

**B Investments Holding
"S.A.E."**

**Consolidated Financial Statements
For the Year Ended December 31, 2021
Together with Auditor's Report**

Translation of Independent Auditor's
Report Originally Issued in Arabic

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders' of B Investments Holding "S.A.E."

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of B Investments Holding "S.A.E.", which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and the prevailing Egyptian laws. This 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, 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 the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether 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 judgment, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 the consolidated financial statements.

Opinion

The consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of B Investments Holding "S.A.E." as of December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the related Egyptian laws and regulations.

Cairo, April 24, 2022

Samy Habib



B Investments Holding "S.A.E."
Consolidated Statement of Financial Position as of December 31, 2021

	<u>Note</u>	<u>December 31, 2021</u> <u>EGP</u>	<u>December 31, 2020</u> <u>EGP</u>
Assets			
Non-current assets			
Advance for investments	(6)	110 682 592	--
Investments in associates using equity method	(7)	414 523 621	455 623 991
Investments at fair value through OCI	(9)	381 572 723	369 915 468
Investments in joint venture using equity method	(8)	564 962 226	548 971 746
Investment properties (net)	(10)	91 721 954	93 296 112
Loans to associates	(11)	111 445 145	112 258 055
Loans to joint ventures	(12)	--	11 234 610
Notes receivable (net)	(13)	7 431 543	9 891 217
Total non-current assets		1 682 339 804	1 601 191 199
Current assets			
Loans to joint ventures	(12)	24 707 408	11 234 610
Notes receivable (net)	(13)	2 447 060	3 740 374
Due from related parties (net)	(14)	--	2 003 173
Other debit balances (net)	(15)	7 810 918	11 788 733
Treasury bills (net)	(16)	337 851 188	460 757 645
Cash at banks	(17)	61 801 312	179 256 649
Total current assets		434 617 886	668 781 184
Total assets		2 116 957 690	2 269 972 383
Equity and liabilities			
Equity			
Issued and paid-up capital	(22)	800 122 080	800 122 080
Treasury stocks	(23)	--	(5 471 154)
Reserves	(24)	282 206 583	264 158 112
Revaluation reserve of investments at fair value through OCI		197 138 855	189 220 998
Retained earnings		632 637 893	602 309 689
Net profit for the year attributable to shareholders of the Parent Company		105 308 898	287 905 313
Total equity		2 017 414 309	2 138 245 038
Non-current liabilities			
Deferred tax liabilities	(25)	69 489 898	65 385 105
Total non-current liabilities		69 489 898	65 385 105
Current liabilities			
Due to related parties	(18)	4 691 395	21 667 649
Accounts payable and other credit balances	(19)	4 935 973	4 192 612
Current income tax		16 385 464	38 441 328
Provisions	(20)	4 040 651	2 040 651
Total current liabilities		30 053 483	66 342 240
Total equity and liabilities		2 116 957 690	2 269 972 383

- The attached notes form an integral part of the consolidated financial statements , and to be read therewith.

Chief Financial Officer
Ahmed Abdel Monem Madbouly

Chief Executive Officer
Dr. Mohamed Abdel Monem Omran

Chairman
Mohamed Hazem Adel Barakat

- Auditor's report attached.




B Investments Holding "S.A.E."
Consolidated Statement of Profits and Losses for the year ended December 31, 2021

