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

AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

Consolidated financial statements - For the year ended 31 December 2022

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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 2022 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 Group'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 Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies and the accounting estimates made by management, as well as evaluating 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.

PricewaterhouseCoopers Ezzeldeen, Diab & Co., Public Accountants
Plot no 211, Second Sector, City Center, New Cairo 11835, Egypt, PO Box 170 New Cairo
T: +20 2 2759 7700, F: +20 2 2759 7711, www.pwc.com

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Auditor's report (continued)
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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cleopatra Hospital Company S.A.E. and its subsidiaries as of 31 December 2022, and their financial performance and their cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

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

19 March 2022
Cairo

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

Consolidated Statement of financial position- As at 31 December 2022

(All amounts are shown in Egyptian Pounds)	Note	2022	2021
ASSETS			
Non-current assets			
Fixed assets	7	1,567,256,629	1,351,725,422
Right-of-use assets	8	149,161,936	174,691,615
Goodwill	9	369,263,334	369,263,334
Other intangible assets	9	54,183,109	56,252,393
Investments in associates	10	3,810,927	2,178,301
Paid under investments purchased		4,201,975	5,673,000
Total non-current assets		**2,147,877,910**	**1,959,784,065**
Current assets			
Inventories	11	108,020,724	51,301,188
Trade and other receivables	12	505,356,134	383,324,030
Due from related parties	35	3,152,972	530,300
Debtors and other debit balances	13	172,817,945	191,702,419
Financial assets at amortized cost - treasury bills	14	98,900,022	677,072,914
Cash on hands and at banks	15	247,243,250	168,906,593
Total current assets		**1,135,491,047**	**1,472,837,444**
Total assets		**3,283,368,957**	**3,432,621,509**
EQUITY AND LIABILITIES			
Equity			
Share capital	21	800,000,000	800,000,000
Treasury shares	39	(766,026,840)	(4,152,742)
Retained earnings		1,517,369,788	1,269,995,272
Employees stock ownership Plan	22	8,383,763	8,289,941
Reserves	23	319,211,558	302,942,579
Equity attributable to the Company's owners		**1,878,938,269**	**2,377,075,050**
Non-controlling interests	24	**148,412,296**	120,742,065
Net equity		**2,027,350,565**	**2,497,817,115**
LIABILITIES			
Non-Current liabilities			
Lease liabilities	20	155,459,030	172,715,165
Deferred tax liabilities		89,449,007	81,809,839
Loans	17	88,033,127	-
Other liabilities	38	-	31,760,000
Total non-current liabilities		**332,941,164**	**286,285,004**
Current liabilities			
Banks overdraft	16	244,464,052	60,627,560
Provisions	18	25,300,047	21,917,498
Trade and other payables	19	530,750,517	461,032,559
Other liabilities	38	35,580,000	-
Lease liabilities	20	38,983,371	38,742,917
Current income tax liabilities	32	47,999,241	66,198,856
Total current liabilities		**923,077,228**	**648,519,390**
Total liabilities		**1,256,018,392**	**934,804,394**
Total equity and liabilities		**3,283,368,957**	**3,432,621,509**

The accompanying notes from 1 to 40 are integral part of these consolidated financial statements.

Mr. Ahmed Adel Badreldin Non-Executive Chairman	Dr. Ahmed Ezz Eldin Mahmoud CEO & Managing Director	Mr. Ahmed Gamal Group CFO

16 March 2023
Auditor's report is attached

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

Consolidated statement of profit or loss - For the year ended 31 December 2022

(All amounts in Egyptian Pounds)	Note	2022	2021
Revenue	25	2,614,421,170	2,549,286,862
Deduct:			
Cost of revenue	26	(1,741,106,085)	(1,618,621,622)
Gross profit		873,315,085	930,665,240
(Deduct) Add;			
General and administrative expenses	27	(381,203,142)	(344,937,147)
Net impairment losses on financial assets	29	(26,247,634)	(43,030,111)
Other expenses	18	(22,396,400)	(25,050,909)
Other income	30	4,874,287	9,359,862
Operating profit		**448,342,196**	**527,006,935**
Finance income	31	49,185,413	59,586,759
Finance expenses	31	(43,573,306)	(34,449,556)
Consulting expenses for acquisition activities		(4,289,105)	(17,523,030)
Profit for the year before income tax		**449,665,198**	**534,621,108**
Income tax	32	(92,933,359)	(123,948,980)
Net profit for the year		**356,731,839**	**410,672,128**
Profit is attributable to			
Owners of the Parent Company		325,762,928	387,245,151
Non-controlling interest	24	30,968,911	23,426,977
		356,731,839	**410,672,128**
Earnings per share (basic)	34	**0.17**	**0.20**
Earnings per share (diluted)	34	**0.17**	**0.20**

The accompanying notes from 1 to 40 are integral part of these consolidated financial statements.

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

Consolidated statement of comprehensive income - For the year ended 31 December 2022

(All amounts in Egyptian Pounds)	**2022**	**2021**
Profit for the year	356,731,839	410,672,128
Other comprehensive income items	-	-
Comprehensive income for the year	**356,731,839**	**410,672,128**
Profit is attributable to:		
Owners of the Parent Company	325,762,928	387,245,151
Non-controlling interest	30,968,911	23,426,977
	356,731,839	**410,672,128**

The accompanying notes from 1 to 40 are integral part of these consolidated financial statements.

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

Consolidated Statement of changes in equity - For the year ended 31 December 2022

(All amounts in Egyptian Pounds)	Share capital	Treasury Shares	Reserve	Retained Earnings	Employees stock ownership plan	Total Shareholders' equity of the parent company	Non-controlling interest	Total equity
Balance at 1 January 2021	**800,000,000**	**-**	**281,336,162**	**939,860,762**	-	**2,021,196,924**	**98,780,007**	**2,119,976,931**
Treasury shares	-	(4,152,742)	-	-	-	**(4,152,742)**	-	**(4,152,742)**
Employees and board of directors' dividends	-	-	-	(45,444,024)	-	**(45,444,024)**	(2,197,732)	**(47,641,756)**
Reserves	-	-	21,606,417	(11,666,617)	-	**9,939,800**	732,813	**10,672,613**
Employees stock ownership plan	-	-	-	-	8,289,941	**8,289,941**	-	**8,289,941**
Total comprehensive income	-	-	-	387,245,151	-	**387,245,151**	23,426,977	**410,672,128**
Balance at 31 December 2021	**800,000,000**	**(4,152,742)**	**302,942,579**	**1,269,995,272**	**8,289,941**	**2,377,075,050**	**120,742,065**	**2,497,817,115**
Treasury shares	-	(778,266,336)	-	-	-	**(778,266,336)**	-	**(778,266,336)**
Employees and board of directors dividends	-	-	-	(62,408,742)	-	**(62,408,742)**	(4,659,818)	**(67,068,560)**
Reserves (note 23)	-	-	16,268,979	(15,979,670)	-	**289,309**	1,361,138	**1,650,447**
Employees Stock Ownership Plan value (note 22)	-	-	-	-	16,486,060	**16,486,060**	-	**16,486,060**
Issue of Employees Stock Ownership Plan (note 22)	-	16,392,238	-	-	(16,392,238)	-	-	-
Total comprehensive income	-	-	-	325,762,928	-	**325,762,928**	30,968,911	**356,731,839**
Balance at 31 December 2022	**800,000,000**	**(766,026,840)**	**319,211,558**	**1,517,369,788**	**8,383,763**	**1,878,938,269**	**148,412,296**	**2,027,350,565**

The accompanying notes from 1 to 40 are integral part of these consolidated financial statements.

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

Consolidated Statement of cash flows - for the year ended 31 December 2022

(All amounts in Egyptian Pounds)	Note	2022	2021
Cash flows from operating activities			
Profit before tax		449,665,198	534,621,108
Adjustments to settle net profit with cash flow from operating activities:			
Fixed Assets depreciation	7	133,124,003	113,882,651
Right of use depreciation	8	25,956,681	25,956,342
Losses on disposal of fixed assets	30	428,331	786,749
Financial assets impairment	29	26,247,634	43,030,111
Inventory impairment	11	320,309	1,051,896
Provisions	18	22,396,400	25,050,909
Interest and commission - Bank's overdraft	31	20,442,311	9,934,055
Interest and commission - Lease contracts	31	23,130,995	24,506,126
Interest income	31	(40,914,292)	(59,586,759)
Share of results of associates and joint ventures		(407,606)	(1,034,710)
Intangible assets amortization		2,069,284	2,069,284
Other liabilities	38	13,820,001	13,820,001
Employees stock ownership plan		16,486,060	8,289,941
Operating cash flows before changing in assets and liabilities		**692,765,309**	**742,377,704**
Changes in assets and liabilities			
Changes in inventories		(57,039,845)	13,954,066
Changes in trade receivables		(79,275,615)	30,923,259
Changes in due from related parties		(2,622,672)	(143,473)
Changes in debtors and other debit balances		14,201,705	13,618,371
Changes in due to related parties		-	(597,889)
Changes in trade and other payables		69,717,960	(352,354)
Change in working capital		**637,746,842**	**799,779,684**
Income taxes paid		(103,493,806)	(89,889,206)
Impairment of financial assets - used		(69,258,483)	(36,971,406)
Provisions - used		(19,013,851)	(24,763,818)
Payments for other liabilities	9	(10,000,000)	-
Net cash flow generated from operating activities		**435,980,702**	**648,155,254**
Cash flows from investing activities			
Payments for fixed assets	7	(161,666,332)	(97,474,252)
Payments for Projects under construction	7	(189,604,595)	(167,122,143)
Proceeds from the sale of fixed assets		2,187,384	3,397,434
Fixed assets down-payments		(73,407,468)	(17,567,325)
Payments under acquisition of long-term investments		1,471,025	(5,673,000)
Payments under acquisition of associates		(1,225,020)	-
Interest received		40,970,615	50,822,178
Net cash flows used in investing activities		**(381,274,391)**	**(233,617,108)**
Cash flows from financing activities			
Proceeds from bank's overdraft		183,836,492	60,627,560
Proceeds from loans		88,033,127	-
Payments for lease liabilities		(40,734,524)	(43,722,954)
Payments for the purchase of treasury shares		(778,266,336)	(74,176,267)
Proceeds from the sale of treasury shares		80,696,141	
Interest and commission paid		(20,442,311)	(13,217,154)
Dividends paid		(67,919,500)	(47,041,913)
Net cash flows used in financing activities		**(554,796,911)**	**(117,530,728)**
Changed in cash and cash equivalents during the year		(500,090,600)	297,007,418
Cash and cash equivalents at the beginning of the year		847,525,002	550,517,584
Cash and cash equivalents at the end of the year	15	**347,434,402**	**847,525,002**

The accompanying notes from 1 to 40 are an integral part of these consolidated financial statements.

