Speed Medical Co. and its Subsidiaries

(An Egyptian Joint Stock Company)

Consolidated Financial Statements

For the Fiscal Year ended as on 31st December 2021 and the

Auditor's Report thereof

Index	Page
Contents	1
The Auditor's Report	2
Consolidated Balance Sheet Statement	3
Consolidated Income Statement	4
Consolidated Comprehensive Income Statement	5
Consolidated Cash Flow Statement	6
Consolidated Change in Equity Statement	7
The Complementary Explanations for the Consolidated Financial	8:38
Statement	

Auditors' Register No. 1599 Insurance Companies Control Authority Register No. 16 Auditors' Register of the Central Bank of Egypt No. 188 Financial Regulatory Authority Register No. 172

Rizk shendy **Chartered Accountant and Tax Expert** Fellow of the Egyptian Tax Society

Auditor's Report Submitted to Messrs. / Shareholders of Speed Medical Company

Report on the consolidated financial statements

We have reviewed and audited the attached financial statements of Speed Medical, an Egyptian joint stock company represented in the consolidated statement of financial position on December 31, 2021, as well as statements of income, comprehensive income, change in equity, cash flows for the fiscal year ending on that date, a summary of important accounting policies, and other notes.

Management's responsibility for the consolidated financial statements

The Company's Management shall be responsible for these financial statements, preparing and presenting these financial statements fairly and clearly according to the Egyptian accounting standards and in light of the applicable and effective Egyptian laws. The responsibility of the Department shall include planning, implementing and maintaining internal control related to preparing and presenting financial statements fairly and clearly, free from any significant and influential misrepresentations, whether resulting from fraud or error. This responsibility shall also include selecting and applying the appropriate accounting policies, as well as making accounting estimates appropriate to the circumstances.

Auditor's Responsibility

Our responsibility shall solely express an opinion on these financial statements in light of our said audit. Our audit has been conducted and made in accordance with the Egyptian auditing standards and in light of the applicable and effective Egyptian laws. These standards shall require us to adhere to the requirements of professional conduct, plan and perform this audit to obtain appropriate assurance that the consolidated financial statements shall be free of any significant and influential misstatements.

This audit shall involve performing actions and procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures made shall depend on the professional judgment of the observer, and this shall include assessing the risks of significant and influencing misrepresentations in the consolidated financial statements, whether due to fraud or error. When assessing these risks, the observer shall consider the internal control relevant to the Company preparing the consolidated financial statements and the fair and clear presentation thereof in order to draw audit actions and procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the efficiency of the internal control in the Company. This audit shall also include evaluating the appropriateness of accounting policies and significant accounting estimates prepared by the Company's Management, as well as the integrity of the presentation by which the consolidated financial statements were made. We believe that the audit evidence we have obtained is sufficient and appropriate and is an appropriate basis for our opinion on these consolidated financial statements.

¹¹ Saray Azbakeya Street, Cairo- phone/toq11100A-toq111..v-toq110.01 fax/toq1v1th Mobile/01222739172

Auditors' Register No. 1599 Insurance Companies Control Authority Register No. 16 Auditors' Register of the Central Bank of Egypt No. 188 Financial Regulatory Authority Register No. 172 Rizk shendy Chartered Accountant and Tax Expert Fellow of the Egyptian Tax Society

Opinion

In our opinion, these consolidated financial statements referred to above express fairly and clearly, in all its significant aspects, the consolidated financial position of Speed Medical Company, on December 31, 2021, its financial performance, and consolidated cash flows for the fiscal year ended in that date in accordance with the Egyptian accounting standards and in light of the relevant Egyptian laws and regulations to preparing these consolidated financial statements.

A report on other legal and regulatory requirements

The Company maintains regular financial accounts that include all provisions of law and the Company's law that must be stipulated therein; the consolidated financial statements were consistent with what was contained and stated in these accounts.

The financial statements included in the Board of Directors' report prepared in accordance with the requirements of Law No. 159 of 1981 and its executive regulations are consistent with what is contained and contained in the Company's records, within the limits of which these statements have been made in the records.

Cairo, on February 15, 2022

(An Egyptian Joint Stock Company)

Consolidated Balance Sheet Statement

On 31st December 2021

9	On 31 st Decembe	<u>r 2021</u>		
(all amounts in EGP) Assets Fixed assets	Explanation	31st December 2021	31 st December 2020	
Net fixed assets	5	227 404 038	98 635 244	
Under progress projects	6	264 823 009	106 074 848	
Investments in sister companies	7		3 300 000	
Total fixed assets		492 227 047	208 010 092	-
Current assets	•			
Assets held for selling	8	42 094 500	42 094 500	
inventory	9	59 459 112	16 686 524	
Clients	10	60 568 167	18 465 757	
Due from related parties			26 639 200	
receivables & other debited balances	11	30 720 741	8 613 890	
Cash in hand and in bank	12	97 801 021	203 431 894	
Total of current assets	•	290 643 541	315 931 765	_
Total assets	•	782 870 588	523 941 857	_
Total of equities & liabilities	•			-
Equities				
Paid capital	13-1	221 828 895	221 828 895	
legal reserve	14	5 947 404	1 986 915	
Treasury shares	13-2	(28 832 996)		
Retained earnings		91 597 473	16 333 166	
Net profits of period		136 100 939	79 209 782	
Equities of shareholders of the Parent	Company	426 641 715	319 358 758	
Non-controlling interests		31 274 685	11 752 720	
Total of equities		457 916 400	331 111 478	
Fixed liabilities				_
Long term loan	15	78 888 604	100 728 392	
Long term payables		26 388 092		
Deferred tax	21	13 989 972	6 626 968	
Total of fixed liabilities		119 266 668	107 355 360	
Current liabilities				
Short term loan	16	100 872 264	33 058 208	
Suppliers & payables notes	17	24 714 655	22 078 978	
Current accounts of shareholders	18	261 888	261 888	
Payables & other credited balances	19	41 497 792	5 526 936	1
provisions	20	1 971 569	4 871 569	10 MO
Current portion of long term loan	15	7 378 067	7 363 095	1010
Due income tax	22	28 991 285	12 314 345	12/2/
Total of current liabilities		205 687 520	85 475 019	100
Total of equities & liabilities		782 870 588	523 941 857	_

The attached explanations shall be considered a complementary part of the consolidated financial statement to be read herewith.

Financial Director Adel Khalil Cairo on 15th February 2021 AD

كر, ﴿ سَم

201x

Speed Medical Co. and its Subsidiaries (An Egyptian Joint Stock Company)

Consolidated Income Statement

For period from 1 ^s	t January 20	021 to 31 st December 2021	
(all amounts in EGP)	Expl.	For period from 1st Jan	For period from 1st Jan
		2021 to 31st Dec 2021	2020 to 31st Dec 2020
Revenues	23	365 192 409	173 883 899
Cost of revenue	24	(152 278 195)	(71 705 452)
Total profits		212 914 214	102 178 447
Expenses of sale & marketing	25	(18 374 862)	(15 375 691)
Administrative & general expenses	26	(27 419 747)	(13 965 081)
Taxes on dividends		(4 638 000)	
Bad debt expense	10	(1 051 950)	
provisions			(3 044 585)
Financial expenses		(7 216 166)	(6 786 919)
Depreciation of fixed assets	, 5	(13 555 373)	(10 722 384)
		(72 256 098)	(49 894 660)
Net profits		140 658 116	52 283 787
Credit interest		7 458 101	1 366 091
Various revenues		3 360 576	3 762 532
Provisions no longer needed	20	2 900 000	
Profits from investments in sister companies		17 738 575	35 498 005
		31 457 252	40 626 628
Net profits for period before income	32	172 115 368	92 910 415
Income tax	22	(28 991 285)	(12 314 345)
Deferred tax	21	(7 363 004)	(1 386 288)
Net profits after tax		135 761 079	79 209 782
Distributed as follows			
Share of shareholders of the parent company		136 100 939	79 209 782
Non-controlling interests		(339 860)	-
Net profit for the period		135 761 079	79 209 782
Earnings per share (L.E/share)	28	0.11	0.65

The attached explanations shall be considered a complementary part of the consolidated financial statement to be read herewith.