	<u>Note</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
		<u>EGP</u>	<u>EGP</u>
<u>Revenues & profits</u>			
Dividends income from investments at fair value through OCI	(29)	20 201 805	38 075 645
Group's share of profits / (losses) of associate entities and joint ventures	(28)	57 489 500	129 277 511
Finance income	(30)	70 826 202	70 390 913
Rental income of investment properties		4 744 567	3 932 500
Other revenue		9 408 000	364 372
Capital gain from partial disposal of investments at fair value through OCI		--	118 112 758
Capital gain from disposal of investment in subsidiaries		--	9 954 475
Reversal of impairment loss on other debit balances		--	150 000
		<u>162 670 074</u>	<u>370 258 174</u>
<u>Expenses & losses</u>			
Investment manager fees	(31)	(18 612 600)	(34 627 348)
Consulting fees and other expenses		(6 303 668)	(5 352 697)
Tax expense on dividend income from investment in associate entities and joint ventures using equity method		(4 952 950)	(7 043 896)
Board of directors allowances		(358 800)	(263 100)
Investment properties' depreciation		(1 779 005)	(1 729 885)
Provision formed during the year		(2 000 000)	--
Reversal of expected credit losses		57 021	--
Acquisition expense		(998 147)	--
Foreign currency exchange loss		(434 459)	(2 969 719)
Net profit for the year before tax		<u>127 287 466</u>	<u>318 271 529</u>
Income tax		(21 613 173)	(38 355 653)
Deferred tax	(25)	(365 395)	7 191 977
Net profit for the year after tax		<u>105 308 898</u>	<u>287 107 853</u>
<u>Attributable as follow:</u>			
Attributable to the shareholders' of the Parent Company		105 308 898	287 905 313
Non-controlling interests		--	(797 460)
Net profit for the year		<u>105 308 898</u>	<u>287 107 853</u>
Basic earnings per share	(26)	<u>0.64</u>	<u>1.78</u>
Diluted earnings per share	(26)	<u>0.64</u>	<u>1.78</u>

- The attached notes form an integral part of the consolidated financial statements , and to be read therewith.

Translation of consolidated financial statements

Originally Issued in Arabic

B Investments Holding "S.A.E."

Consolidated Statement of Comprehensive Income for the year ended December 31, 2021

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year	105 308 898	287 107 853
<u>Other comprehensive income</u>		
Translation reserve difference of subsidiaries' financial statements	--	(83 387)
Revaluation reserve of investments at fair value through OCI net of tax	7 917 857	189 220 998
Group share in other comprehensive income items in joint ventures and associate entities' financial statements	5 356 607	(1 918 070)
Total other comprehensive income for the year	13 274 464	187 219 541
Total comprehensive income for the year	118 583 362	474 327 394
Distributed as follows:		
Interests attributable to shareholders of the parent company	118 583 362	475 158 209
Non-controlling interests	--	(830 815)
Total comprehensive income for the year	118 583 362	474 327 394

- The attached notes form an integral part of the consolidated financial statements , and to be read therewith.

B Investments Holding "S.A.E."
Consolidated Statement of Changes in Equity for the year ended December 31, 2021