1. Introduction

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

The company is listed in the Egyptian Stock Exchange.

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

Registered address and place of business.
The Company is located at 39, 41 Cleopatra Street, Heliopolis, Cairo.

Presentation currency.
Presentation currency is Egyptian pound

These consolidated financial statements have been approved for issuance by the Board of Directors of the Parent company on 16 March 2023, and the shareholders of the Parent company have the right to amend the financial statements after issuance.

2. Operating Environment of the Group

The Arab Republic of Egypt displays certain characteristics of an emerging market. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations.

For the purpose of measurement of expected credit losses ("ECL") on the Group's financial assets, the Group uses supportable forward-looking information, including forecasts 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.

3. Significant Accounting Policies

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards (EASs) and the relevant laws. The consolidated financial statements have been prepared under the historical cost convention except for the following item in the Consolidated Statement of Financial Position:

- Employees stock ownership Plan are measured at fair value

3. Significant Accounting Policies (continued)

3.1 Basis of preparation (continued)

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

The preparation of the consolidated financial statements in conformity with EASs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. The areas where the most significant accounting estimates and judgements applied in preparation of the consolidated financial statements are disclosed in Note 4.

3.2 Consolidated financial statements

(a) Subsidiaries

Subsidiaries are those investees, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

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

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction-by-transaction basis, by using the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and the fair value of an interest in the acquiree held immediately before the acquisition date., after management reassesses whether it identified all the assets acquired and all the liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

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

3. Significant Accounting Policies (continued)

3.2 Consolidated financial statements (continued)

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued, and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition of and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

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

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

	Relationship with Cleopatra Hospital	Country of incorporation	Percentage of ownership 2022	Percentage of ownership 2021
Al-Shorouk Hospital Company S.A.E.	Subsidiary	Egypt	99.99%	99.99%
Nile Badrawi Hospital Company S.A.E.	Subsidiary	Egypt	99.99%	99.99%
Cairo Specialised Hospital Company S.A.E.	Subsidiary	Egypt	56.46%	56.46%
CHG for Medical Services Company S.A.E.	Subsidiary	Egypt	20% (Preference shares)	20% (Preference shares)
CHG Pharma for Pharmacies Management Company S.A.E.	Subsidiary	Egypt	98%	98%
CHG for hospitals S.A.E.	Subsidiary	Egypt	99.99%	99.99%
Bedaya El Gedida Company for Medical Centers and Hospitals S.A.E.	Subsidiary	Egypt	99.99%	99.99%
CHG Sky Hospital S.A.E.	Subsidiary	Egypt	99.99%	-
Cleopatra Heavens Hospital S.A.E.	Subsidiary	Egypt	99.99%	-

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

3. Significant Accounting Policies (continued)

3.2 Consolidated financial statements (continued)

(b) Associates

Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as the share of results of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.

However, when the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.3 Foreign currency translation

(a) Functional and presentation currency

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the national currency of the Arab Republic of Egypt, Egyptian Pounds. The consolidated financial statements are presented in Egyptian Pounds, 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 at the respective end of the reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within 'finance income or costs. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

3. Significant Accounting Policies (continued)

3.4 Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset and bringing it to a ready-for-use condition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of fixed assets items is capitalised and the replaced part is retired.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year within other income/(expenses).

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

The depreciation rates by type of asset are as follows:

Machinery, equipment, and devices	10%
Furniture	15%
Buildings	2.5%
Vehicles	20% to 25%
Computers	25%
Leasehold improvement	Remaining of the lease contract

The residual value of an asset is the estimated amount that the Group would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed and adjusted if appropriate.

3. Significant Accounting Policies (continued)

3.5 Intangible assets

(a) Goodwill

Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such 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 goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. The carrying value of the cash-generating unit containing goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

Intangible assets other than goodwill

The Group's intangible assets other than goodwill and trade name have definite useful lives and primarily include capitalised computer software and non-competition agreement

Acquired computer software licences, trademarks and non-competition agreement are capitalised on the basis of the costs incurred to acquire and bring them to use.

Amortization is recognized in the income statement on a straight-line basis over the estimated useful life of the intangible assets from the date it is available for use

The estimated useful life is:

	Useful lives in years
Trade name	Indefinite
Non-competition agreement	7 years
Computer software	5 years

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

3. Significant Accounting Policies (continued)

3.6 Financial instruments

(i) Classification

The group classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through OCI or through profit or loss), and
• those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. 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 to account for the equity investment at fair value through other comprehensive income (FVOCI).

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

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the group classifies its debt instruments:

• Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

• FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

3. Significant Accounting Policies (continued)

3.6 Financial instruments (continued)

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment
The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and for the exposures arising from contract assets. The Group measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL 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 terms
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 fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

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

Transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL"). Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the consolidated statement of financial position.

3. Significant Accounting Policies (continued)

3.6 Financial instruments (continued)

Financial assets – classification and subsequent measurement – measurement categories

The Group classifies financial assets in the measurement category at amortised costs 'AC'. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets impairment – credit loss allowance for ECL

The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and for the exposures arising from contract assets. The Group measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL 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 AC, trade receivables and contract assets are presented in the consolidated statement of financial position net of the allowance for ECL. For, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss

The Group applies a simplified approach for impairment of financial assets.

Financial assets – derecognition

The Group writes off a financial asset when (a) the assets are redeemed or the rights to cash flows from the assets expire or (b) the Group has transferred the rights to cash flows from the financial assets or has entered into a qualifying pass-through arrangement while (i) it has also transferred all the risks and rewards of ownership of the assets or (ii) transfers substantially all the risks and rewards of ownership of the assets or (ii) does not transfer or retain substantially all the risks and rewards of ownership but does not retain control. Control is retained if the counterparty does not have the practical ability to sell the entire asset to an unrelated third party without the need to impose additional restrictions on the sale.

Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at AC. Contingent consideration recognised by an acquirer in a business combination is measured at FVPL together with other financial liabilities designated as such at initial recognition.

Financial liabilities – derecognition

Financial liabilities are written-off when they are terminated (i.e., when the obligation specified in the contract has been fulfilled or cancelled).

3. Significant Accounting Policies (continued)

3.7 Cash and cash equivalents (continued)

Cash and cash equivalents represent cash on hand, callable deposits at banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent only principal and interest payments, and (ii) they are not designated at FVTPL.

Interest income
Interest income is recorded for all debt instruments on an accrual basis using the effective interest method.

3.8 Trade and other receivables.

Trade and other receivables are recognised initially at fair value and are subsequently carried at AC using the effective interest method.

3.9 Trade and other payables.

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.10 Borrowings and bank's overdraft

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Capitalisation of borrowing costs.

General and specific borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3. Significant Accounting Policies (continued)

3.11 Lease liabilities

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Extension and termination options are included in a number of property and equipment lease contracts across the Group. These terms are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance costs. The finance costs are charged to 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 associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small medical equipment and small items of office equipment.

3. Significant Accounting Policies (continued)

3.11 Lease liabilities (continued)

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases. The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. Typically, the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so 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 adjusted if appropriate, to reflect actual residual values achieved on comparable assets and expectations about future prices.

Rental income
The Groups rents spaces to others. The rental amount is recognised in the statement of profit or loss over the period of contract.

3.12 Current and deferred income tax

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

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

Deferred income tax is determined using tax rates in accordance with the law prevailing at the consolidated financial position date that are expected to apply when the deferred income tax asset is realised, or the deferred income tax liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.13 Inventories

Inventories are stated at the lower of actual cost or net realisable value. Cost is determined using the moving average method and includes purchase cost and other direct costs. The net realisable value comprises the estimated selling price in the ordinary course of business, less realisable expenses. Allowance is made for slow moving inventories based on management's assessment of inventory movements.
Cost of inventories is recognised as an expense and included in cost of revenue.

3. Significant Accounting Policies (continued)

3.14 Share capital

Ordinary shares are classified as equity.

Treasury shares. Where the Company or its subsidiaries purchase the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, is deducted from the equity attributable to the Company's owners until the equity instruments are reissued, disposed of or cancelled. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to the Company's owners.

3.15 Legal reserve

As required by the parent Company, 5% of the net profit shall be transferred to constitute the legal reserve, once the financial statements are approved by the Company's ordinary general assembly meeting. Such transfer may be discontinued when the reserve equals 50% of the Company's issued and paid-up capital. Whenever this reserve is lower than this percentage, the deduction should be continued. This reserve is not available for distribution.

3.16 Dividends

Dividends are recognised in the consolidated financial statements in the period in which the dividends are approved by the Company's General Assembly of Shareholders.

The company does not record the dividends payable until it is approved by the general assembly.

3.17 Provisions

Provisions are recognised when the Company has a (legal or constructive) obligation as a result of past events. It is expected that this settlement will result in an outflow of the Company's resources, which ensures that economic benefits will arise, and it is probable that the resource usage will be required to settle the obligation and a reliable estimate of the amount of this obligation can be made.

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

3.18 Revenue recognition

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

Step 1. Identify contract(s) with a customer.

Step 2. Identify performance obligations in the contract.

Step 3. Determine the transaction price.

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

3. Significant Accounting Policies (continued)

3.18 Revenue recognition (continued)

Step 5. Recognize revenue when (or as) the Group satisfies a performance obligation. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The patient simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

- The Group's performance creates or enhances an asset that the patient controls as the asset is created or enhanced; or

- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

<u>Medical and other services revenue</u>

Revenue primarily 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 provided over a short time frame and in substance recorded at a point in time. Outpatient cases do not involve 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 revenues.