Speed Medical Co. and its Subsidiaries (An Egyptian Joint Stock Company)

<u>Consolidated Comprehensive Income Statement</u> <u>For period from 1st January 2021 to 31st December 2021</u>

	For period from 1st	For period from 1st
	Jan 2021 to 31st	Jan 2020 to 31st
(all amounts in EGP)	Dec 2021	<u>Dec 2020</u>
Net profits for the period	135 761 079	79,209,782
Other comprehensive income	0	0
Total of comprehensive income for the period	135 761 079	79,209,782

The attached explanations shall be considered a complementary part of the consolidated financial statement to be read herewith.

Speed Medical Co. and its Subsidiaries (An Egyptian Joint Stock Company)

Consolidated Cash Flow Statement

Consolidated Cash Flo	w Statement	2021	
Consolidated Cash Fio For period from 1 st January to	31st December Expl.	For period from 1st Jan 2021 to 31st Dec 2021	For period from 1st Jan 2020 to 31st Dec 2020
(all amounts in EGP) Cash Flow from operational activities	33	172 115 368	92 910 415
Net profit before tax			10 722 384
adjustments	5	13 555 373	3 044 585
depreciation			3 044 565
provisions		(2 900 000)	(1 366 091)
Provisions no longer needed		(7 458 101)	(1 200 031)
Credit interest		1 051 950	105 311 293
7.14		176 364 590	102 211 233
Operating profits before changes in current assets and			
abilities <u>changes in current assets and liabilities</u>			(10 975 069)
		(42 772 588)	(9 078 167)
Change in stock		(43 154 360)	(26 639 200)
Change in clients and receivables		26 639 200	740 702
Change in dues from related parties Change in dues from related parties		(23 478 457)	10 853 379
Change in receivables & other debited balances		2 635 677	
Change in Suppliers & payables notes		26 388 092	383 163
Changes in long term payables		35 970 856	(3 486 436)
Change in payables & other credited balances		(10 942 740)	67 109 665
Poid income tax		147 650 270	
Net cash flows from operating activities			(19 343 774)
cash flows from investment activities		(142 324 167)	
Purchasing fixed assets		(158 748 161)	(93 629 853)
Paid for under-progress project		(28 832 996)	
Paid for treasury shares			(8 278 424)
Changes in current account of shareholders		3 300 000	(3 300 000)
Receivables from investment in sister companies		(80 778 660)	
Paid for investment in its subsidiaries		7 458 101	1 366 091
Credit interest		(399 925 883)	(123 185 960)
Net cash flows from investment activities			
cash flows from financing activities		100 655 500	169 828 895
Collections from issuing capital shares		(21 824 816)	73 380 321
Collections from issuing organizations		67 814 056	20 959 370
Changes in loans		-	(19 327 619)
Changes in overdraft		146 644 740	244 840 967
dividends Net cash flows from financing activities		(105 630 873	188 764 672
a secoment during listal period		203 431 894	
Change in cash movement during normal Cash balance & equivalent at beginning of the period		07 901 021	203 431 894
Cash balance & equivalent at end of the period		13	
Cash balance & equivalent at end of the period	olidated financial sta	atement to be read nerewith.	

The attached explanations shall be considered a complementary part of the consolidated financial statement to be read herewith.

Speed Medical Co. and its Subsidiaries (An Egyptian Joint Stock Company) Consolidated Change in Equity Statement

		For	ending on 31st December 2021	cember 2021			:	
(all amounts in EGP)	Capital	Legal reserve	Net profits of year	Retained earnings	Treasury shares	Total	Non-controlling interests	Total of Equity
Balance on 1st Jan 2021	52 000 000	42 165	17 090 644	22 666 410		91 799 219	11 752 720	103 551 939
Transferred to retained earnings			(17 090 644)	17 090 644				
Capital increase	169 828 895			(19 327 619)		150 501 276		150 501 276
Transferred to legal reserve		1 944 750		(1944750)				
dividends				$(2\ 151\ 519)$		(2151519)		$(2\ 151\ 519)$
Net profit of the period			79 209 782			79 209 782		79 209 782
Balance on 31 Dec 2021	221 828 895	1 986 915	79 209 782	16 333 166		319 358 758	11 752 720	331 111 478
				-				The second secon
Balance on 1st Jan 2021	221 828 895	1 986 915	79 209 782	16 333 166		319 358 758	11 752 720	331 111 478
Transferred to retained earnings			(79 209 782)	79 209 782				
Capital increase							19 858 131	19 858 131
Transferred to legal reserve		3 960 489		(3 960 489)				
Adjustments from previous years				15 014		15 014	3 694	18 708
Treasury shares					(28 832 996)	(28 832 996)		(28 832 996)
Net profit of the period			136 100 939			136 100 939	(339 860)	135 761 079
Balance on 31 Dec 2021	221,828,895	5 947 404	136 100 939	91 597 473	(28 832 996)	426 641 715	31 274 685	457 916 400

The attached explanations shall be considered a complementary part of the consolidated financial statement to be read herewith.

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

1. Legal Entity and Activity:

A- About Company:

The General Authority for Investment and Free Zones has approved the establishment of an Egyptian Joint Stock Company subject to the provisions of Law No. 159/1981 and its executive regulations, as amended by Law No. (3) of 1998 in the name of Speed Lab Medical, for the purpose of establishing, operating and managing medical analysis laboratories, importing supplies and equipment for medical analysis laboratories for a period of twenty five years starting from the date of the acquisition of the legal personality company and its headquarters which is located in Apartment No. 14 in the first floor above the mezzanine in building No. 25 Othman Ibn Affan St. - Salah El Din Square - Heliopolis - Cairo, with a licensed capital of EGP 15,000.000, "fifteen million" Egyptian pounds. The issued capital of the company was determined at EGP 1,500,000 [Only One million and five hundred thousand Egyptian pounds], divided into 15,000 fifteen thousand shares, each share value of 100 Egyptian pounds, and 10% of the value of the issued capital of EGP 150,000 was paid [Only one hundred and fifty thousand Egyptian pounds], and the company was registered in the commercial register at the Cairo Investment Commercial Registry Office under No. 89324.