Notes	Issued and paid-up capital	Treasury stocks	Share Issuance Reserve	Revaluation reserve of investments at fair value through OCI net of tax	Legal reserve	Group's share in the change in equity of associate entities	Group's share in the business combination reserve for joint venture and associate entities' financial statements	Group's share in the Other comprehensive income in joint venture and associate entities' financial statements	Retained earnings	Equity attributable to shareholders of the Parent Company in last profit of the year	Total Equity attributable to shareholders of the Parent Company	Non controlling interests	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
as of January 1, 2020	800 122 080	-	(4 111 018)	-	258 887 211	-	8 533 194	13 856 319	497 438 760	173 238 435	1 743 542 181	5 807 869	1 74
other comprehensive income													
il of the year													
on reserve of subsidiaries' financial statements	-	-	-	-	-	-	-	-	-	287 905 313	287 905 313	(797 460)	28
share in the Other comprehensive income in joint venture and	-	-	-	-	-	-	(50 032)	-	-	-	(50 032)	(33 355)	
entities' financial statements	-	-	-	-	-	-	-	(1 918 070)	-	-	(1 918 070)	-	(1
ion reserve of investments at fair value through OCI net of tax	-	-	-	-	-	-	-	-	-	189 220 998	189 220 998	-	18
mprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	47
pany's shareholders transactions													
ed to legal reserve	-	-	-	-	3 424 647	-	-	-	-	(3 424 647)	-	-	-
ed to retained earnings	-	-	-	-	-	-	-	-	169 813 788	(169 813 788)	-	-	-
is distributions	-	-	-	-	-	-	-	-	(64 942 359)	-	(64 942 359)	-	(6
share in the change in equity of associate entities	-	-	-	-	-	(1 558 677)	-	-	-	-	(1 558 677)	-	(1
stocks purchase	-	-	-	-	-	-	-	-	-	-	(5 471 154)	-	(5
Impact of subsidiary entity	-	-	-	-	-	-	-	-	-	-	(8 483 162)	-	(1
company's shareholders transactions	-	-	-	-	3 424 647	(1 558 677)	-	-	104 871 429	(173 238 435)	(80 455 352)	(4 977 054)	(8
as of December 31, 2020	800 122 080	(5 471 154)	(4 111 018)	189 220 998	262 411 858	(1 558 677)	-	11 938 249	602 309 849	287 905 313	2 138 245 038	-	2 13
as of January 1, 2021	800 122 080	(5 471 154)	(4 111 018)	189 220 998	262 411 858	(1 558 677)	-	11 938 249	602 309 849	287 905 313	2 138 245 038	-	2 13
application of EAS (47) Financial Instruments	-	-	-	-	-	-	-	-	(50 951 452)	-	(50 951 452)	-	(50
application of EAS (48) Revenue from Contracts with Customers	-	-	-	-	-	-	-	-	2 976 829	-	2 976 829	-	-
f Balance as of January 1, 2021	800 122 080	(5 471 154)	(4 111 018)	189 220 998	262 411 858	(1 558 677)	-	11 938 249	554 335 066	287 905 313	2 090 270 415	-	2 09
other comprehensive income													
it for the year	-	-	-	-	-	-	-	-	-	-	-	-	10
share in the Other comprehensive income in joint venture and	-	-	-	-	-	-	-	-	-	-	5 356 607	-	-
entities' financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-
ion reserve of investments at fair value through OCI net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
mprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
pany's shareholders transactions													
ed to legal reserve	-	-	-	-	11 133 187	-	-	-	-	(11 133 187)	-	-	-
ed to retained earnings	-	-	-	-	-	-	-	-	276 772 126	(276 772 126)	-	-	-
share in the change in equity of associate entities	-	-	-	-	-	1 558 677	-	-	514 958	-	2 073 635	-	(20
is distributions	-	-	-	-	-	-	-	-	(203 786 520)	-	(203 786 520)	-	-
stocks sale	-	-	-	-	-	-	-	-	4 802 263	-	4 802 263	-	4
company's shareholders transactions	-	-	-	-	-	-	-	-	-	-	-	-	-
as of December 31, 2021	800 122 080	(5 471 154)	(4 111 018)	197 138 855	273 545 045	(1 558 677)	-	17 294 856	632 637 893	105 308 898	2 017 414 309	-	2 01

Attached notes form an integral part of the consolidated financial statements, and to be read therewith.

B Investments Holding "S.A.E."