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 claims disallowances.

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 disallowed 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 terms of EAS 48, these rejected claims are recognised as a reduction of revenue with a corresponding entry against trade receivables.

<u>Sale of medicine revenue</u>

The Group sells drugs through the hospital's pharmacy or when giving them to inpatients admitted in the hospital. The Group recognises the revenues 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.

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 owners of the Company by the weighted average number of participating shares outstanding during the financial year.

3.20 Employees' benefits

3.20.1 Pension and insurance scheme

The Group pays contributions to the Public Authority for Social Insurance on a mandatory basis in accordance with the rules of Social Security Law. The Group has no further obligations other than the payment of 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 stock ownership plan

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

The fair value of options granted under the Employee stock 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 impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting 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 vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(a) On 15 October 2020, the Company's general assembly agreed to approve the system of reward and motivation for employees, managers, and executive board members of the company, by promising to sell shares, to be effective from July 1, 2020, the system was approved by the Financial Regulatory Authority on 31 December 2020.

(b) Definition of the system:

1- A promise to sell shares equivalent to 5% of the shares issued to the company is made to the employees, managers and members of the executive board of directors of the company and its subsidiary companies who are selected by the supervision committee, noting that the same beneficiary may be selected more than once during the term of the system within the limits of this percentage. The supervision committee may include other beneficiaries during the term of the system.

3. Significant Accounting Policies (continued)

3.20 Employees' benefits (continued)

3.20.2 Employee stock ownership plan (continued)

2- The term of the system is a maximum of seven years, starting from July 1, 2020, during which each beneficiary is allocated a specific number of units according to the decision of the supervision committee, with a maximum of five segments.

3- The shares allocated to the beneficiary are calculated according to the following equation:

The difference between (1) the share price determined on the basis of the weighted average (Volume Weighted Average Price) in the month prior to the date of allotment and (2) the share price determined on the basis of the weighted average (Volume Weighted Average Price) in the month preceding the date of commencement of exercise Right, which is the date that one year has passed since the date of each allocation ("the share price upon exercising the right"). Then the result is multiplied by the number of units allocated to each particular segment for each beneficiary, and the indicated output is divided by the share price upon exercising the right, resulting in the final number of shares allocated to the beneficiary ("the final number of shares"), which links the economic interest of the beneficiaries of the system with the interest of the shareholders of the company

In the event that the total percentage of the output of the number of shares for all the beneficiaries of the system exceeds 1% of the total shares issued to the company annually at any time, the percentage increase will be reduced to 1% in proportion and proportionality to all the beneficiaries of the system who have not exercised their right on the shares allocated to them.

(i) The final number of shares allocated to each beneficiary is distributed over three years according to the allocation contract for each beneficiary.
(ii) 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.
(iii) The issuance of the increase in shares allocated to the application of the system is funded through a special reserve, share premium and / or retained earnings, and / or by converting the reserve money or part thereof into shares, the value of which is increased by the issued capital based on a decision by the company's board of directors or by cash purchase of the company's shares traded on the Egyptian Stock Exchange, as treasury shares, and their allocation according to the system.
(iv) And the fair value of these liabilities is recognized in the statement of profit or loss.
(v) The General Assembly may terminate this system, subject to obtaining the approval of the Financial Supervisory Authority, without any prejudice to the rights of the beneficiaries.

3.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Reportable segments whose revenue, result or assets are ten percent or more of all the segments are reported separately.

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

4.1 Impairment of goodwill and other intangible assets

The Group's management evaluates goodwill and other intangible assets annually to determine any impairment in 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 subsequently, (Note 9) illustrates more information regarding its accounting estimates.

4.2 ECL measurement

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs of the models to reduce any differences between expected credit loss estimates and actual credit loss experience The data for forward-looking information has been extracted from studies by independent companies such as Moody's. S&P.

The Group used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward-looking assumptions that correlate with ECL level and their assigned weights were inflation rate and GDP growth rate.

4.3 Depreciation of fixed assets

The estimation of the useful lives of items of fixed assets is a matter of judgement based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance programme; and (c) the technical or commercial obsolescence arising from changes in market conditions.

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

4.4 Depreciation of right-of-use assets

Depreciation of right-of-use assets: In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).
For leases of buildings and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate) the lease. Most extension options in buildings and equipment leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate) the lease.

Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in buildings and equipment leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

Extension and termination options: Extension and termination options are included in a number of buildings and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Discount rates used for determination of lease liabilities
The Group uses its incremental borrowing rate as a base for calculation of the discount rate because the interest rate implicit in the lease cannot be readily determined.

The following factors determine the usage of the latest incremental borrowing rate using recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received and for specific conditions attributable to the lease, e.g. term, currency and collateral.

4.5 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 will be required to settle the obligation; and the amount has been reliably estimated. The Group reviews the provision at the date of each financial position and adjusts it to reflect the best current estimate by using the appropriate advisory expertise.

5. Financial risk management

5.1 Financial risk factors

The risk management function within the Group is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

(a) Credit risk

The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.
Trade receivables are represented net of the allowance for expected credit losses. 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 condition of these customers in relation to their credit standing is evaluated 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 reflected in the carrying amounts of financial assets in the consolidated statement of financial position.

Credit risk management. Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk.

External ratings are assigned to counterparties by independent international rating agencies, such as S&P, Moody's and Fitch. These ratings are publicly available. Such ratings and the corresponding range of probabilities of default ("PD") are applied for the following financial instruments: [Cash At banks.]

Expected credit loss (ECL) measurement

ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest.

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

For trade receivable and other debit balance:

- The customer meets the unlikeliness-to-pay criteria listed below:
- Evidence that the customer is unable to pay
- Customer checks are return.

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

(a) Credit risk (continued)

For purposes of disclosure, the Group fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Group.

The Company performs assessments based on external ratings for [Cash at banks]

Forward-looking information incorporated in the ECL models. The calculation of ECLs both incorporate supportable forward-looking information. The Group identified certain key economic variables that correlate with developments in credit risk and ECLs. Forecasts of economic variables (the "base economic scenario") are provided by the Group's management and provide the best estimate of the expected macro-economic development over future years.

The group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

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

The expected loss rates are based on the payment profiles of sales over a period of 36 – month period prior to each statement of financial position date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate in Egypt to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off where there is no reasonable expectation of recovery. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Debt investments

The Company's investments in debt instruments "at amortized cost" are considered to be low risk investments and therefore the loss allowance recognized during the period is limited to expected losses for 12 months. Management considers "low credit risk" listed bonds an investment grade credit rating with at least one major rating agency. Other instruments are considered to be of low credit risk as they have a low risk of default and the issuer has a strong ability to meet contractual cash flow obligations in the near term.

Currently the Group does not hold any debt instruments with a maturity of more than 1 year.

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

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

5. Financial risk management (continued)

5.2 Financial risk factors (continued)

(a) Credit risk (continued)

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

	Impairment model	2022	2021
Cash at banks	General	244,095,386	166,950,224
Trade receivables	Simplified	592,439,221	513,163,607
Other debit balances	Simplified	5,879,185	90,182,543
Due from related parties	Simplified	3,152,972	530.300
Treasury bills	General	98,900,022	677,072,914
		944,466,786	**1,447,899,588**

Credit risk on receivable and bank balances is limited as:

- Cash balances, term deposits are held with reputable banks in Egypt that have a strong financial position in which all banks in Egypt are guaranteed from the Egyptian Central Bank.

- The carrying amount of financial assets represents the maximum credit exposure.

(b) Market risk

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

(i) Currency risk

In respect of currency risk, management sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

	At 31 December 2022			At 31 December 2021		
	Monetary financial assets	Monetary financial liabilities	Net position	Monetary financial assets	Monetary financial liabilities	Net position
US Dollars	27,618,407	-	**27,618,407**	20,338,797	-	**20,338,797**
Euros	650,340	-	**650,340**	99,087	-	**99,087**
Pound Sterling	3,845	-	**3,845**	313,809	-	**313,809**
Total	**28,272,592**	**-**	**28,272,592**	**20,751,693**	**-**	**20,751,693**

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

5. Financial risk management (continued)

5.1 Financial risk factors (continued)

(b) Market risk (continued)

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Group entities, with all other variables held constant:

	2022	2021
Impact on profit or loss		
US Dollar strengthening by 10% (2021: strengthening by 10%)	2,761,841	2,033,880
US Dollar weakening by 10% (2022: weakening by 10%)	(2,761,841)	(2,033,880)
Euro strengthening by 10% (2021: strengthening by 10%)	65,034	9,909
Euro weakening by 10% (2021: weakening by 10%)	(65,034)	9,909
Pound Sterling strengthening by 10% (2021: strengthening by 10%)	385	31,381
Pound Sterling weakening by 10% (2021: weakening by 10%)	(385)	(31,381)

(ii) Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

	Less than 1 year	More than 1 year	1 to 2 years	Total
31 December 2022				
Total financial assets	346,143,272	-	-	346,143,272
Total financial liabilities	(244,464,052)	(88,033,127)	-	(332,497,179)
Net interest sensitivity gap at 31 December 2022	**101,679,220**	**(88,033,127)**	**-**	**13,646,093**
31 December 2021				
Total financial assets	845,979,507	-	-	**845,979,507**
Total financial liabilities	(60,627,560)	-	-	**(60,627,560)**
Net interest sensitivity gap at 31 December 2021	**785,351,947**	**-**	**-**	**785,351,947**

At 31 December 2022, if interest rates at that date had been [100] basis points lower (2021: [100] basis points lower) with all other variables held constant, profit for the year would have been EGP 265,901 (2021: EGP 2,514,658) higher, mainly as a result of lower interest expense on variable interest liabilities.