- According to the minutes of the Board of Directors held on 18/04/2016 as approved by the General Authority for Investment and Free Zones on 20/04/2016.
 A quarter of the issued capital of the company was completed and being approved in the Commercial Register on 21/04/2016.
- According to the minutes of the Board of Directors held on 26/09/2016 and approved by the General Authority for Investment and Free Zones on 12/10/2016, and the issued capital of the company was fully completed to become EGP 1,500,000 and approved in the commercial register on 12/10/2016.
- According to the minutes of the Extraordinary General Assembly held on 13/10/2016 and approved by the General Authority for Investment and Free Zones on 01/11/2016 and the amendment contract for the document in the Investment Documentation Office under No. 2592/N for the year 2016, Article (3) of the Articles of Association has been amended by adding the establishment, operation and management of specialized, integrated or general hospitals, and the internal therapeutic, diagnostic and medical activities, amending Article (6) of the Company's Articles of Association by increasing the company's authorized capital by an amount of EGP 41,500,000 [Only forty one million five hundred thousand Egyptian pounds]. The issued capital of the company was set at an amount of EGP

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

4,150,000 [Only four million one hundred fifty thousand Egyptian pounds], divided into 41500, forty-one thousand five hundred shares, each share value of 100 Egyptian pounds, amending Article (7) of the Company's Articles of Association, amending Article (21) of the Company's Articles of Association, Amending Article (32) of the Company's Articles of Association, amending Article (53) of the Company's Articles of Association, as approved in the Commercial Register on 02/11/2016.

- According to the minutes of the Board of Directors held on 18/01/2017 and approved by the General Authority for Investment and Free Zones on 22/01/2017, a quarter of the increase in the issued capital of the company has been completed, with the addition of a branch of the company located at 22 Nehru St. Maryland Heliopolis Governorate Cairo as approved in the commercial register on 23/01/2017.
- According to the minutes of the Board of Directors held on 27/04/2017 and approved by the General Authority for Investment and Free Zones on 30/04/2017, the increase in the issued capital of the company was completed in full, so that the payment amounted to EGP 4,150,000, as approved in the Commercial Register on 02/05/2017.
- According to the minutes of the Extraordinary General Assembly held on 29/04/2017 and approved by the General Authority for Investment and Free Zones on 14/05/2017 and the amendment contract for the documentary in the Investment Documentation Office under No. 2014/C of 2017, Article (2) of the Articles of Association has been amended to be changed into Speed Medical, the amendment of Article (6) of the Company's Articles Of Association by increasing the authorized capital of the company by an amount of EGP 520,000,000 [Only Five hundred and Twenty million Egyptian pounds], and the company's issued capital was set at EGP 52,000,000 [Only fifty two million Egyptian pounds], distributed over 52,000,000 "Fifty two million" shares, the value of 1 Egyptian pound per each share, the amendment of Article 7 of the Company's Articles of Association to pay 10% of the value of the increase in the issued capital of the company as approved in the commercial register on 15/05/2017.
- According to the minutes of the Board of Directors held on 16/05/2017 and approved by the General Authority for Investment and Free Zones on 18/05/2017,
 39% of the value of the increase in the issued capital of the Company was paid, so

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

that the payment amounted to EGP 27,596,500, and this was approved in the commercial register on 21/05/2017.

- According to the minutes of the Board of Directors held on 23/05/2017 and approved by the General Authority for Investment and Free Zones on 24/05/2017, 37% of the value of the increase in the issued capital of the company has been paid, so that the payment becomes EGP 45,301,000, and this was approved in the commercial register on 25/05/2017.
- According to the minutes of the Board of Directors held on 28/05/2017 and approved by the General Authority for Investment and Free Zones on 29/05/2017, the increase in the issued capital of the company was completed in full, so that the payment amounted to EGP 52,000,000 as approved in the commercial register on 31/05/2017.
- According to the meeting of the Board of Directors held on 27/04/2019 and approved by the General Authority for Investment and Free Zones on 30/07/2019 and on the decision of the company's Extraordinary General Assembly held on 25/05/2019 it was decided to split the nominal value of the share from 1 pound (only one pound) to 20 piaster [only twenty piaster] as approved in the commercial register on 23/06/2019.
- According to the minutes of the Extraordinary General Assembly meeting on 19/09/2019, it was approved to increase the company's capital by an amount of EGP 19,327,619 [only nineteen million three hundred and twenty-seven thousand six hundred and nineteen Egyptian pounds], funded by deferral profits, so that the paid-up capital shall be EGP 71,727,619 [only seventy-one million, three hundred and twenty-seven thousand six hundred and nineteen Egyptian pounds.]
- According to the minutes of the Extraordinary General Assembly meeting on 31/03/2021, it was approved to increase the company's capital from EGP 71,327,619 to EGP 221,828,895, with a cash increase of 150,501,276 EGP.

A/1 about Subsidiary

Speed Hospitals Company

Speed Hospitals Company, an Egyptian Joint Stock Co., is established under Investment Law provisions No 72/2017 on 14/11/2017, CR 1112753, Cairo Investment Commercial Registry

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

B. Company activity:

The purpose of the company is to establish, operate and manage medical analysis laboratories, import supplies and equipment for medical analysis laboratories, establish, operate and manage specialized, integrated or general hospitals, and the contained internal therapeutic, diagnostic and medical activities.

B/1 Activity of Subsidiary

Speed Hospitals Company

Establishing and operating specialized, integrated or public hospitals and the therapeutic or medical activities they contain, provided that 10% of the beds that are occupied annually are provided free of charge during the period of tax exemption, if any.

The company may have an interest or participate in any way with companies and others that are engaged in activities similar to their work or that may help them to achieve their purpose in Egypt or abroad, and it may also merge with the previous bodies or buy them or join them according to the provisions of the laws and The applicable regulations and decisions. The company must obtain all necessary licenses to conduct its activity.

c- Approval of financial statements

the financial statements were approved by BOD on 15th of February 2022

2- consolidated financial statements:

The company has a subsidiary and according to criterion (42) "consolidated financial statements", subject 188 of the executive regulations of corporate law no. 159 of 1981, the company should prepare consolidated financial statements as it's crucial for full comprehension of the financial position, business results and cashflow of the whole group

2- Principles of preparing the financial statements:

A- Following the Egyptian accounting standards

All financial statements were prepared according to EAS

B- bases of measurement

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

all financial statements are prepared assuming continuity and on historical cost basis

C- <u>functional currency and presentation currency</u>

The financial statements were prepared and presented in Egyptian pounds, which is the company's functional currency.

D- Usage of estimates and personal judgement.

According to EAS, preparing financial statements require the management to use judgement, estimates and assumptions which affect policy application, presented value of the assets, liabilities, expenses and revenues. The estimates and related assumptions, in light of past experience and a variety of other factors, are reasonable in the circumstances of their application. The results of estimates and assumptions represent the basis for forming a personal judgment regarding the book values of assets and liabilities in a more meaningful way than other sources. Actual results may differ from those estimates.

Estimates and related assumptions are reviewed periodically.

A change in an accounting estimate is recognized in the period in which the estimate is changed if the change affects only that period, or in the period of the change or future periods if the change affects both.

3- Accounting Policies:

<u>The following are the most important accounting policies that were used in preparing the financial statements: -</u>

3.1 Basis for consolidating Financial Statements:

Subsidiary:

The data of the subsidiary (Speed Hospitals LLC) was collected as from the date of acquisition. Accordingly, the corresponding figures for the statements of income, comprehensive income, cash flows and shareholders' equity reflect the parent company numbers independently and for the financial position, the corresponding numbers display the position. The financial statements for the consolidated financial statements are as of 30 September 2019

The subsidiary is fully consolidated from the date on which control is transferred to Speed Medical Co., and is excluded from consolidation from the date control is lost.