Consolidated Statement of Cash Flows for the year ended December 31, 2021

	<u>Note</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the year before income tax		127 287 466	318 271 529
<u>Adjustments to reconcile net profit to cash flows from operating activities</u>			
Group's share of profits/(Losses) of associates & joint venture entities using equity method		(57 489 500)	(129 277 511)
Reversal of Dividends income from investments at fair value through OCI		(20 201 805)	(38 075 645)
Tax expense on dividends income from investment in associates and joint venture entities using equity method		4 952 950	7 043 896
Reversal of acquisition expense		998 147	--
Reversal of expected credit losses		(56 451)	--
Provisions formed during the year		2 000 000	--
Depreciation of investment properties		1 779 005	1 729 885
Foreign currency exchange loss		434 459	2 969 719
Credit interest - treasury bills		(57 798 430)	(59 282 335)
Credit interest		(13 845 346)	(10 410 377)
Reversal of impairment loss on other debit balances		--	(150 000)
Capital gain from partial disposal of investments at fair value through OCI		--	(118 112 758)
Capital gain from disposal of investment in subsidiaries		--	(9 954 475)
Operating (loss) before changes in working capital		(11 939 505)	(35 248 072)
Decrease in loans to associates entities and joint venture		10 984 434	--
Decrease in notes receivable		4 000 000	1 920 993
(Increase) in other debit balances		(8 368 967)	(10 956 519)
Decrease in due from related parties		1 997 200	--
(Decrease) / Increase in due to related parties		(16 976 254)	15 963 754
Increase / (decrease) in accounts payable and other credit balances		743 361	(3 811 248)
Income tax paid during the year		(31 685 909)	(1 109 488)
Proceeds from dividends income from investments at fair value through OCI		20 201 805	38 075 645
Proceeds from dividends income from associate and joint ventures entities		68 893 971	63 395 057
Net cash flows generated by operating activities		37 850 136	68 230 122
<u>Cash flows from investing activities</u>			
Proceeds from credit interest		33 302 472	53 748 497
(Payments) to acquire investments in joint ventures		(32 606 800)	--
Advance Payments for investments		(110 682 592)	--
(Payments) to acquire investment properties		(204 847)	--
Proceeds from partial disposal of investments at fair value through OCI		--	146 364 907
Gains from disposal of investment properties		--	20 536
Change in long term deposits		3 099 080	60 902 179
Proceeds/(payments) from sale and redemption of treasury bills		460 757 642	(141 384 465)
(Payments) for acquisition of treasury bills		(311 976 085)	--
Net cash flows generated by investing activities		41 688 870	119 651 654
<u>Cash flows from financing activities</u>			
Proceeds from sale (payments for purchase) of treasury stocks		10 273 417	(5 471 154)
Dividends paid		(203 786 520)	(64 785 721)
Net cash flows (used in) financing activities		(193 513 103)	(70 256 875)
Net change in cash and cash equivalents during the year		(113 974 097)	117 624 901
Cash and cash equivalents at the beginning of the year		174 557 359	57 158 034
Effects of exchange rate changes on balances of cash held in foreign currencies		(346 950)	(225 576)
Cash and cash equivalents at the end of the year	(17)	60 236 312	174 557 359

Non-cash transaction:

Elimination of non-cash transactions represented in the below:

* Elimination of change in available for sale investment revaluation reserve amounted to EGP 7 719 857 (Note-9).

* Part of the income tax liability was settled as a deduction from the other debit balance amounted to EGP 11 983 128.

- The attached notes form an integral part of the consolidated financial statements , and to be read therewith.

1. General information

B Investments Holding "S.A.E." (BPE Holding for Financial investments-formerly) "The Company" was established under the provisions of Law No 95 for 1992 and its executive regulations. The Company was registered on December 31, 2005 under No 52455 at South Cairo Commercial Register pursuant to the Capital Market Authority License No. 348 dated April 11, 2006. Then the Company registered on October 24, 2012 under No 63264 at South Cairo Commercial Register.

The company's new Location is 24 Talaat Harb Street, Cinema Radio Building – 1st Floor - Cairo. Was registered in the company's the commercial register on July 15, 2020.

The Company's purpose is to participate in incorporation of other entities, which issue securities, or increase their capital. The Company may have interest or participate in any form with corporate companies pursuing similar activities, or which may assist it in realizing its purpose in Egypt or abroad. The Company may also merge, purchase or become a subsidiary to companies according to the provisions of law and its executive regulation. The Company's duration is 20 years commencing from the Commercial Register date.

The Company's principle business activity is investment in other entities, in accordance with its established investment policy. The Company aims to identify, research, negotiate, make and monitor the progress of and sell, realize and exchange investments and distribute proceeds of such investments with the principle objective of providing shareholders with a high relative overall rate of return by means of both income, capital growth and exit.

On January 11, 2016 the company's extraordinary general assemble meeting decided to change the company name to be BPE Holding for Financial Investments, the change was registered in the Company's commercial register on February 24th, 2016.

On May 8, 2018 the Company's extraordinary general assembly decided to change the Company name to be B investments Holding, the change was registered in the Company's commercial register on July 8, 2018.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards issued by the Minister of Investment's decree No. 110 of 2015 and applicable Egyptian laws and regulations.