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

5. Financial risk management (continued)

5.1 Financial risk factors(continued)

(b) Market risk (continued)

If interest rates had been [100] basis points higher (2021: [100] basis points higher), with all other variables held constant, profit would have been EGP 265,901 (2021: EGP 2,514,658) lower, mainly as a result of higher interest expense on variable interest liabilities

The Group monitors interest rates for its financial instruments. The table below summarises interest rates at the respective reporting date based on reports reviewed by key management personnel. For securities, the interest rates represent yields to maturity based on market quotations at the reporting date:

	2022		2021	
	EGP	USD	EGP	USD
Assets				
Cash and cash equivalents Current accounts	10% - 10.5%	-	6% - 6.5%	-
Cash and cash equivalents Time Deposits	-	2.5% - 3.25%	-	0.5% - 0.75%
Investments in Treasury bills	11.20% - 11.40%	-	8.40% - 9%	-
Liabilities				
Banks overdraft	17.35%	-	9.35%	-

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources. Liquidity risk is managed by Finance department of the Group. Management monitors monthly rolling forecasts of the Group's cash flows.

The Group seeks to maintain a stable funding base primarily consisting of borrowings, trade and other payables. The Group invests the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. The Group's liquidity portfolio comprises cash and cash equivalents (Note 15) and investments in treasury bills (Note 14). Management estimates that the liquidity portfolio cash, bank deposits can be realised in cash [within a day] in order to meet unforeseen liquidity requirements.

The liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the [Finance Department].

The table below shows liabilities at 31 December 2022 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

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

5. Financial Risk Management (continued)

The maturity analysis of financial liabilities at 31 December 2022, 2021 is as follows:

2022	Within 1 year	From a year to 2 years	More than 2 years	Total
Liabilities				
Banks overdraft	244,464,052	-	-	**244,464,052**
Trade payables	530,750,517	-	-	**530,750,517**
Loans	-	28,256,023	113,024,094	**141,280,117**
Lease liabilities	38,983,371	40,528,180	265,024,461	**344,536,012**
Total future payments, including future principal and interest payments	**814,197,940**	**68,784,203**	**378,048,555**	**1,261,030,698**

2021	Within 1 year	From a year to 2 years	More than 2 years	Total
Liabilities				
Banks overdraft	60,627,560	-	-	60,627,560
Trade payables	461,032,559	-	-	461,032,559
Lease liabilities	38.742.917	40,604,329	306,272,186	385.619.432
Total future payments, including future principal and interest payments	**561,705,386**	**40,604,329**	**306,272,186**	**907,279,551**

5.2 Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximise returns for shareholders and provide benefits to the stakeholders, and to maintain an optimal capital structure to reduce the cost of capital, as is followed by other companies operating in the same industry.

The Group's management monitors capital structure using the gearing ratio, which is calculated as the ratio of net debt to total borrowings, advances, notes payable, and due to related parties, less cash. The total capital represents the total net debt in addition to equity as shown in the consolidated financial position.

Net debt to total invested capital as at 31 December 2022 and 31 December 2021 is as follows:

	2022	2021
Creditors and other credit balances	530,750,517	461,032,559
Bank overdrafts	244,464,052	60,627,560
Lease liabilities	194,442,401	211,458,082
Loans	88,033,127	-
Less: Cash on hand and at banks	(347,434,402)	(847,525,002)
Net debt	**710,255,695**	**(114,406,801)**
Total equity	2,027,350,565	2,497,817,115
Total invested capital	**2,737,606,260**	**2,383,410,314**
Net debts to total invested capital	**25.94%**	**(4,80%)**

The loans contain certain covenants. The covenants are monitored by management. During 2022 there has not been any non-compliance observed for any of the covenants.

5.3 Estimations of fair values of financial instruments

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

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

6. Segment reporting

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

Below is a summary of each segment, which is presented for the year ended 31 December 2022 for each segment:

	Cleopatra Hospital Company	**Cairo Specialised Hospital**	**Nile Badrawi Hospital**	**Al Shorouk Hospital**	**CHG for Medical Services**	**CHG Pharma for pharmacies management**	**CHG for Hospitals**	**Queens Hospitals**	**Al Kateb Hospitals**	**Bedaya El Gedida for Medical Centers and Hospitals**	**CHG SKY Hospital**	**Consolidated adjustment***	**Total**
Statement of financial position													
Non-current assets	1,644,670,640	351,715,466	288,891,045	314,891,373	33,580,003	3,163,143	-	64,974,500	143,338,304	91,548,692	6,569,114	(795,464,370)	**2,147,877,910**
Current assets	337,431,210	190,785,262	207,844,535	178,251,501	23,149,902	14,570,552	32,640,658	77,328,280	26,180,904	59,066,363	82,710,545	(94,468,665)	**1,135,491,047**
Total assets	**1,982,101,850**	**542,500,728**	**496,735,580**	**493,142,874**	**56,729,905**	**17,733,695**	**32,640,658**	**142,302,780**	**169,519,208**	**150,615,055**	**89,279,659**	**(889,933,035)**	**3,283,368,957**
Current liabilities	513,529,605	134,265,495	97,518,839	109,512,367	90,690,373	21,457,970	1,115,689	28,264,647	39,928,098	15,469,717	1,266,247	(165,521,819)	**887,497,228**
Non-current liabilities	56,565,896	25,604,134	69,951,018	27,269,432	32,102,148	3,861,929	-	69,948,933	3,547,149	33,260,609	-	46,409,916	**368,521,164**
Total Liabilities	**570,095,501**	**159,869,629**	**167,469,857**	**136,781,799**	**122,792,521**	**25,319,899**	**1,115,689**	**98,213,580**	**43,475,247**	**48,730,326**	**1,266,247**	**(119,111,903)**	**1,256,018,392**
Statement of profit or loss:													
Revenue	1,014,052,500	525,559,329	378,418,379	439,722,048	87,646,799	48,036,184	-	30,388,796	48,998,403	68,886,213	-	(27,287,481)	**2,614,421,170**
Cost of revenue	(573,406,102)	(358,271,371)	(286,979,023)	(314,547,047)	(67,173,514)	(45,405,318)	-	(22,341,515)	(57,778,172)	(39,401,570)	-	24,197,547	**(1,741,106,085)**
Gross profit	**440,646,398**	**167,287,958**	**91,439,356**	**125,175,001**	**20,473,285**	**2,630,866**	**-**	**8,047,281**	**(8,779,769)**	**29,484,643**	**-**	**(3,089,934)**	**873,315,085**
Other expenses and revenues	(197,848,076)	(97,034,893)	(64,950,868)	(76,466,648)	(18,544,032)	(3,319,523)	(359,336)	(10,001,395)	(14,810,906)	(32,450,276)	513,413	(1,310,706)	(516,583,246)
Profit for the year	**242,798,322**	**70,253,065**	**26,488,488**	**48,708,353**	**1,929,253**	**(688,657)**	**(359,336)**	**(1,954,114)**	**(23,590,675)**	**(2,965,633)**	**513,413**	**(4,400,640)**	**356,731,839**
Other Items													
Capital expenditure	77,648,177	85,100,844	58,558,885	102,561,496	459,680	80,782	-	365,942	11,914,328	8,011,679	6,569,114	-	**351,270,927**
Fixed assets depreciation	39,036,628	26,723,229	21,032,836	24,207,781	224,983	15,548	-	3,300,858	5,408,666	4,597,951	-	8,575,523	**133,124,003**

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

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

6. Segment reporting (continued)

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

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

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

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

7. Fixed Assets

	Lands	Machinery, equipment and devices	Furniture	Buildings	Vehicles	Computers	Projects under construction	Total
At 1 January 2021								
Cost	173,240,262	626,167,940	105,792,062	549,004,858	15,691,737	102,687,785	99,720,766	**1,672,305,410**
Accumulated depreciation	-	(261,113,137)	(38,054,959)	(114,997,947)	(7,328,973)	(45,614,534)	-	**(467,109,550)**
Net book value	**173,240,262**	**365,054,803**	**67,737,103**	**434,006,911**	**8,362,764**	**57,073,251**	**99,720,766**	**1,205,195,860**
Year ended 31 December 2021								
Opening net book value	173,240,262	365,054,803	67,737,103	434,006,911	8,362,764	57,073,251	99,720,766	**1,205,195,860**
Additions	-	48,252,892	19,125,873	868,488	4,902,800	24,324,199	167,122,143	**264,596,395**
Disposals	-	(8,189,448)	(1,349,937)	(106,884)	(76,000)	(11,528)	-	**(9,733,797)**
Write-off	-	(4,179,426)	(967,569)	-	-	(572,134)	-	**(5,719,129)**
Transfers from projects under construction	-	12,955,477	12,375,644	108,837,042	-	10,055,925	(144,224,088)	-
Depreciation for the year	-	(51,598,344)	(14,197,713)	(20,513,110)	(2,943,291)	(24,630,193)	-	**(113,882,651)**
Accumulated depreciation of disposal	-	8,462,378	2,125,592	23,103	76,000	581,671	-	**11,268,744**
Closing net book value	**173,240,262**	**370,758,332**	**84,848,993**	**523,115,550**	**10,322,273**	**66,821,191**	**122,618,821**	**1,351,725,422**
At 31 December 2021								
Cost	173,240,262	675,007,435	134,976,073	658,603,504	20,518,537	136,484,246	122,618,821	**1,921,448,879**
Accumulated depreciation	-	(304,249,103)	(50,127,080)	(135,487,954)	(10,196,264)	(69,663,056)	-	**(569,723,457)**
Net book value	**173,240,262**	**370,758,332**	**84,848,993**	**523,115,550**	**10,322,273**	**66,821,191**	**122,618,821**	**1,351,725,422**
At 31 December 2022								
Opening net book value	173,240,262	370,758,332	84,848,993	523,115,550	10,322,273	66,821,191	122,618,821	**1,351,725,422**
Additions	-	128,830,449	16,777,434	1,513,754	-	14,544,695	189,604,595	**351,270,927**
Disposals	-	(9,980,156)	(4,193,733)	(220,000)	(1,606,042)	(718,334)	-	**(16,718,265)**
Write-off								
Transfers from projects under construction	-	1,265,886	19,565,319	72,275,065	-	4,025,101	(97,131,371)	**-**
Depreciation for the year	-	(59,282,606)	(18,654,591)	(24,419,422)	(4,255,730)	(26,511,654)	-	**(133,124,003)**
Accumulated depreciation of disposal	-	8,673,706	3,998,126	-	757,917	672,799	-	**14,102,548**
Balance at 31 December 2022	**173,240,262**	**440,265,611**	**102,341,548**	**572,264,947**	**5,218,418**	**58,833,798**	**215,092,045**	**1,567,256,629**
Cost	173,240,262	795,123,614	167,125,093	732,172,323	18,912,495	154,335,709	215,092,045	**2,256,001,541**
Accumulated depreciation	-	(354,858,003)	(64,783,545)	(159,907,376)	(13,694,077)	(95,501,911)	-	**(688,744,912)**
Net book value at the year end	**173,240,262**	**440,265,611**	**102,341,548**	**572,264,947**	**5,218,418**	**58,833,798**	**215,092,045**	**1,567,256,629**

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

8. Right-of-use assets

The Egyptian Standard No. (49) "Leasing Contracts" has been applied in two phases as follows:
The first stage relates to lease contracts that were subject to Law (95) for the year 1995 starting on or after 1 January 2019, which are lease contracts related to medical equipment and measured at the beginning of the contract at a value equal to the value of the lease obligations in addition to rental expenses and subsequently depreciated over the life of the lease contracts using the straight-line method.