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

The accounting policies applied in the subsidiary company are changed when necessary to ensure the consistency of the accounting policies applied at the level of the two companies.

The consolidated financial statements include the financial statements of the subsidiary as follows.

Company name	Country of incorporation	Ownership ratio
Speed Hospitals	Egypt	80.25%

Non-controlling interests

The non-controlling interest is measured in its proportion to the amounts recognized in the acquiree's identifiable net assets. Changes in the Group's equity in its subsidiaries that do not lead to a loss of control are accounted for as transactions between equity holders.

Losing control

When the Group loses control of a subsidiary, it derecognizes its assets, liabilities, non-controlling interests and other comprehensive income. With the recognition of any profits or losses resulting from the loss of control within the profits or losses, and any remaining investments in the former subsidiary are recognized at fair value upon loss of control.

Investments accounted for using the equity method:

Investments accounted for by the equity method consist of interests in sister companies and joint ventures.

sister companies are companies in which the group has an influential influence on the financial and operating policies, but it does not extend to being a control or a joint venture.

A joint venture is a joint arrangement in which the Group has joint control and rights to the net assets associated with the arrangement.

Investments in sister companies and joint ventures are accounted for using the equity method, whereby the cost is initially recognized including the costs associated with the acquisition process.

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

Subsequent measurement is made in the consolidated financial statements by increasing or decreasing the book value of the investment by the group's share of profits or losses and items of other comprehensive income in the investee company.

Exclusions from consolidated financial statements:

Intra-group balances and transactions and unrealized profits and losses resulting from intra-group transactions are eliminated. The unrealized profits resulting from dealing with investments that are accounted for using the equity method are excluded to the extent of the group's share in them. Unrealized losses are also excluded in the same manner as unrealized profits, unless the transaction gives an indication of impairment in the value of the transferred asset.

3.2 Foreign Currency Translation:

- The financial statements were prepared and presented in Egyptian pounds, which is the company's functional currency.
- Foreign currency transactions are initially recorded using the exchange rate prevailing on the date of the transaction.
- The assets and liabilities of a monetary nature are translated into foreign monetary currencies using the prevailing exchange rate on the date of the financial position.
 All differences are included in the list of profits and losses.
- Non-monetary assets and liabilities in foreign currencies that are measured at historical cost are translated using the exchange rates prevailing on the date of initial recognition.

3.3 Fixed assets:

a. Recognition and measurements:

Fixed assets are shown at the historical cost deducted with the accumulated depreciation. The historical cost includes all the expenses related to the acquisition of the asset to be suitable for use in the purpose intended thereof. As well as the costs of removing them and re-settling the site in which these assets are located. The components of an item of fixed assets that have different useful lives are accounted for as separate items within those fixed assets.

b. Post-acquisition costs

The book cost of fixed assets includes the cost of replacing a part or component of those assets when it is expected to obtain future economic benefits as a result of

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

spending that cost, and the cost can also be measured with a high degree of accuracy, and other costs are recognized in the income statement as expenses when incurred.

c. <u>Depreciation</u>

The fixed installment method of depreciation is used so that the value of the asset is reduced to its residual value over the estimated useful life except for lands that are not considered a depreciable asset.

The following are the applicable fixed asset depreciation rates:

<u>Deprecation</u>	depreciation rates
Medical devices and equipment	%10
Fittings and decoration	%12.50
Electrical devices	%25
Computers	%20
Offices fixtures	%6
Programs	%20
Future revenue expenses	%20

3.4 projects under progress

- Projects under progress are recorded at cost according to the first measurement. Cost includes all expenses directly related to preparing the asset to the state in which it is operated and for the purpose for which it was acquired. Projects under progress are transferred to fixed assets when they are completed and available for their purpose. Subsequent measurement of projects under implementation at cost after deducting the aggregate impairment in value and impairment losses are recognized in the income statement

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

3.5 inventory:

The inventory is evaluated at the cost or net recoverable value, whichever is less. The cost shall include all the costs and expenses that the company incurs to bring the inventory to a normal state. The net recoverable value is represented in the estimated price of sale through the normal activity deducted with any cost required to complete the sale process and the cost is determined according to the basis weighted average.

3.6 Assets Held for Sale:

The company measures the non-current asset classified as assets held for sale on the basis of the book value or fair value deducted with the selling costs, whichever is the lower.

The non-current assets or the disposal group (assets, liabilities) are classified as assets held for sale if it is highly probable that their book value will be recovered mainly through sale and not from continuing to be used.

Goodwill is assumed first with any impairment losses related to the groups being disposed of, then the rest of the loss is charged in a proportional manner to the rest of the assets and liabilities, and with the exception of this, impairment losses are not charged to inventory, financial assets, deferred tax assets, assets related to employee benefits, real estate investment or vital assets which They continue to be measured in accordance with the Group's other accounting policies.

Impairment losses are recognized at the initial classification of assets held for sale or for the purpose of distribution, as well as subsequent profits or losses related to remeasurement with profits or losses.

- When classifying as assets held for sale, fixed assets and intangible assets are not depreciated or amortized, and the equity method is no longer used for investments that are accounted for using the equity method.

3.7 clients and receivables:

Trade receivables are recognized at the original amount of the invoices deducted with any decrease or impairment in the value of those receivables. This decrease or impairment in the value of the receivables is formed when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of the contract, and this decrease or impair is the difference between the book value and the recoverable value to be represented in the expected cash

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

flows. The cash flows are discounted using the market interest rate of similar receivables if that is effective.

3.8 Cash and Cash Equivalents:

Cash and cash equivalents includes cash and cash equivalents in hand, current accounts with banks and deposits due 3 month excluding overdraft loans which are paid on demand. The indirect method was used in preparing the cash flows statement.

3.9 Impairment:

3.9.1 Impairment of financial assets:

The company determines, on the date of each financial position, whether there is objective evidence that a financial asset under the amortized cost model or a group of financial assets has impaired. A financial asset or a group of financial assets is considered to be impaired if only there is objective evidence of impairment value resulted from the occurrence of one or more events after the initial recognition of the asset and the effect on the estimated cash flows of a financial asset or group of financial assets that are estimated reliably.

3.9.2 Impairment of non-financial assets:

The company determines, on the date of each financial position, whether there is an indication that an asset has impaired when the book value of the asset or a cashgenerating unit exceeds its recoverable value, so that the asset is considered to be impaired and reduced to its recoverable value and the impairment loss is proven in the statement of profit or loss.

The loss resulting from impairment that was previously recognized shall be refunded if only there has been a change in the assumptions used to determine the asset's recoverable value since the last loss resulting from impairment was proven. The refund of the loss resulting from the impairment is limited so that the book value of the asset does not exceed the recoverable amount or the book value that may have been determined unless the loss resulting from impairment of the asset was recognized in previous years. The refund to the loss resulting from impairment of value is recorded in the statement of profit or loss

3.10 Dividends:

dividends are recognized as liabilities in the year in which the dividends are announced.