3. Application of new issued standards and applied amendments on EAS

On March 18, 2019, the Minister of Investment and International Cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. 110 of 2015, which include some new accounting standards as well as introducing amendments to certain existing standards which was issued where these amendments were published in the official gazette on April 7, 2019 .

On 20 September 2020, a decree issued by the Prime Minister No. 1871 for year 2020 to postpone the application of EAS (47) - "Financial Instruments", EAS (48) - "Revenue from Contracts with Customers" and EAS (49) - "Lease Contracts" to the financial year starting from January 1,2021.

On 9 May 2021, the Financial Supervisory Authority issued a statement approving the postpone the application of the Egyptian Accounting Standard No. (47), "Financial Instruments" until a date no later than the preparation of financial statements at the end of 2021.

The following lists the most important amendments:

New Standards or amended standards	Summary of significant amendments	Probable effect on financial statements	Effective date
New Egyptian Accounting Standard No. (47) "Financial Instruments"	<p>1- The new Egyptian Accounting Standard No. (47) "Financial Instruments" replaces the corresponding topics in Egyptian Accounting Standard No. (26) "Financial Instruments: Recognition and Measurement." Thus, the Egyptian Accounting Standard No. (26) was modified and reissued after withdrawing the special paragraphs. With the topics covered by the new standard (47) and the aggravation of the scope of the amended Standard (26) to deal only with limited cases of coverage accounting according to the establishment's choice.</p> <p>2- According to the requirements of the standard, financial assets are classified on the basis of their measurement - subsequently - either at amortized cost, or at fair value through comprehensive income or at fair value through profit or loss, according to the business model of the financial assets' management and the contractual cash flow characteristics of the financial asset.</p> <p>3- The model of realized losses in the measurement of the impairment of financial assets has been replaced by the expected credit loss models, which requires measuring the impairment of all financial assets measured at amortized cost and financial instruments that are measured at fair value through other comprehensive income from the moment of the first recognition regardless of when there is an indicator of the loss event.</p> <p>4- Based on the requirements of this standard, each of the following criteria has been modified: Egyptian Accounting Standard No. (1) "Amended Financial Statements" 2019</p>	Management has applied the standard.	<p>Standard No. (47) applies to financial periods beginning on or after January 1, 2020, and early application is permitted, provided that Egyptian Accounting Standards No. (1), (25), (26) and (40) modifications 2019 are applied together on the same date.</p> <p>These amendments are effective as of the date of implementing Standard No. (47).</p>

	<p>Egyptian Accounting Standard No. (4) "Cash Flow Statement".</p> <p>Egyptian Accounting Standard No. (25) "Financial Instruments: Bid".</p> <p>Egyptian Accounting Standard No. (26) "Financial Instruments: Recognition and Measurement".</p> <p>Egyptian Accounting Standard No. (40) "Financial Instruments: Disclosures".</p>		
<p>New Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers"</p>	<p>1- The new Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" shall supersede the following standards and accordingly such standards shall be deemed null and void:</p> <p>a. Egyptian Accounting Standard No. (8) "Construction Contracts" amended 2015.</p> <p>b. Egyptian Accounting Standard No. (11) "Revenue" amended 2015</p> <p>2- The control model was used to recognize revenue instead of the risk and rewards model.</p> <p>3- Incremental costs of obtaining a contract with a customer are recognized as an asset if the enterprise expects to recover those costs and the costs of fulfilling the contract are to be recognized as an asset when certain conditions are met</p> <p>4- The standard requires that the contract have commercial content in order for the revenue to be recognized.</p> <p>5- Expanding the requirements of disclosure and presentation.</p>	<p>Management has applied the standard.</p>	<p>Standard No. 48 applies to financial periods beginning on or after January 1, 2021, and early application is permitted.</p>
<p>New Egyptian Accounting Standard No. (49) "Leasing Contracts"</p>	<p>1. The new Egyptian Accounting Standard No. (49) "Lease Contracts" shall supersede and revoke Standard No. (20)" Accounting Rules and Standards related to Financial Leasing" issued in 2015.</p> <p>2. The Standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the usufruct of the leased asset as part of the company's assets and recognizes a liability that represents the present value of the unpaid lease payments under the company's liabilities, taking into account that</p>	<p>Management has applied the standard.</p>	<p>Standard No. (49) applies to financial periods beginning on or after January 1, 2020, and early application is permitted if Egyptian Accounting Standard No. (48) "Revenue from contracts with customers" 2019 is applied at the same time.</p> <p>With the exception of the effective date above, Standard No. (49) 2019 applies to leasing contracts that were subject to the Financial Leasing Law</p>