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

	2022	2021
Machinery and equipment		
Beginning balance for the year	16,818,578	18,824,508
Additions during the year		-
Depreciation during the year	(2,115,928)	(2,005,930)
Total – machinery and equipment	**14,702,650**	**16,818,578**
Buildings		
Beginning balance for the year	157,873,037	-
Impact of applying the Egyptian Accounting Standard no. 49 "Lease contracts"	-	161,848,949
Settlements	(4,157,171)	
Additions for the year	5,369,594	19,974,500
Disposals for the year	(785,421)	-
Depreciation for the year	(23,840,753)	(23,950,412)
Total	**134,459,286**	**157,873,037**
	149,161,936	**174,691,615**

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

9. Goodwill and other intangible assets

Cost	Non-competition agreement	Trade name	Total	Goodwill
2022				
Balance at 1 January 2022	**11.898.393**	**44.354.000**	**56.252.393**	**369.263.334**
Amortization	(2,069,284)	-	**(2,069,284)**	-
Balance at 31 December 2022	**9,829,109**	**44.354.000**	**54,183,109**	**369.263.334**
Balance at 1 January 2022	**13,967,679**	**44.354.000**	**58,321,679**	**369.263.334**
Amortization	(2,069,286)	-	**(2,069,286)**	-
Balance at 31 December 2022	**11.898.393**	**44.354.000**	**56.252.393**	**369.263.334**

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

9. Goodwill and other intangible assets (continued)

The goodwill is as follows:

	Balance at 31 December 2022	Balance at 31 December 2021
El-Kateb Hospital	158,516,300	158,516,300
Al Shorouk Hospital S.A.E.	120,823,014	120,823,014
Nile Badrawi Hospital	75,853,020	75,853,020
Queens Hospital	14,071,000	14,071,000
Total	**369,263,334**	**369,263,334**

Goodwill

To calculate goodwill, Nile Badrawi Hospital Company S.A.E., Al-Shorouk Hospital S.A.E. Queens Hospital and ElKateb Hospital were each considered as a separate cash generating unit, and the goodwill resulting from acquisition was allocated.

Recoverable amount of the cash-generating unit is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by the 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 gross profit. Future capital expenditures for future replenishment plans have been taken into account for the same existing assets. A discount rate and a long-term growth rate have been used to reflect the specific risks associated with the industry and economy sector.

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

2022	El-Kateb Hospital	Al Shorouk Hospital S.A.E.	Nile Badrawi Hospital	Queens Hospital
Average sales growth rate	55.00%	12.10%	12.00%	34.10%
Average pre-tax discount rate	18.90%	18.90%	18.90%	18.90%
Terminal discount rate	14.90%	14.90%	14.90%	14.90%

2021	El-Kateb Hospital	Al Shorouk Hospital S.A.E.	Nile Badrawi Hospital	Queens Hospital
Average sales growth rate	36.00%	13.70%	9.60%	15.40%
Average pre-tax discount rate	15.60%	15.60%	15.60%	15.60%
Terminal discount rate	13.60%	13.60%	13.60%	13.60%

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

9. Goodwill and other intangible assets (continued)

<u>Management has determined the values assigned to each of the above key assumptions as follows:</u>

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.
Pre-tax discount rates	A discount rate, namely 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 before-tax rate ('Pre-tax discount rate').

Trade name

The fair value of the trade name is estimated using relief from royalty method. This method determines the value by referring to the nominal royalty payments, which are provided when acquiring the asset compared with the license of the asset and trade name by another party.

The management evaluated the impairment of trade name at the date of the financial statements using the adjusted cash flow that reflects the actual data up to the date of the financial statements and expected changes in the following periods, including revenues, operating and capital expenses, and this did not result in any impact on the impairment of trade name.

<u>El Bedaya El Gedida for Medical Centers and Hospitals</u>

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

Also, an appointment contract was signed between the New Beedaya Company for Medical Centres and Hospitals and Dr. Ismail Aboul Fotouh.

The transaction value comprising medical equipment, assets, and real estate 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 will be entitled to receipt of 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 39 as a share-based compensation to be settled in cash. The remainder of the deal's value will be determined and paid based on the results of the new company's business during 2021 and 2022 and is accounted for as an employee benefit under EAS 38. The final settlement date of the deal will be in June 2023.

The present value of the cash portion of the remainder of the transaction value at the transaction date was estimated at 14,485,000 EGP and 10,000,000 EGP out of this balance was repaid to Dr. Abul Fotouch in 2022. The fair value of consideration attributable to share-based compensation (which is equivalent to 40% of the shares of Bedaya Hospital Company) was estimated at acquisition date at 38,005,000 EGP. The share-based compensation is vesting in June 2023 and has certain non-vesting conditions specified in the transfer agreement. Remuneration expense on the amount of 13.820.000 EGP attributable to the share-based compensation was recognised in 2022.

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

9. Goodwill and other intangible assets (continued)

The total outstanding liability attributable to Dr. Abul Fotouch as of 31 December 2022 was 35,580,000 EGP (31,760,000 EGP as of 31 December 2021) and the balance is recorded under Other liabilities in the statement of financial position.

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

	EGP
Acquisition cost	
Cash paid	105,000,000
Purchased investments liabilities	14,485,000
Total acquisition cost	**119,485,000**
Fair value of the assets acquired	
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	**105,000,000**
Non-competition agreement	**14,485,000**

10. Investments in associates

	2022	2021
Egypt Healthcare Facilities Services for facility management	3,810,927	2,178,301
	3,810,927	**2,178,301**
Amount recognized in profit or loss:		
Egypt Healthcare Facilities Services for facility management	407,606	1,034,710
	407,606	**1,034,710**

The investment in associate on 31 December 2022 is as follows:

Company name	The main business place / Country of incorporation	Measurement	Ownership %
Egypt Healthcare Facilities Services for facility management	Egypt	Equity method	49%

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

10. Investments in associates (continued)

The following is the most important summarized financial information on the associate companies as of 31 December 2022:

	Total assets	Total equity	Total revenues	Profit for the year
Egypt Healthcare Facilities Services for facility management	16,041,958	8,019,086	54,260,997	832,003

The principal business of the entity is providing medical cleaning and catering services.

11. Inventories

	2022	2021
Medical supply inventory	64,489,857	26,439,233
Medicine inventory	39,735,167	21,709,850
Stationary inventory	1,752,880	1,142,632
Hospitality inventory	1,548,385	655,754
Maintenance and spare parts inventory	1,092,657	1,647,600
Food and beverage inventory	191,059	175,091
	108,810,005	**51,770,160**
Less: Impairment of inventory	(789,281)	(468,972)
	108,020,724	**51,301,188**

Movement in the provision for inventory is as follows:

	2022	2021
Balance at the beginning of the year	468,972	466,550
Provisions formed during the year	686,895	1,312118
Provisions no longer required during the year	(160,636)	(1,049,474)
Write-offs during the year	(205,950)	(260,222)
Balance at the end of the year	**789,281**	**468,972**

12. Trade receivables

	2022	2021
Trade receivables	579,083,205	502,010,165
Inpatients	13,356,016	11,153,442
	592,439,221	**513,163,607**
Less: Expected credit losses	(87,083,087)	(129,839,577)
	505,356,134	**383,324,030**

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

12. Trade receivables (continued)

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

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

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

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

	31 December 2022			
Trade receivables	**Loss Rate**	**Gross carrying amount**	**Lifetime ECL**	**Net carrying value**
- current until less than 30 days overdue	0,2%	396,045,019	981,582	**395,063,437**
- 31 to 60 days overdue	2%	43,908,049	976,967	**42,931,082**
- 61 to 90 days overdue	4%	20,589,638	775,431	**19,814,207**
- 91 to 120 days overdue	8%	12,943,079	1,055,967	**11,887,112**
- 121 to 360 days overdue	28%	40,768,725	11,419,488	**29,349,237**
- 361 to 720 days overdue	44%	11,199,388	4,888,329	**6,311,059**
- More than 720 days	100%	66,985,323	66,985,323	-
		592,439,221	**87,083,087**	**505,356,134**

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

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

12. Trade receivables (continued)

The movement in the impairment consists of the following:

	2022	2021
Balance at the beginning of the year	129,839,577	125,326,367
Effect of application of EAS 47 "Financial assets"	-	11,289,842
Formed during the year	34,825,615	105,383,023
Used during the year	(69,258,483)	(52,753,994)
No longer required during the year	(8,323,622)	(59,405,661)
	87,083,087	**129,839,577**

13. Debtors and other debit balances

	2022	2021
Advances to suppliers	131,893,622	67,780,202
Prepaid expenses	14,790,848	7,592,208
Withholding taxes	11,072,891	11,494,414
Deposits with others	5,699,554	5,105,318
Accrued income	365,584	421,907
Employee's custodies	179,631	648,595
Treasury shares debtors	-	84,428,630
Other debtors	8,818,599	14,233,929
	172,820,729	**191,705,203**
Less: ECL of other debit balances during the year	(2,784)	(2,784)
	172,817,945	**191,702,419**

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

	2022	2022
Balance at 1 January	2,784	42,202
No longer required	-	(39,418)
	2,784	**2,784**

14. Financial assets at amortised cost – treasury bills

	2022	2021
Treasury Bills (Maturity 31 days)	50,000,000	-
Treasury Bills (Maturity 61 days)	50,000,000	636,400,000
Treasury bills (Maturity 91 days)	-	45,450,070
Less: Unearned revenue	(1,099,978)	(4,777,156)
	98,900,022	**677,072,914**

14. Financial assets at amortised cost – treasury bills (continued)

- Treasury bills are entitled to a constant annual return of 11.20% and 11.40% after taxes on 31 December 2022 (2021: 8.40% and 9.6%).