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

3.11 Loans and Advances:

- -Interest loans are initially recognized at fair value less transaction costs.
- Interest loans are recorded at the amortized cost after the first measurement, and any difference between the cost and the value of the liquidation of loans is recorded in the income statement during the borrowing period based on the actual interest rate.

3.12 Suppliers, Payment Papers and other credit balances:

Suppliers, Payment Papers and other credit balances are recognized on cost basis

3.13 Provisions:

A provision is recognized when there is a current legal or constructive liability as a result of previous events which likely to require the use of resources to settle these liabilities with the possibility of making a reliable estimate of the value of this liability if being expected to recover this provision or part thereof as in the case of a cover Insurance, then, the expected recoverable value is recorded as an independent asset, but only when this recovery is confirmed to a high degree. On the date of each balance sheet, the provisions previously formed are examined and settled to reflect a better estimate of the situation. If it becomes unlikely that there will be an outflow of economic benefits, including economic benefits, to settle the liability so the provision is refunded.

3.14 Revenue recognition:

Revenue is recognized and recorded upon rendering the service to the client.

- •A new standard for revenue recognition was issued, Egyptian Accounting Standard No. 48, "Revenue from contracts with clients", replacing the Egyptian Accounting Standard No. 11, which covers contracts for sales of goods and services, and the Egyptian Accounting Standard No. 8, which covers construction contract. Starting from January 2020, control model was used instead of risk & benefit model and revenues are recognized only if they satisfy the following regulations:
- the parties of the contract have agreed to the contract (in writing, orally, or in accordance with other customary business practices) and are obligated to perform it;
- the company can determine the rights of each party in relation to the goods or services to be transferred;

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

- The company can set payment terms for the goods or services to be transferred;

the contract has commercial substance (i.e. the risk, timing, or amount of the entity's future cash flows is expected to change as a result of the contract),

- The company is likely to collect the consideration that it will be entitled to in exchange for the goods that will be transferred to the customer. In assessing whether an amount of consideration is likely to be recoverable, only the customer's ability and intention to pay that amount when it becomes due is assessed.
- Using the control model to recognize revenue instead of the benefit and risk model did not result in any differences in the revenue recognized during the period or affected the company's financial statements

3.15- Expenses:

All activity expenses, including general and administrative expenses, are recognized and charged to the income statement in the financial period in which those expenses were realized on the basis of the accrual principle.

a. The insurance and pension system

The company pays its contributions to the General Organization for Social Insurance on a mandatory basis according to the rules contained in the Social Security Lawno. 148 of 2019. Under this law, employees and employers contribute to the system with a fixed percentage of wages. The company's obligation is limited to the value of its contribution, and the company's contributions are charged to the income statement according to the accrual basis.

3.16 Income tax:

Income tax shall be calculated according to the Egyptian Tax Law No. 91/2005 and its executive regulations. Income tax on profits or losses for the period includes both general tax and deferred tax. It is recorded in the income statement, with the exception of income tax related to the property rights items, which are directly recorded within the property rights. This income tax is recorded on taxable net profit using tax rates in effect on the date of preparing the financial statements in addition to the tax differences for previous years.

3.17 Deferred Taxes:

The deferred tax resulting from temporary time differences between the book value of assets and liabilities shall be recognized according to the accounting basis and their

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

value according to the tax basis. Deferred tax assets shall be determined by using the expected way to achieve or settle value of assets and liabilities based on prevailing tax rate on date of preparing the balance sheet. Deferred tax assets shall be recognized for the firm when there is a strong possibility of achieving profits subject to tax in the future through which this asset can be used. The value of the deferred tax assets is reduced by the value of the part from which the expected tax benefit will not be achieved during the following years.

3.18 Reserves:

a. Legal Reserve:

According to the Company's Articles of Association, 5% of the net profit shall be set aside to form the legal reserve, and this percentage shall be discontinued if this reserve reaches 50% of the issued company capital, and when the reserve is decreased, it is necessary to return to deduction.

3.19 Contingent liabilities and Commitments

The contingent liabilities that the company enters into as a party, in addition to the commitments are off-balance sheet, as they do not represent actual assets or liabilities at the balance sheet date.

3.20 Transactions with related parties:

The related parties are represented in each of the associate companies, major shareholders, directors, and the top management of the company, and also represent the companies controlled, subjected to joint control or effective influence by those related parties. The terms and pricing policies for transactions with related parties are approved by the Board of Directors.

3.21 Repurchase and reissue of ordinary shares (treasury shares):

When the shares of issued capital is repurchased, the amount paid for the repurchase, which includes all direct costs related to the repurchase, is recognized as a reduction in equity. The repurchased shares are classified as treasury shares and presented as deductible from equity. When selling or reissuing treasury shares, the amount collected is recognized as an increase in shareholders' equity and the surplus or deficit resulting from the transaction is presented in combination with the issue premium.

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

3.22- Fiscal year:

The fiscal year begins in January and ends in December, except for the company's first period, which starts in the period from 28/12/2015 to 31/12/2016.

3.23 New Publications and Amendments to Egyptian Accounting Standards:

On 28th March 2019, the Minister of Investment issued Decision 69/2019 to amend some provisions of the Egyptian Accounting Standards that include some new accounting standards and amendments to some existing standards. These amendments were published in the Official Gazette on 7 April 2019. The group has applied the following standards, amendments and interpretations for the first time during its annual reporting periods as of 1st January 2019:

Activated Publications:

- a. Egyptian Accounting Standard No. (22) "Share quota in profits" All firms that apply Egyptian accounting standards shall calculate and represent the share of profits in accordance with the Egyptian Accounting Standard No. (22)
- b. Egyptian Accounting Standard No. (49) "Leasing Contracts" the first stage (leasing contracts subjected to Law 95/1995, shall be recognized in balance sheet as an asset (the right to use the leased asset) and a financial commitment to pay the lease payments except for short term and small value leasing contracts)

Non-Activated Publications:

Some new and revised accounting standards have been published that are not mandatory for the financial statements for financial years beginning on or after 1st January 2020, on 12th April 2020, as the Financial Supervisory Authority decided to postpone the application of amendments in Egyptian accounting standards to the periodic financial statements and limit them to the annual financial statements by the end of 2020.

Name of the standard

Nature of change Egyptian Accounting Standard No. 47 "Financial Instruments"

Change nature

• Egyptian Accounting Standard No. 47 deals with classification, measurement and elimination of recognition of financial assets and financial liabilities, and introduces new rules for hedge accounting and the new impairment model for financial assets.

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

- The group has reviewed its financial assets and liabilities, and expected the following impact from the application of the new standard on 1st January 2020, on 12th April 2020, but the Financial Supervisory Authority decided to postpone the application of amendments in the Egyptian accounting standards to the periodic financial statements and limit them to the annual financial statements by the end of 2020.
- The company's financial assets consist of the following:
- -Trade receivables
- Future Deposits
- -Cash and cash equivalents
- Related parties
- The trade receivables, amounts due from related parties and balances with banks are debt instruments that are currently classified as loans and receivables to be measured at amortized cost according to the Egyptian Accounting Standard No. 26. The group has determined that it meets the requirements for classification at amortized cost in accordance with the Egyptian Accounting Standard No. 47, as being cash flows from original payments and interest only, and the company's business model is represented by holding and collecting debt instruments.
- There will be no impact on the group's recording of financial liabilities, as the new requirements affect the recording of financial liabilities recorded at fair value through profit or loss, and the group does not have any of these liabilities. The rules for de-recognition have been transferred from the Egyptian Accounting Standard 26 "Financial Instruments": "Measurement and Recognition" and has not changed
- The new impairment model requires recognition of value-decrease provisions based on anticipated credit losses instead of only incurred credit losses, as is the case according to Egyptian Accounting Standard No. 26 which applies to financial assets classified at amortized cost and debt instruments measured at other comprehensive income and contract origins according to the Egyptian Accounting Standard No. 48 "Revenues from contracts concluded with clients", debit lease balances, assignment

Impact

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

of loans and some financial guarantee contracts, based on the evaluations carried out up to date.