	<p>the lease contracts are not classified in respect of the lessee as operating or finance lease contracts.</p> <p>3. As for the lessor, the lessor shall classify each lease contract either as an operating lease or a finance lease contract.</p> <p>4. As for the finance lease, the lessor must recognize the assets held under a finance lease contract in the Statement of Financial Position and present them as amounts receivable for an amount equivalent to the amount of the net investment in the lease contract.</p> <p>5. As for operating leases, the lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis</p>		<p>No. 95 of 1995 - and its amendments, and they were processed according to Egyptian Accounting Standard No. (20) "Accounting rules and standards related to financial leasing operations", as well as Financial leasing contracts that arise under and subject to the law of financial leasing and factoring activities No. 176 of 2018, from the beginning of the annual reporting period in which Law 95 of 95 was repealed and the issuance of Law 176 of 2018.</p>
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Effect of Application of EAS No. (47)

A change in the accounting policies was applied as a result of application of the Egyptian Accounting Standard No. (47) based on the transition phase with a retrospective effect and a recognition of the cumulative effect of the initial application on the date of the initial application where, accordingly, the comparative figures were not modified. The application of the Egyptian Accounting Standard No. 47 resulted in a change in retained earnings on January 1, 2021, amounting to (50 951 452) Egyptian pounds as a result of the expected credit losses on financial assets.

Effect of Application of EAS No. (48)

A change in the accounting policies was applied as a result of application of the Egyptian Accounting Standard No. (48) based on the transition phase with a retrospective effect and a recognition of the cumulative effect of the initial application on the date of the initial application where, accordingly, the comparative figures were not modified. The application of the Egyptian Accounting Standard No. (48) resulted in a change in retained earnings on January 1, 2021, amounting to 2 976 829 Egyptian pounds.

Effect of Application of EAS No. (49)

The company has applied EAS No. (49) with no effect.

Basis for preparation of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values or amortized cost. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Those estimates and associated assumptions are based on management historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates, therefore those estimates, and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and estimates that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

Assessing and determining basis of preparation

Management reviews its assumptions and judgments including those used to conclude on the extent of the Company's ability to control, jointly control, or exercise significant influence on its investees whenever a significant event or amendment to the conditions prevailing in its contractual agreements or changes in conditions associated with the preparation process of the financial statements.

Provisions and contingent liabilities

Management assess events and circumstances that might led to a commitment on the company's side resulting from performing its normal economic activities, management uses estimates and assumptions to assess whether the provision's recognition conditions have been met at the financial statement date, and analyze information to assess whether past events led to current liability against the company and estimates the future cash outflows and timing to settle this obligation in addition to selecting the method which enable the management to measure the value of the commitment reliably.

Impairment of financial assets

On a prospective basis, the company evaluates the expected credit losses for debt instruments measured at amortized cost and at fair value through other comprehensive income. The company measures the expected credit losses and recognizes a provision for credit loss at the date of preparing the financial reports. The measurement of credit losses reflects the expectation: (i) a weighted fair amount determined by evaluating a range of outcomes, (ii) the time value of money, and (iii) reasonable and supportive information that is available without incurring undue cost or effort at the end of each reporting period of preparation of financial reports about past events, current conditions, expectations and future conditions.