- The fair value of the treasury bills does not differ materially from the book value, as all maturities of treasury bills are short-term.

- Credit risk rating for treasury bills is B.

15. Cash on hand and at banks

	2022	2021
Current accounts	222,933,856	151,913,259
Time deposit	21,161,530	15,036,965
Cash on hand	4,438,994	3,501,864
Deduct: Cash and cash equivalents impairment	(1,291,130)	(1,545,495)
	247,243,250	**168,906,593**

Movement in the impairment is as follows:

	2022	2021
Balance at the beginning of the year	1,545,489	-
Formed during the year	1,548,434	246,880
Impact of applying EAS no. 47 "Financial Instruments"	-	4,492,746
No longer required	(1,802,793)	(3,194,131)
Ending balance	**1,291,130**	**1,545,495**

The time deposits item includes an amount EGP 21.161.530 on 31 December 2022 (2021: EGP 15,036,065) are denominated in local banks in US dollars and is paid within one month from the date of deposit and is subject to a fixed annual return of 2.5% to 3.25%.

Current accounts deposited in Egyptian Pounds are subject to a fixed annual rate of [10%] to [10.5%] (2021: from 6% to 6.5%)

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

	2022	2021
Cash and bank balances	248,534,380	170,452,088
Treasury bills with maturities of 3 months or less	98,900,022	677,072,914
Total	**347,434,402**	**847,525,002**

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

16. Banks overdraft

The group obtained total credit limits in the form of overdrafts from banks in order to finance working capital at an interest rate of 0.1% in addition to the announced lending rate from the Central Bank. The total available credit limits amounted to EGP 330 million and the withdrawn value of these credit limits in 31 December 2022 equals EGP 244,464,052 (EGP 60,627,560 in 31 December 2021).

The table below sets out an analysis of liabilities from financing activities and the movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

Net debt reconciliation

	2022	2021
Cash and cash equivalent	347,434,402	847,525,002
Less:		
Lease liabilities	(194,442,401)	(211,458,082)
Bank Overdraft	(244,464,052)	(60,627,560)
Loans	(88,033,127)	-
Total	**(179,505,178)**	**575,439,360**

	Lease Liabilities	Cash at bank	Bank overdrafts	Loans	Net
Net debt as at 31 December 2021	211,458,082	(847,525,002)	60,627,560	-	**(575,439,360)**
Financing cash flows	(40,734,524)	500,090,600	164,514,246	86,913,062	**710,783,384**
Changes in Leases	587,848	-	-	-	**587,848**
Interest expense	23,130,995	-	19,322,246	1,120,065	**43,573,306**
Net debt as at 31 December 2022	**194,442,401**	**(347,434,402)**	**244,464,052**	**88,033,127**	**179,505,178**

	Lease Liabilities	Cash at bank	Bank overdrafts	Loans	Net
Net debt as at 31 December 2020	13,275,080	(550,517,584)	-	-	**(537,242,504)**
Effect of applying EAS 49	197,425,332	-	-	-	**197,425,332**
Financing cash flows	(43,722,954)	(297,007,418)	60,627,560	-	**(280,102,812)**
Changes in Leases	19,974,499	-		-	**19,974,499**
Interest expense	24,506,125	-	9,934,055	-	**24,506,125**
Net debt as at 31 December 2021	**211,458,082**	**(847,525,002)**	**60,627,560**	**-**	**(575,439,360)**

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

17. Loans

31 December 2022	Current	Non-current	Total
Loans	-	88,033,127	**88,033,127**
Total	**-**	**88,033,127**	**88,033,127**

31 December 2021	Current	Non-current	Total
Loans	-	-	-
Total	**-**	**-**	**-**

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

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

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

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

- The purpose of the loan is to finance and/or refinance the capital needs and renovation of the group's hospitals starting from 2021, including medical equipment, medical beds, medical and non-medical furniture, as well as internal development of movables (finishes, electromechanical equipment, and power station).
- The validity of this contract begins for a period of six years and six months from the date of signing the financing contract on 10 October 2021, with the group being granted a grace period of a maximum of one year and six months ending on12 December 2023, and a grace period (applied to repayment of the principal) of one year and six Months ending on 31 January 2024, and in the event that the entire amount of financing is not withdrawn during the aforementioned grace period, the unwithdrawn part will be automatically cancelled and the bank is not obligated to lend the group any amounts other than what has been withdrawn from the financing amount.
- The group is committed to repaying the total financing amount in 20 quarterly instalments, with the first instalment starting on 31 December 2024.

Financial ratios

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

- The financial leverage of the group should not exceed 0.7 and that of the Nile Badrawi Hospital Company should not be less than 1.
- The debt service ratio should not be less than 1.3.
- The liquidity ratio should not be less than 1.

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

17. Loans (continued)

The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored by management, in case of potential breach, actions are taken by management to ensure compliance. During 2022, there has not been any non-compliance observed for any of the covenants.

18. Provisions

	2022	2021
Provision for claims	8,780,294	10,765,879
Provision for human resources	16,519,753	11,151,619
	25,300,047	**21,917,498**

Movement in the provision during the year is as follows:

	2022				
	Balance at the beginning of the year	**Formed during the year**	**Utilised during the year**	**Provisions no longer required**	**Balance at the end of the year**
Provision for human resources	11,151,619	29,131,018	(11,116,375)	(12,646,509)	**16,519,753**
Provision for claims	10,765,879	6,367,770	(7,897,476)	(455,879)	**8,780,294**
Total	**21,917,498**	**35,498,788**	**(19,013,851)**	**(13,102,388)**	25,300,047

	2021				
	Balance at the beginning of the year	**Formed during the year**	**Utilised during the year**	**Provisions no longer required**	**Balance at the end of the year**
Provision for human resource	12,849,633	34,829,810	(21,090,859)	(15,436,965)	11,151,619
Provision for claims	8,780,774	5,658,064	(3,672,959)	-	10,765,879
Total	**21,630,407**	**40,487,874**	**(24,763,818)**	**(15,436,965)**	**21,917,498**

Provision for human resources

Provisions for human resources include provisions for the employees leave provision.

Provision for claims

Other provisions represent provisions for contingent liabilities on potential claims from certain authorities and parties regarding the Company's activity. The Company did not disclose the usual information on the provisions in accordance with the accounting standards as management believes that doing so may severely affect the outcome of the negotiations with those bodies and authorities. The management reviews these provisions on a yearly basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

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

19. Trade and other payables

	2022	2021
Trade and other payables	253,631,129	227,368,417
Accrued expenses	228,526,996	173,697,850
Social insurance	8,753,744	5,787,212
Dividends payable	3,074,547	3,925,487
Other creditors	36,764,101	50,253,593
	530,750,517	**461,032,559**

20. Lease liabilities

The lease liabilities represent the present value of the lease obligations related to medical equipment (first stage - Note 8) entered by one of the group companies and lease contracts for buildings (second stage). It was measured at the present value of the contractual lease payments discounted at an implied rate of return in the range between 11.15% and 16.65%.

	2022	2021
Undiscounted		
During the year	38,983,371	38,742,917
More than a year	305,552,641	346,876,515
	344,536,012	**385,619,432**
The present value of the lease obligations is as follows:		
During the year	38,983,371	38,742,917
More than a year	155,459,030	172,715,165
Balance	**194,442,401**	**211,458,082**

	2022	2021
Lease Liabilities were presented as follows:		
Lease liabilities shown as at 31 December 2021	211,458,082	13,275,078
Impact of applying EAS no. 49 "Lease contracts"	-	197,425,332
Adjustments	(3,589,929)	-
Add: Additions during the year	5,142,778	19,974,500
Add: Interest formed during the year	23,130,995	24,506,126
Deduct: Disposal during the year	(965,001)	-
Deduct: Payments during the year	(40,734,524)	(43,722,954)
Lease liabilities at 31 December 2022	**194,442,401**	**211,458,082**

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

21. Share capital

Paid share capital of the Company is EGP 800,000,000 distributed on 1,600,000,000 shares. Shareholder's structure in 31 December 2022 and 31 December 2021 as follows:

Name	Percentage of ownership	Number of shares	Nominal value
Care Healthcare Ltd.	29%	464,000,000	232,000,000
MCE Capital Health care	27.79%	444,688,538	222,344,269
Other shareholders	43.21%	691,311,462	345,655,731
Total	**100%**	**1,600,000,000**	**800,000,000**

The Group purchased treasury shares during the year, and the outstanding balance as at 31 December 2022 is EGP 766,026,840.

22. Employee stock ownership plan

The balance of the employees' stock ownership plan is calculated on the basis of the difference between the price's weighted average on the month preceding the units granting date and the month prior the units vesting 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 vesting resulting in the final shares for the beneficiary.

The estimated discounted value of the incentive and reward scheme for three years is EGP 50,442,715 (estimated payment in the year is EGP 16,814,238), The estimated value for the period recorded in statement of equity amounted to 8,383,763 Egyptian pounds.

