were made until 31 July 2006.
- The inspection and payment were made till the year 2020 and the settlement is in progress.

Fourth: Value added tax

- The inspection was made till 31 December 2004.
- Sales tax for the years from 2005 to 2022 was inspected and the inspection differences were paid.
- Monthly returns are submitted within the legal deadlines.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

35. Tax position (continued)

35.2 Cairo Specialised Hospital Company

First: Corporates income tax

- Inspection was made until 31 December 2019, and the settlement and full payment were made.
- For years 2020 till 2022 , the inspection, and the payment were made, and the settlement is in progress.
- Tax return for the year 2023 have been submitted at the legal deadlines

Second: Salaries tax

- Inspection was made until 31 December 2018, and the settlement and full payment were made.
- The years 2019 till 2022 were inspected, the principal tax was paid, and settlement is in progress
- Salaries settlements and models 4 (salaries) for the year 2023 have been submitted at the legal deadlines

Third: Stamp duty tax

- Inspection and payment were made until 31 December 2016.
- The years from 2017 to 2020 were inspected and the payment was made and the settlement is in progress
- The years from 2021 to 2022 were inspected and payment in progress

Fourth: Value added tax

- The inspection was made from 2016 to 2022, and the tax differences are being paid and the settlement is in progress.
- Monthly returns are submitted within the legal deadlines.

35.3 Nile Badrawy Hospital Company

First: Corporates income tax

- Inspection was made until 31 December 2020, and the settlement and full payment were made.
- Year 2021 is currently under inspection
- Tax return for the year 2023 have been submitted at the legal deadlines

Second: Salaries tax

- Inspection was made until 31 December 2022, and the settlement and full payment were made.
- Salaries settlements and models 4 (salaries) for the year 2023 have been submitted at the legal deadlines

Third: Stamp duty tax

- Inspection was made until 2019, and the settlement and full payment were made.

Fourth: Value added tax

- Monthly returns are submitted within the legal deadlines.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

35. Tax position (continued)

35.4 Al Shorouk Hospital Company

First: Corporates income tax

- Inspection was made until 31 December 2019, and the settlement and full payment were made.
- From year 2020 till year 2022, the inspection, and the payment were made, and the settlement is in progress.
- Tax return for the year 2023 have been submitted at the legal deadlines

Second: Salaries tax

- Inspection was made until 31 December 2014, and the settlement and full payment were made.
- Inspection was made for the years from 2015 to 2022 and the principal tax was paid.
- Salaries settlements and models 4 (salaries) for the year 2023 have been submitted at the legal deadlines

Third: Stamp duty tax

- Inspection was made until 31 December 2019, and the settlement and full payment were made.
- Inspection was made until 31 December 2022, and settlement is in progress.

Fourth: Value added tax

- Inspection was made from 2016 to November 2020, and the principal tax was paid.
- The years from 2021 to 2022 are being inspected
- Monthly returns are submitted within the legal deadlines.

36. Commitments

Capital Commitments:

Capital commitments at the end of the financial year, that are not yet due, amounted to EGP 151,017,672 (2024: EGP 487,283,142) represented in commitments related to purchasing fixed assets and projects in progress.

37. Other liabilities

The present value of the cash portion of the remainder of the transaction value at the transaction date was estimated at EGP 14,485,000, and an amount of EGP 10,000,000 of this balance was paid to Dr. Ismail Aboul Fotouh in 2022. The fair value of the share-based payments based on a part of the transaction (which is equivalent to 40% of the shares of Bedaya Hospital Company) was estimated at the acquisition date at an amount of EGP 38,005,000. The share-based compensation is due in June 2023 and has certain conditions, unrelated to maturity, specified in the transfer agreement. Remunerations expenses amounting to EGP 6,910,000 of the share-based payments was recognised in 2023. The total liability due to Dr. Ismail Aboul Fotouh at 31 December 2025 was EGP 42,490,000 (EGP 42,490,000 at 31 December 2024), which is included within other liabilities balance in the statement of financial position.