- The new standard also introduces expanded terms of disclosure and changes in presentation. It is expected that they will change the nature and size of the group's disclosures regarding its financial instruments, especially in the year in which the new standard is applied.
- Management has not yet completed the evaluation of the impacts of applying the standard on the group's financial statements.

The mandatory application date / enforcement date by the group

• It applies to financial periods beginning on or after 1st January 2020. The group will apply the new rules retrospectively as from 1st January 2020, taking the practical measures permitted under the standard but comparative figures for 2019 will not be modified

Name of the standard

Egyptian Accounting Standard No. 48, "Revenue from contracts with clients"

Change nature

- A new standard for revenue recognition was issued, replacing the Egyptian Accounting Standard No. 11, which covers contracts for sales of goods and services, and the Egyptian Accounting Standard No. 8, which covers construction contracts
- The new standard is based on the principle of revenue recognition when transferring control of goods or services to a client.

Impact

• The management has not finished evaluating the impacts of applying the new standard on the group's financial statements, and measuring the revenues for all current contracts in force under the Egyptian Accounting Standard No. 48, consisting of five steps.

The mandatory application date / enforcement date by the group

• Mandatory for fiscal years beginning on or after 1st January 2020. The company intends to apply the new standard using a modified approach by applying retrospectively, i.e., the cumulative impact of the application shall be recognized in the deferred profits as

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

of 1st January 2020, and that the comparison figures will not be modified. On 12th April 2020, the Financial Supervisory Authority decided to postpone the application of amendments in the Egyptian Accounting Standards to the periodic financial statements and to limit them to the annual financial statements by the end of 2020.

Name of the standard

Egyptian Accounting Standard No. 49 "Lease Contracts": The second stage (Lease Contracts) other than those that w

ere subjected to Law 95/1995

Change nature

 The Egyptian Accounting Standard No. (49) related to requires contracts was issued, which leasing implementation in two stages. The first stage relates to lease contracts that were subjected to Law 95/1995 which is applicable in financial periods beginning on or after 1st January 2020. The above explanation shows the impact of applying the first stage on the financial statements. The second stage is related to leasing contracts other than those that were subjected to Law 95/1995 and is applicable in fiscal periods beginning on or after 1st January 2020.

Impact

• The group has formed a team for the implementation of the standard draft, and it has been found that the group has contracts subjected to the first stage. The application has been implemented and there is no impact on the deferred profits at the beginning of the period or the profits of the year because the contract to which the standard applies has been committed during the year 2019. Related with the second stage of the Egyptian Accounting Standard No. 49, the team has reviewed the lease arrangements other than those that were subjected to Law 95/1995 in the group in light of the new accounting rules for lease

The mandatory application date / enforcement date by the group

• The group shall apply the second stage of the Egyptian Accounting Standard No. 49 to operating lease contracts from the mandatory date of application as from 1st January 2020. The group intends to use the practical means provided by the standard. The comparative figures

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

for the year will not be modified before the first application of the standard. Usufruct assets resulting from operating lease contracts shall be measured at the amount of the lease liability on the date of the first application (adjusted for any lease expense presented or due). On 12th April 2020, the Financial Supervisory Authority decided to postpone the application of the amendments of the Egyptian Accounting Standards on the periodic financial statements and limiting them to the annual financial statements by the end of 2020.

4- Sectors Report:

Dep

Reporting on business sectors is done in a consistent manner with reports submitted internally to top management, which take decisions related to resource allocation and assessment of sector performance in the Group. The sector reports are presented to the group on a corporate basis, as each subsidiary is considered a separate business sector.

The following is a summary of each sector that has been presented for the whole year (noting that the consolidated financial statements have been prepared according to the actual acquisition date)

	Speed Medical On 31st Dec 2021	Speed Hospitals On 31st Dec 2021	Total
Balance sheet			
non-current asset	222,435,204	269,791,843	492,227,047
current asset	233,143,582	57,499,960	290,643,542
total of Asset	455,578,786	327,291,803	782,870,589
•			
current liabilities	174,791,438	30,896,081	205,687,519
non-current liabilities	52,191,178	67,075,490	119,266,668
total of Liabilities	226,982,616	97,971,571	324,954,187
Income statement			005 400 400
Activity revenues	365,192,409	0	365,192,409
Cost of revenues	(152,278,195)	0	(152,278,195)
Total of Profit	212,914,214	0	212,914,214
expenses	(68,056,308)	(4,199,790)	(72,256,098)
Other revenues	28,978,502	2,478,750	31,457,252
Profits for the period	137 482 119	(1,721,040)	135 761 079
Other items			
Capital expenditures	(127,324,167)	0	(127,324,167)
preciation of fixed assets	(13,555,373)	0	(13,555,373)

Speed Medical Co. and its Subsidiaries (An Egyptian Joint Stock Company)

ue
val
net
assets (
Fixed

item	land	buildings	Medical equip.	fixtures	computer	Electrical devices	furniture	software	Deferred revenue expenses	total
cost										
cost at 1/1/2021	10 458 000	7 078 222	68 464 842	34 698 599	2 163 392	1 631 746	1 256 557	2 007 695	10 000	127 769 035
additions during the year	15 000 000		42 272 468	65 244 370	7 563 761	6 571 330	4 557 244	1 114 994		142 324 167
disposals during the year										
Total cost at 31/12/2021	25 458 000	7 078 222	110 737 310	99 942 969	9 727 153	8 203 076	5 813 801	3 122 689	10 000	270 093 220
accumulated depreciation										
as at 1/1/2021			16 528 909	9 301 710	1 371 659	780 325	176 384	967 624	7 200	29 133 811
depreciation for the year			7 198 754	5 016 953	458 719	360 643	98 180	420 122	2 000	13 555 371
Disposals of the year										
accumulated depreciation as at 31/12/2021			23 727 663	14 318 663	1 830 378	1 140 968	274 564	1 387 746	9 200	42 689 182
net book value at 31/12/2021	25 458 000	7 078 222	87 009 647	85 624 306	7 896 775	7 062 108	5 539 237	1 734 943	800	227 404 038
Net book value at 31/12/2020	10 458 000	7 078 222	51 935 933	25 396 889	791 733	851 421	1 080 173	1 040 071	2 800	98 635 244
The fixed assets of the subsidiary. Speed Hospitals Company (LLC) were merged with the assets of the holding company (the parent) Speed Medical Company (LLC).	Speed Hospitals	Company (LLC	were merged	with the assets	s of the holdin	g company (1	the parent) S	peed Medical	Company (LLC	

The cost of assets includes an amount of EGP 1,274,686 fixed assets (computers) and an EGP 568,250 of fixed assets (electrical appliances) that have been fully depreciated in The fixed assets of the subsidiary, Speed Hospitals Company (LLC) were merged with the assets of the holding company (the parent) Speed Med book and are still operating.