23. Reserves

Below is the movement on reserves during the year:

	2022		
	Balance at the beginning of the year	**formed during the year**	**Balance at the end of the year**
Legal reserve	85,159,143	14,618,532	**99,777,675**
Special reserve	49,090,006	-	**49,090,006**
Acquisition reserve	(89,475,574)	-	**(89,475,574)**
Other reserves	258,169,004	1,650,447	**259,819,451**
Total	**302,942,579**	**16,268,979**	**319,211,558**

	2021		
	Balance at the beginning of the year	**formed during the year**	**Balance at the end of the year**
Legal reserve	74,225,339	10,933,804	85,159,143
Special reserve	49,090,006	-	49,090,006
Acquisition reserve	(89,475,574)	-	(89,475,574)
Other reserves	247,496,391	10,672,613	258,169,004
Total	**281,336,162**	**21,606,417**	**302,942,579**

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

23. Reserves (continued)

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 are transferred to the legal reserve. Based on a proposal by the Board of Directors, this transfer may be stopped if the legal reserve reaches 50% of the issued paid-up capital. The legal reserve is not available for distribution to shareholders.

23.2 Acquisition reserve

This reserve represents the difference between the value of the acquisition by Cleopatra Hospital Company S.A.E. and the carrying value of 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 reorganisation of the group companies. Therefore, the assets and liabilities of the subsidiary were transferred at historical cost. Cleopatra Hospital Company S.A.E acquired additional 85,428 Shares from the non-controlling interest of Cairo Specialised Hospital Company S.A.E which resulted additional EGP 7,688,520 added 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.

23.3 Special reserve

The special reserve represents the amount that was due to Care Healthcare Ltd. (Shareholder) valued at EGP 47,379,722. As per the letter issued by the Company on 12 April 2016, both parties have agreed that this amount shall be claimed only in the case of dissolution or liquidation of the Company, either voluntary or for any other legal reason. In that case, the due amount shall be divided between recent shareholders of the Company upon liquidation or dissolution at the same proportion of their shares in the Company's share capital to the total number of shares issued. Accordingly, this amount has been recognised as a special reserve of equity. In addition to the resulting reconciliation from treasury shares related to Cairo Specialised Hospital (Subsidiary Company). Valued at EGP 1,710,284.

23.4 Other reserves

The amount represents the amount transferred from share premium according to the requirements of Law No.159 of 1981, and there is no movement in this reserve during the year. In addition to the difference between the buying and selling price of the treasury shares.

24. Non-controlling interests

	Capital	Reserves	Retained earnings	NCI share in acquisition adjustments	Total
Balance at 1 January 2021	**34,074,639**	**7,984,596**	**56,600,588**	**120,184**	**98,780,007**
Employee profit share	-	-	(2,197,732)	-	**(2,197,732)**
Legal reserve	-	732,813	-	-	**732,813**
Comprehensive income for the year	-	-	23,426,977	-	**23,426,977**
Balance at 31 December 2021	**34,074,639**	**8,717,409**	**77,829,833**	**120,184**	**120,742,065**
Balance at 1 January 2022	**34,074,639**	**8,717,409**	**77,829,833**	**120,184**	**120,742,065**
Employee profit share	-	-	(4,659,818)	-	**(4,659,818)**
Legal reserve	-	1,361,138	-	-	**1,361,138**
Comprehensive income for the year	-	-	30,968,911	-	**30,968,911**
Balance at 31 December 2022	**34,074,639**	**10,078,547**	**104,138,926**	**120,184**	**148,412,296**

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

24. Non-controlling interests (continued)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

2022	Cairo Specialized Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG Pharma	CHG MS
Summarised balance sheet					
Current assets	190,785,262	207,844,535	178,251,501	14,570,552	23,149,904
Current liabilities	134,265,492	97,518,839	109,512,367	21,457,970	90,690,169
Current net assets (liabilities)	**56,519,770**	**110,325,696**	**68,739,134**	**(6,887,418)**	**(67,540,265)**
Non-current assets	351,715,466	288,891,045	314,891,373	3,163,143	41,043,573
Non-current liabilities	25,604,134	69,951,018	27,269,432	3,861,929	39,565,924
Non-current net assets (liabilities)	**326,111,332**	**218,940,027**	**287,621,941**	**(698,786)**	**1,477,649**
Net assets	**382,631,102**	**329,265,723**	**356,361,075**	**(7,586,204)**	**(66,062,616)**
NCI %	**43.54%**	**0.01%**	**0.01%**	**2%**	**40%**

2021	Cairo Specialized Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG Pharma	CHG MS
Summarised balance sheet					
Current assets	179,127,975	159,882,840	188,924,507	9,090,455	20,212,049
Current liabilities	138,147,695	84,532,051	87,690,796	15,220,662	88,785,292
Current net assets (liabilities)	**40,980,280**	**75,350,789**	**101,233,711**	**(6,130,207)**	**(68,573,243)**
Non-current assets	294,687,131	252,703,628	237,106,978	3,809,120	49,061,664
Non-current liabilities	12,377,233	21,141,783	22,967,712	4,576,460	48,480,290
Non-current net assets (liabilities)	**282,309,898**	**231,561,845**	**214,139,266**	**(767,340)**	**581,374**
Net assets	323,290,178	306,912,634	315,372,977	(6,897,547)	(67,991,869)
NCI %	**43.54%**	**0.01%**	**0.01%**	**2%**	**40%**

2022	Cairo Specialized Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG Pharma	CHG MS
Summarised profit or loss					
Revenue	525,559,329	378,418,379	439,722,048	48,036,184	87,646,799
Profit (loss) for the period	70,253,065	26,488,488	48,708,353	(688,657)	1,929,253
Other comprehensive income	-	-	-	-	-
Total comprehensive income (loss)	**70,253,065**	**26,488,488**	**48,708,353**	**(688,657)**	**1,929,253**
Profit allocated to NCI	30,203,198	2,899	4,871	(13,773)	771,701

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

24. Non-controlling interests (continued)

2021	Cairo Specialized Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG Pharma	CHG MS
Summarised profit or loss					
Revenue	458,923,126	375,285,656	379,473,301	37,365,554	74,520,431
Profit for the period	63,290,351	35,357,040	45,334,483	(1,161,552)	(10,287,082)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**63,290,351**	**35,357,040**	**45,334,483**	**(1,161,552)**	**(10,287,082)**
Profit allocated to NCI	27.556.619	3.889	4.533	(4.114.833)	(23.231)

2022	Cairo Specialized Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG Pharma	CHG MS
Summarised cash flows					
Cash flows from operating activities	43,673,281	12,093,136	66,643,320	715,967	11,218,273
Cash flows from investing activities	(66,519,594)	(83,507,023)	(92,076,324)	62,441	(412,537)
Cash flows from financing activities	1,142,031	37,509,203	(10,669,172)	(1,198,888)	(13,991,204)
Net increase / (decrease) in cash and cash equivalents	**(21,704,282)**	**(33,904,684)**	**(36,102,176)**	**(420,480)**	**(3,185,468)**

2021	Cairo Specialized Hospital	Nile Badrawi Hospital	Al Shorouk Hospital	CHG Pharma	CHG MS
Summarised cash flows					
Cash flows from operating activities	98,255,135	61,293,631	60,332,964	740,388	8,084,653
Cash flows from investing activities	(92,214,642)	(66,277,436)	(32,552,471)	76,023	(367,178)
Cash flows from financing activities	(5,927,092)	(7,694,229)	(5,631,811)	(661,257)	(12,715,317)
Net increase / (decrease) in cash and cash equivalents	**113,401**	**(12,678,036)**	**22,148,682**	**155,154**	**(4,997,842)**

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

25. Revenue

	2022	2021
Surgeries revenue	559,698,599	482,811,623
Accommodation and medical supervision revenue	535,527,326	641,340,368
Outpatient clinics revenue	300,292,279	268,983,244
Laboratories revenue	282,235,681	278,888,810
Service charge revenue *	187,509,676	181,859,320
Cardiac catheterization revenue	183,902,580	187,654,337
Radiology revenue	178,893,170	188,537,209
Pharmacy revenue	143,383,952	120,935,589
Emergency revenue	91,551,652	80,993,846
Oncology centre revenue	36,499,537	37,977,076
Physiotherapy revenue	32,460,936	22,735,482
Endoscopy revenue	30,541,573	18,221,196
Cardiac tests revenue	21,154,373	15,512,792
Other sections revenue	15,725,828	12,371,880
Dentistry revenue	15,044,008	10,464,090
	2,614,421,170	**2,549,286,862**

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

As stated in the accounting policy, all medical services except for Accommodation and medical supervision are typically provided over a short time frame and in substance recorded at a point in time. Accommodation and medical supervision revenue is recognized over time.

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

	2022	2021
At a point in time	2,078,893,844	1,907,946,494
Over time -Accommodation and medical supervision revenue	535,527,326	641,340,368
	2,614,421,170	2,549,286,862

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

26. Cost of revenue

	2022	2021
Medical and pharmaceutical supplies	504,147,179	505,768,752
Salaries, wages and benefits	449,808,482	419,500,348
Doctor fees	443,590,454	404,102,932
Fixed assets depreciation	104,869,239	91,599,858
Maintenance, spare parts and energy expenses	83,830,442	71,260,338
Consumables costs	51,646,245	46,152,071
Third party services	37,775,460	36,191,203
Right of use depreciation	19,434,847	18,074,111
Other expenses	46,003,737	25,972,009
	1,741,106,085	**1,618,621,622**

27. General and administrative expenses

	2022	2021
Salaries, wages and benefits	188,930,565	172,177,475
Professional and consulting fees	32,864,947	28,890,874
Fixed assets depreciation	28,254,764	22,282,793
Third party services	24,116,547	19,936,445
Maintenance, spare parts and energy expenses	22,652,385	18,654,505
Right of use depreciation	6,521,834	7,882,231
Consumables costs	2,566,952	2,569,161
Intangible assets amortization	2,069,284	2,069,284
Other expenses	73,225,864	70,474,379
	381,203,142	**344,937,147**