38. Treasury shares

On July 17, 2025, the Company's General Assembly approved a reduction in the issued share capital through the cancellation of 1,648,577 treasury shares at their par value, amounting to a total of EGP 824,288."

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

39. Significant and Subsequent events

(a) A settlement agreement regarding the land of the Nile Badrawi Hospital

a) A settlement agreement regarding the land of the Nile Badrawi Hospital

On 13 February 2020, Cleopatra Hospital Company, the General Authority for River Transportation, the Nile Badrawi Hospital, and the inheritors of the Engineer Hassan Badrawy 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 Badrawy Hospital was built. The total settlement amounted to EGP 36 million, noting that part of the settlement falls within the limits of the amounts deducted from the selling price of Nile Badrawy Hospital shares in favor of Cleopatra Hospital. It has been agreed upon a waiver of disputes between the General Authority for River Transportation Company and the Nile Badrawy Hospital that each of them raises concerning the land subject to settlement. On 31 March 2021, the Administrative Court issued a ruling that the case was accepted in form and rejected in substance. Cairo Governorate and the Nile Badrawy Hospital appealed the aforementioned ruling before the Supreme Administrative Court, and a hearing was determined on 21 September 2022, for both parties to submit settlement contracts executed between the parties. The consideration of the appeal has been deferred to a hearing on 7 February 2024, to take intervention procedures of the heirs of the late Hassan Badrawi, and to review notes for whomever wants. The appeal has been postponed until response the defence memorandum. It was postponed to 26 May 2026 to resubmit the settlement agreement .

(b) Movements in exchange rates for the Egyptian pound

On October 2, 2025, the Central Bank of Egypt (CBE) reduced the overnight deposit and lending rates, as well as the rate of the main operation, by 100 basis points to reach 21.0%, 22.0%, and 21.5%, respectively. Additionally, the discount and credit rate was reduced by 100 basis points to stand at 21.5%."

On December 25, 2025, the Central Bank of Egypt (CBE) reduced the overnight deposit and lending rates, along with the rate of the main operation, by 100 basis points to reach 20.0%, 21.0%, and 20.5%, respectively. Furthermore, the discount and credit rate was reduced by 100 basis points to stand at 20.5%."

On February 12, 2026, the overnight deposit and lending rates and the central bank's main operation rate were reduced by 100 basis points to 19%, 20%, and 19.5%, respectively. The discount and credit rates were also reduced by 100 basis points to 20.5%.

CLEOPATRA HOSPITAL COMPANY (S.A.E.)

Notes to the consolidated financial statements - For the financial year ended 31 December 2025

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

39. Significant events (continued)

c- Right of use, management and operation contract for CHG Sky Hospital LLC

On December 29, 2021, an agreement was signed between the Housing and Social Services Fund for Petroleum Sector Workers, the Egyptian Natural Gas Company (GASCO) "S.A.E." and the Egyptian Natural Gas Distribution Company for Cities (Town Gas) "S.A.E." as the first party, and CHG Hospitals Company "S.A.E." as the second party, to grant the right to use, manage, and operate Sky Hospital for a period of twenty-seven calendar years starting from the date of signing the agreement, provided that

the second party completes all construction, electromechanical, and interior finishing works, and equips the hospital with the medical and non-medical equipment necessary to operate the hospital at its own expense. The hospital will be fully delivered, including all equipment and supplies, to the first party immediately upon the expiration of the agreement.

The first party shall receive, in return for granting the second party the right to benefit from, manage and operate Sky Hospital, a return for each fiscal year as follows:

Year	Amount due
First and second year of operation	2% of total annual revenue as shown in the approved financial statements
Starting from the third year till the sixth year of operation	3% of total annual revenue as shown in the approved financial statements
Starting from the seventh year till the end of the agreement	4% of total annual revenue as shown in the approved financial statements

During the year 2022, a transfer agreement was signed between CHG Hospitals LLC and CHG Sky Hospital LLC, and with the approval of all other parties, all terms, conditions, obligations and rights required by the agreement are transferred from CHG Hospitals LLC to CHG Sky Hospital LLC.