The company applies a three-stage model of impairment, based on changes in credit quality since the first recognition, the financial instrument that has not been decreased by impairment at the first recognition is classified in the first stage. The expected credit losses for financial assets in the first stage are measured at an amount equal to the portion of the expected credit losses over the life that results from default events that are possible within the next 12 months or until the contractual maturity date, if more (up to 12 months expected credit losses) if the company determines a significant increase in credit risk since the first recognition, the asset is transferred to the second stage and the expected credit losses are measured on the basis of the expected credit losses over the life, that is, until the contractual maturity date, but taking into account the expected advance payments, if any (expected credit losses over a lifetime). For a description of how the company determines when a significant increase in credit risk will occur. If the company determines that a financial asset is credit-impaired, the asset is transferred to the third stage and the expected credit losses are measured as lifetime expected credit losses.

Impairment of non- financial assets

Non- financial assets are reviewed to determine whether there are any indications that the net carrying amount of these assets may not be recoverable and that they have suffered an impairment loss that needs to be recognized. In order to determine whether any such elements exist it is necessary to make subjective measurements, based on information obtained within the Company and in the market considering the past experience.

When indicators exist that an asset may have become impaired, the Company estimates the impairment loss using suitable valuation techniques. The identification of elements indicating that a potential impairment exists and estimates of the amount of the impairment, depend on factors that may vary in time, affecting management's assessments and estimates.

Recognition and measurement of current tax liabilities

The Company's profit is subject to income tax, which requires using of significant estimates to determine the total income tax liability. As determining the final tax liability for certain transactions could be difficult during the reporting period, the Company records current tax liabilities using its best estimate about the taxable treatment of these transactions and the possibility of incurring of additional tax charges that may result from tax inspections. When a difference arises between the final tax assessment and what has been recorded, such difference is recorded as an income tax expense and current tax liability in the current period and is considered as a change in accounting estimates.

Significant accounting policies are set out below:

5. Significant accounting policies

a. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to December 31 each year. Control is achieved when the Company

- Has power over the investee;
- Is exposed or has rights to variable returns from its involvement with the investee and
- Has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the particular ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power including

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements and
- Any additional facts and circumstances that indicate that the Company has or does not have the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date of the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between the aggregate of the fair value of the consideration received and fair value of any retained interest and the previous carrying amount of the assets (including goodwill) less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

b. Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method unless the transaction does not constitute an acquisition in form or substance. Application of the purchase method involves the following steps:

- Identifying an acquirer,
- And measuring the cost of the business combination,
- And allocating, at the acquisition date, the cost of the combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of the business combination is measured as the aggregate of the fair values, at the (date of exchange), of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

The acquirer recognizes the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under EAS (29) "Business Combination" at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with EAS (32) "Non-current Assets Held for Sale and Discontinued Operations", that are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition date is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the consolidated statement of profits and losses.

The non-controlling interest in an acquiree is initially measured at the non-controlling interest proportionate share in the fair value of the assets, liabilities and contingent liabilities recognized.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

A business combination agreement may allow for adjustments to the cost of the combination that are contingent on one or more future events. The Group usually estimates the amount of any such adjustment at the time of initially accounting for the combination, even though some uncertainty exists. If the future events do not occur or the estimate needs to be revised, the cost of the business combination is adjusted accordingly.

However, when a business combination agreement provides for such an adjustment, that adjustment is not included in the cost of the combination at the time of initially accounting for the combination if it either is not probable or cannot be measured reliably. If that adjustment subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination.

The Company currently holds the following direct and indirect interests in its subsidiaries:

<u>Subsidiary</u>	<u>Country of Domicile</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
		<u>%</u>	<u>%</u>
B Healthcare Investments	Egypt	99.99	--

c. Investments in associates and joint venture entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates and jointly controlled entities are incorporated in these financial statements using the equity method of accounting. Investments classified as held for sale, are accounted for in accordance with EAS (32) "Non-current Assets Held for Sale and Discontinued Operations", where they are stated at the lower of their carrying amount or fair value (less costs to sell).