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

28. Expenses by nature

	2022	2021
Salaries, wages and benefits	638,739,047	591,677,823
Medical and pharmaceutical supplies	504,147,179	505,768,752
Doctor fees	443,590,454	404,102,932
Fixed assets depreciation	133,124,003	113,882,651
Maintenance, spare parts and energy expenses	106,482,827	89,914,843
Third party services	61,892,007	56,127,648
Consumables costs	54,213,197	48,721,232
Right of use depreciation	25,956,681	25,956,342
Intangible assets amortization	2,069,284	2,069,284
Other expenses	152,094,548	125,337,262
	2,122,309,227	**1.963.558.769**

29. Net impairment losses on financial assets

	2022	2021
ECL in trade receivables	26,501,993	45,977,362
ECL in cash no longer required	(254,359)	(2,947,251)
	26,247,634	**43,030,111**

30. Other income

	2022	2021
Rent	2,023,618	1,945,895
Losses on the disposal of fixed assets	(428,331)	(786,749)
Other income	3,279,000	8,200,716
	4,874,287	**9,359,862**

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

31. Finance income and finance cost

	2022	2021
Finance income		
Interest income	40,914,292	59,586,759
Foreign currency valuation	8,271,121	-
Total finance income	**49,185,413**	**59,586,759**
Finance costs		
Interest expense – loans and banks overdraft	(20,442,311)	(9,934,055)
Interest expense – lease contracts	(23,130,995)	(24,506,126)
Foreign currency revaluation	-	(9,375)
Total finance expenses	**(43,573,306)**	**(34,449,556)**
Net finance income	**5,612,107**	**25,137,203**

32. Income taxes

	2022	2021
Current income tax	85,294,191	120,033,506
Deferred tax (Note 33)	7,639,168	3,915,474
	92,933,359	**123,948,980**

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

	2022	2021
Net profit before tax	449,665,198	534,621,108
Income tax calculated based on the applicable local tax rate	101,174,670	120,289,749
Add/ (deduct):		
Non-deductible expenses	8,122,555	19,551,454
Income not subject to tax	(17,509,992)	(21,680,398)
Unrecognised deferred tax assets	1,146,126	5,788,175
Income taxes	**92,933,359**	**123,948,980**
Effective tax rate	**20.67%**	**23.18%**

	2022	2021
Current income tax liabilities		
Balance at 1 January	66,198,856	36,054,556
Payments during the year	(52,794,758)	(36,402,286)
Current year tax	85,294,191	120,033,506
Advance payments to tax authorities	(50,699,048)	(53,486,920)
	47,999,241	**66,198,856**

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

33. Deferred tax

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

	Balance at 1 January 2022 (Liability)	(Expense)/ Income charged to the statement of profit or loss during the year	Balance at 2022 (Liability)
Liabilities			
Fixed assets	(44,281,274)	(10,488,237)	(54,769,511)
Fixed assets - Effect of fair value	(38,359,550)	1,929,493	(36,430,057)
Intangible assets - Effect of fair value	(9,979,650)	-	(9,979,650)
Total Liabilities	**(92,620,474)**	**(8,558,744)**	**(101,179,218)**
Assets			
Provisions (excluding claims provision)	3,347,063	919,576	4,266,639
Subsidiaries Accumulated losses	7,463,572	-	7,463,572
Net deferred tax - liability	**(81,809,839)**	**(7,639,168)**	**(89,449,007)**
Liabilities			
Fixed assets	(38,636,541)	(5,644,733)	(44,281,274)
Fixed assets - Effect of fair value	(40,289,043)	1,929,493	(38,359,550)
Intangible assets - Effect of fair value	(9,979,650)	-	(9,979,650)
Total Liabilities	**(88,905,234)**	**(3,715,240)**	**(92,620,474)**
Assets			
Provisions (excluding claims provision)	3,547,297	(200,234)	3,347,063
Subsidiaries Accumulated losses	7,463,572	-	7,463,572
Net deferred tax - liability	**(77,894,365)**	**(3,915,474)**	**(81,809,839)**

34. Earnings per share

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

	2022	2021
Profit for the year	325,762,928	387,245,151
(Less) Dividends for employees and the board of directors	(67,950,544)	(66,127,121)
	257,812,384	**321,118,030**
The weighted average number of ordinary shares for basic earnings per share purposes	1.514.721.828	1,598,704,166
The weighted average number of ordinary shares for the purpose of the ESOP	2.246.395	-
Weighted average number of ordinary shares for diluted earnings per share purposes	**1,516,968,223**	**1.598.704.166**
Earnings per share - Basic	**0.17**	**0.20**
Earnings per share - Diluted	**0.17**	**0.20**

Weighted average number of shares are adjusted to take account of shares held under the Employee Stock Options Programme.

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

35. Related parties' transactions

During the year the Group made transactions with certain related parties. The balances with related parties at the financial statements date as well as the transactions during the year were as follows:

Balances of financial position

(Related parties)	Nature of transaction	Balance due from / (to) related parties 2022	Balance due from / (to) related parties 2021
Other parties	Expenses paid on behalf of the Company	3,152,972	530,300
		3,152,972	**530,300**

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

36. Tax position

Cleopatra Hospital Company

First: Corporate tax
- The examination was conducted until 31 December 2019 and the settlement and payment were made in full.
- The year 2020 has been examined, payment has been made, and settlement is underway.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Secondly: Payroll tax
- The examination was conducted until 31 December 2019 and the settlement and payment were made in full.
- 2020 under inspection.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Third: Stamp taxes
- Inspected until 31 July 2006, and payment has been made.
- The inspection was carried out until the year 2020, and the payment was made and the settlement is underway.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Fourth: Value Added Taxes
- Inspected until 31 December 2004.
- The sales tax was inspected for the years from 2005 to 2020 and the examination differences were paid.
- Monthly tax returns are submitted on the legal dates, and the company has not been notified of the examination.

36. Tax position (continued)

Cairo Specialized Hospital Company

First: Corporate tax
- The inspection was conducted until 31 December 2019 and the settlement and payment were made in full.
- The year 2020 has been inspected, payment has been made, and settlement is underway.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Secondly: Payroll tax
- The inspection was carried out until 31 December 2018, and the settlement and payment were made in full.
- The year 2019 and 2020 was inspected, payment has been made.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Third: Stamp taxes
- Inspected until 31 December 2016 and payment was made.
- The years from 2017 to 2019 have been inspected, payment has been made and settlement is underway
- 2020 is under inspection.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Fourth: Value Added Taxes
- The inspection was conducted from 2016 to 2020, and the tax differences are being paid and the settlement is being done.
- Monthly tax returns are submitted on the legal dates.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Nile Badrawi Hospital Company

First: Corporate tax
- The inspection was carried out until 31 December 2020, and the settlement and payment were made in full.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Secondly: Payroll tax
- The inspection was carried out until 31 December 2020 and the settlement was made and the principal tax paid.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Third: Stamp taxes
- The inspection was carried out until the year 2019 and the settlement and payment were made in full.

Fourth: Value Added Taxes
- Monthly tax returns are submitted on the legal dates.

36. Tax position (continued)

Al Shorouk Hospital Company

First: Corporate tax
- The inspection was conducted until 31 December 2019 and the settlement and payment were made in full.
- The year 2020 has been inspected, payment has been made, and settlement is in progress.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Secondly: Payroll tax
- The inspection was carried out until 31 December 2014 and the settlement and payment was made in full.
- The years from 2015 to 2020 were inspected and the original tax was paid.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Third: Stamp taxes
- The inspection was carried out until 31 December 2018, and the settlement and payment were made in full.
- The years from 2019 to 2020 are under inspection.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

Fourth: Value Added Taxes
- The inspection was carried out from 2016 to November 2020 and the original tax was paid.
- Monthly tax returns are submitted on the legal dates.
- For the years 2021/2022, the monthly reports are submitted on the legal dates, and the company has not been notified of the examination.

37. Commitments

Capital commitments:
Capital commitments at financial year end, which are not yet due, amounted to EGP [1.110.636.050] (2021: EGP 141,285,345), which represent the capital commitments to purchase of fixed assets and projects under constructions.

38. Other liabilities

The present value of the outstanding liability to Dr. Aboul Fotouh arising from the El Bedaya transaction (Note 9) was estimated at EGP 14,485,000, and the present value of the fair value of the share-based compensation (which is equivalent to 40% of the shares of the El Bedaya El Gedida for Medical Centers and Hospitals) was estimated in June 2023 against the commitment of Dr. Abul-Fotouh with all the conditions for the contracts between the two parties, at an amount of EGP 38,005,000, an amount of EGP 13.820.000 was recognized as an expense within the year.

39. Treasury shares

On February 24, 2022, the Board of Directors unanimously approved that the company purchase treasury shares from the open market, provided that execution takes place on the price of the security during the trading sessions. From the session on February 27, 2022, until the purchase of treasury shares amounting to a maximum of 10% of the total shares of the company, without the participation of any of the main or internal shareholders and their associated groups in accordance with the law.

Based on the decision of the Board of Directors, the company purchased 160,737,312 shares of its shares from the stock market for a total amount of EGP 766,026,840, and they were offered by deduction from the ownership rights of the treasury shares, and on December 6, 2022, the Board of Directors agreed to the cancel 154,565,797 treasury shares, and on 25 January 2023, the general assembly approved the cancelation of the shares.

40. Significant and Subsequent events

On 13 February 2020, the Cleopatra Hospital Company, the General Authority for River Transport, the Nile Badrawi Hospital Company and the heirs of Eng. Hassan Badrawi signed a comprehensive and final settlement agreement, according to which it was agreed to resolve, settle and end all disputes and claims related to the land on which Nile Badrawi Hospital was built. The total settlement amounted to 36 million EGP, bearing in mind that part of the settlement falls within the limits of the amounts deducted from the sale price of the shares of Nile Badrawi Hospital in favor of Cleopatra Hospital, and it was agreed to waive between the General Authority for River Transport and the Nile Badrawi Hospital

Company for the disputes raised by each of them regarding the land being settled. On 31 March 2021, the Administrative Court of Justice issued a ruling accepting the case in form and rejecting it in substance. The Cairo Governorate and the Nile Badrawi Hospital Company appealed the aforementioned ruling before the Supreme Administrative Court, and a session was set for 23 May 2023, until both parties submit the settled settlement contracts between the parties.