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

6 Under-Progress Projects:

<u>Under Progress Projects</u>	31st Dec 2021	31st Dec 2020
Balance at beginning of period	106,074,848	12,444,995
Additions during year	177 455 299	97,346,776
Transferred into fixed assets	(18 707 138)	(3,716,923)
Balance at end of period	264,823,009	106,074,848

- The balance of projects under progress of the parent company and its subsidiary was as follows:

<u>Description</u>	31st Dec 2021	31st Dec 2020
Speed medical Co.	27,567,388	8,986,388
Speed Hospitals Co.	237,255,621	97,088,460
Balance at end of year	264,823,009	106,074,848

- The balance of projects under progress for Speed Medical is represented in the costs of fitting new branches
- The balance of projects under progress for Speed Hospitals Company is represented in the costs of constructing and equipping Speed Hospital in El Obour City

7 - Investment in sister companies:

A sister company is an entity over which the company has effective influence by participating in the operational decisions and policies of the investee company. Investments in sister companies are accounted for using the cost method.

Investment in sister companies	Ownership	On 31 st Dec	-On 31 st Dec
	ratio	2021	2020
Prime Speed for medical Services	%30	0	300,000

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

Misr lab for the Egyptians	%30	<u>_</u>	3,000,000
Total		0	3,300,000
lotai			

On the 17th November 2021 BOD agreed on withdrawing all investment from prime speed for medical services and misr labs.

8- Assets held for sale:

An amount of LE 42,094,500, which represents the book value of the building owned by the Speed Hospitals Company, located in the First Settlement - New Cairo, and offered for sale based on a decision approved unanimously by the Board of Directors.

9- inventory:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

59,459,112	16,686,524
59,459,112	16,686,524

10- Clients and receivables:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

<u>Description</u>	on 31st December 2020	on 31st December 2019
Clients	44,596,129	18,465,757
receivables	17,023,988	
total	61,620,117	
Bad debt expense*	(1,051,950)	
Total	60,568,167	18,465,757

^{*}The reduction in the value of clients has been recognized because the company has objective evidence that the company will not be able to collect those amounts due

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

according to the original terms of the contract. The company contacted the clients repeatedly and demanded payment and found neither response nor intention to pay off. Therefore, the company has amortized these amounts.

11- Receivables and Other debit balances:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

on 31st December	on 31st December
<u>2021</u>	<u>2020</u>
575,672	369,240
7,410,649	548,230
1,256,950	1,371,605
126,000	739,873
2,550,000	1,309,600
1,300,000	1,300,000
500,000	500,000
500,000	500,000
12,261,753	-
4,239,717	1,975,342
30 720 741	8,613,890
_	2021 575,672 7,410,649 1,256,950 126,000 2,550,000 1,300,000 500,000 500,000 12,261,753 4,239,717

12- Cash in hand and in the bank:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

Description	on 31st December 2021	on 31st December 2020
	1,901,853	6,319,884
Cash in hand	50 501 000	150 501 000
Deposits	45,398,168	46,611,011
Cash in bank	97 801 021	203 431 894
Total		

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

13 - Capital structure:

The authorized capital of the amount of EGP 520,000,000 [only five hundred and twenty million Egyptian pounds), and the issued capital of the company was limited to EGP 221,828,895 [only two hundred twenty-one million eight hundred and twenty-eight thousand eight hundred and ninety-five Egyptian pounds], divided into 1,109,144,475 shares [only one billion and one hundred and nine million one hundred forty-four thousand four hundred and seventy-five shares], the value of each share is 20 pts [only twenty piaster).

<u>contributors</u>	nationality	share	No. shares	Face value	currency
Mahmoud Ahmed Lasheen	Egypt	%14.806	164,216,279	32,843,256	L.E
ATLANTPCA HOLDPNGS INC	Panama	%10.098	112,000,000	22,400,000	L.E
Hazem Farouk Ahmed Kamal ALFar	Egypt	%8.207	91,030,838	18,206,167	L.E
Other contributors	_	%66.889	741,897,358	148,379,472	L.E
Total		100%	1,109,144,475	221,828,895	

- Treasury shares:

Based on the decision of the Board of Directors on September 5, 2021, the company purchased 15,400,000 shares for an amount of EGP 28,832,996.

14- Legal Reserve

According to the Company's Articles of Association, 5% of the net profit shall be set aside to form the legal reserve, and this percentage shall be discontinued if this reserve reaches 50% of the issued company capital, and when the reserve is decreased, it is necessary to return to deduction.

<u>Description</u>	on 31st December 2021	on 31st December 2020
Legal reserve	5,947,404	1,986,915

15- Loan:

It is a loan from Qatar National Bank Al-Ahly granted to Speed Medical in the amount of EGP 40,000,000 to the Parent Company in order to offer financing for the company's investment expansion. At the end of 2019 and during the year 2020 a loan amounting to EGP 72,920,419 was obtained in addition to deferred interest in the amount of EGP 8,968,061 pounds for the purpose of financing construction and equipment Speed Hospital in Obour and its balance are as follows:

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

Description	on 31st December 2021	on 31st December 2020
-	86,266,671	108,091,487
Net loan value Current part	(7,378,067)	(7,363,095)
·	78,888,604	100,728,392
Noncurrent part		

The loan balance for the Parent Company and the Subsidiary was as follows:

Description	on 31st December 2021	on 31st December 2020
Speed medical Co.	19,191,181	26,203,007
Speed Hospitals Co.	67,075,490	81,888,480
Balance at end of year	86,266,671	108,091,487

16- short term loans

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

Description	on 31st December 2021	on 31st December 2020
QNB bank	28,256,759	18,157,297
Saib Bank	45,396,255	
Credit Agrecole bank	27,219,250	
NBK National Bank of Kuwait	_	14,900,911
Total	100,872,264	33,058,208

17- Suppliers and Payment Papers:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

Description	on 31st December 2021	on 31st December 2020
Payable notes	21,439,973	19,110,671

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

Suppliers' balances	3,274,682	2,968,307
Total	24,714,655	22,078,978

18 - Current account of shareholders:

18.1 Analysis of current shareholders of the Subsidiary

	on 31st December	on 31st December
Description	<u>2021</u>	<u>2020</u>
Mahmud Ahmed Lasheen	261,888	261,888
Total	261,888	261,888

19-Payables and other credited balances:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

		on	31st December	<u>o</u>	n 31st December	
<u>Descripti</u>	on		<u>2021</u>		<u>2020</u>	
			9 372 761		3 613 636	
Due expended by Deduction and addi	ition for Tax		577,857		129,307	
Authorit			912,981		434,710	
Solidarity contrib			30 634 194		1 349 283	
Payables and credit	ed accounts		41 497 792		5 526 936	
Total		****				
20- provisions:						
description	Balance on January 2021	1 st	Provisions are no longe	which r valid	Balance on 31st December 2021	<u>of</u>

Provision for claims	4 871 569	(2 900 000)	1 971 569
Total	4 871 569	(2 900 000)	1 971 569

⁻ Claims provision represents expected claims from some parties in relation to the company's activities. The usual published information about provisions in

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

accordance with accounting standards was not disclosed, because management believes that doing so may severely affect the outcome of negotiations with those parties. The management reviews these provisions annually and adjusts the amount allocated according to the latest progress, discussions and agreements with those parties.

21- deferred taxes:

description	on 31st December 2021	on 31st December 2020
Initial balance	(6 626 968)	(5 240 680)
Deferred tax (for the year)	(7 363 004)	(1 386 288)
total	(13 989 972)	(6 626 968)

22- due income tax:

	description	on 31st December 2021	on 31st December 2020
	Initial balance	12 314 345	3 486 436
<u>23</u>	current income tax (for the year)	28 991 285	12 314 345
	Taxes paid through the year	(12 314 345)	(3 486 436)
	total	28 991 285	12 314 345

Activity revenues:

	on 31st December	on 31st December
<u>Description</u>	<u>2021</u>	<u>2020</u>
Revenues of braches of medical labs	347,316,629	163,127,888
Revenues of specialized clinics sector	17,875,780	9,830,885
Revenues of various campaigns		925,126

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

Total	365,192,409	173,883,899

24 - Cost of revenue:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

Beginning inventory 16,686,524 5,711,455 Purchase 110,069,881 39,466,044 Operating expenses 84,980,902 43,214,477 (50,450,112) (16,686,524)	Description	on 31st December 2021	on 31st December 2020
Purchase 110,069,881 39,466,044 Operating expenses 84,980,902 43,214,477	Beginning inventory	16,686,524	5,711,455
Operating expenses	-	110,069,881	39,466,044
	Operating expenses	84,980,902	43,214,477
Ending inventory (59,459,112) (10,080,324)		(59,459,112)	(16,686,524)
Total 152,278,195 71,705,452	Total	152,278,195	71,705,452

24.1 Operating expenses:

The value of this item on the date of preparing the balance sheet on 31st December 201 as follows:

Description	on 31st December 2021	on 31st December 2020
Wages and salaries	41,655,532	24,046,063
Doctors fees	8,935,766	4,631,679
Rents	4,323,373	3 135 884
Lab to lab	2,543,422	1,089,311
Branches' home visits	18,031,807	5,719,476
others	9,481,003	4 592 064
Total	84,980,902	43,214,477

25 - Selling and marketing expenses:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

Description	on 31st December 2021	on 31st December 2019
Wages and salaries	2,102,856	1,670,376
Publicity and ads	16,272,006	13,705,315

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

Total	18,374,862	15,375,691
i Otai		

26 - General and administrative expenses:

The value of this item on the date of preparing the balance sheet on 31st December 2021 as follows:

	on 31st December	on 31st December
Description	<u>2021</u>	<u>2020</u>
Wages and salaries	8,698,880	5,453,731
Expense of licenses	1,208,333	1,077,238
Insurance expenses	126,026	88,810
Security and guarding	253,190	144,700
Phone expenses	1,342,797	515,234
Electricity expenses	704,505	596,511
Social insurances	928,234	408,720
Administrative rents	772,595	475,350
Administrative printings	1,703,320	447,979
Stationary	725,384	419,119
Bank, transportation & other expenses	10 043 502	3,902,981
oxponedo.	912 981	434 710
Total	27 419 747	13 965 081

27- earnings per share

Earnings per share for the year was calculated using the weighted average number of outstanding shares, as follows:

Description	on 31st December 2021	<u>ber 2021</u> <u>on 31st December 2020</u>	
Net profits	136 100 939	79 209 782	
(-) Employees share in profits (estimated)	(12 929 589)	(7 524 929)	
,	123 171 350	71 684 853	

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

N0. Outstanding shares during the vear	1 109 144 475	1 109 144 475
Treasury shares	(15 400 000)	
*Weighted average number of outstanding shares during the period	1 093 744 475	1 109 144 475
Earnings per share	,11	,065

^{*}These numbers are estimated and approved in the ordinary general assembly

28- Financial instruments and risks related thereto:

The financial instruments of the company are represented in the financial assets (cash at banks, receivables, and debit balances), as well as, financial liabilities which include balances of some payables and other credit accounts.

28-1 risk of foreign exchange fluctuations:

Foreign currency risk is represented in changes in foreign currency rates, which affect payments and receipts in foreign currencies, as well as, the valuation of assets and liabilities in foreign currencies. The company does not have assets or liabilities of a monetary nature in foreign currencies at the date of preparing the consolidated financial statements.

28-2 fair value:

According to the valuation principles used in evaluating the assets and liabilities of the company, the fair value of financial instruments does not differ materially from their book value at the balance sheet date.

29- Tax position:

1- Speed Medical Company

The company prepares the tax returns for the competent tax directorate and submits them to the competent tax directorate on legal dates. The following is the company's tax position:

Tax on profits of investment companies

The start of the company's activity has been determined as of 28/12/2015 and the company is subjected to all types of taxes in accordance with the provisions of Law 91/2005, and the company has not been accountable or linked thereto with no tax dues thereon.

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period

from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

Payroll tax and the equivalent:

Examination and payment were carried out from the beginning of the activity until the year 2019, and examination and payment is currently underway in 2020.

Stamp Tax:

The company documents have not been examined since the beginning of the activity and until the date of preparing the balance sheet, and the company has not been accounted for or linked thereto with no tax dues thereon.

Value Added Tax:

The company is not charged with registering for value-added tax, since its activity is exempted from tax.

2. Speed Hospitals Company (Subsidiary)

Till date of preparing the balance sheet, Speed Hospitals Company has started its activity yet.

30. Legal position

here are lawsuits filed by the Financial Supervisory Authority No. (3109) and No. (3129), and the legal advisor to the company stated that there is no need to form any financial provisions for these two lawsuits, as if any financial obligations arise from those lawsuits, they will be borne by the members of the board of directors in person. These lawsuits were postponed for the January 3, 2022 session.

31- Subsequent events:

The company's legal advisor stated that the lawsuits No. (3109) and No. (3129), for which were scheduled on January 3, 2022, were joined in one lawsuit pending before the Economic Court in Cairo. the case is under consideration.

32. Cash Flow Statement:

The statement of cash flows is prepared using the indirect method, and for the purposes of preparing the statement of cash flows, any non-cash transactions were excluded as the statement is cash based.

description	Paid income tax	Receivable and other debit balances	Net profit of the year
	L.E	L.E	L.E

An Egyptian Joint Stock Company in accordance with the provisions of Law No. 159/1981

The complementary explanations to the consolidated financial statements for the period from 01-01-2021 to 31-12-2021 AD

(All amounts mentioned in the explanations are in Egyptian pounds, unless otherwise stated)

Changes as it is in the cashflow statement	(10 942 740)	(23 478 457)	172 115 368
Deferred tax	_		7 363 004
Deducted tax	1 371 605	(1 371 605)	
Income tax of the year	(28 991 285)	_	28 991 285
Add / (subtract) non-cash transactions			
Change in the balances of some accounts of the financial position	16 676 940	(22 106 852)	135 761 079

33. The impact of the new Corona virus:

The second half of March 2020 witnessed the beginning of the impact of the spread of the Corona virus in the Egyptian markets, and the Egyptian government announced a set of unprecedented measures to combat the virus and its spread. Indeed, all risks have been studied and evaluated, and a series of measures have been taken to reduce the risks to the work team and to ensure the company's operations continue.