Under the equity method, investments in associates and jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate / jointly controlled entity, less any impairment in the value of individual investments. Losses of an associate / jointly controlled entity in excess of the Group's interest in that associate/ jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate / jointly controlled entity) are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

On acquisition of the investment, any difference between the cost of the investment and the investor's share of the net fair value of the associate's / jointly controlled entity's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with EAS (29) Business Combination, therefore:

1. Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the investment recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.
2. Any excess of the group's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is excluded from the carrying amount of the investment and is instead recognized immediately in profit or loss in the determination of the group's share of the investee's profit or loss in the period in which the investment was acquired.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred, in which case appropriate provision is made for impairment for that asset.

The following table provides a list of the Group's associates and jointly controlled entities:

	<u>Country of Domicile</u>	<u>December 31, 2021</u> <u>Ownership %</u>	<u>December 31, 2020</u> <u>Ownership %</u>
<u>Associates</u>			
Al Retail For Trade and Investment	Egypt	22.79	22.79
Madinet Nasr for Housing and Development S.A.E "MNHD"	Egypt	7.51	7.51
Infinity Solar 1 B.V.	Netherland	24.6	24.6
Infinity Solar 2 B.V.	Netherland	17.5	17.5
Infinity Solar 3 B.V.	Netherland	17.5	17.5
<u>Joint venture entities</u>			
Inergia Technologies for Information S.A.E. "Inergia"	Egypt	68.04	68.04
Red Sea venture for Solar Energy	Egypt	49.50	49.50
Giza Systems Company S.A.E "Giza Systems" *	Egypt	44.71	44.71
Ebtikar Holding for Financial Investments	Egypt	16.45	20.25
Basata Financial Holding	Egypt	20.25	--
Gourmet Egypt.com Foods S.A.E (Gourmet)	Egypt	52.90	52.90

* Giza Systems is indirectly owned through the Company's investment in Inergia (Inergia owns 65.7% of Giza Systems' shares).

d. Investments measured at fair value through other comprehensive income

Investments measured at fair value through other comprehensive income are initially recognized, at acquisition, at fair value plus transaction costs which include fees and commissions paid to agents, advisors, brokers and dealers, taxes levied by regulatory agencies and securities exchanges, and transfer taxes and duties.

After initial recognition, these investments are subsequently measured at fair value with gains or losses resulting from fair value measurement recognized directly in equity, until the investment is derecognized, at which time the cumulative gain or loss previously recognized in equity are then recognized in the profit or loss. In case there is objective evidence that an impairment loss has been incurred on investments measured at fair value through other comprehensive income at the date of the financial statements, the cumulative loss that had been previously recognized in equity are removed from equity and recognized in profit or loss even though the investments have not been derecognized.

e. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. This applies as well on investments in associates, where goodwill is included within the carrying amount of the investment.

The Group's policy for goodwill arising on the acquisition of an associate / jointly controlled entity is described above at "Investments in associates and jointly controlled entities".

f. Investment properties

Investment properties are properties held to earn rentals and or for capital appreciation. Investment properties are measured initially at cost including transaction costs and are subsequent to the initial recognition reported in the balance sheet at historical cost, less any accumulated depreciation and impairment losses.

Gain or loss on de-recognition is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

Investment property, except for land, is depreciated using the straight-line method, depreciation is charged to the consolidated statement of profits and losses over the useful life of each investment property.

The following are estimated useful lives for investment properties that are used to calculate depreciation:

<u>Description</u>	<u>Lifetime by years</u>	<u>Depreciation Rate</u>
Buildings	50	2%

g. Cash and cash equivalents

Cash and cash equivalents are comprised of cash at banks, short-term demand deposits with maturities less than three months that are readily convertible to specified amounts of cash.

h. Consolidated statement of Cash flows

The consolidated statement of cash flows is prepared applying the indirect method.

i. Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Egyptian pounds; which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than Egyptian pounds are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated to Egyptian pounds at the rates prevailing at the balance sheet date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise, except for exchange differences arising on non-monetary assets and liabilities carried at fair value, where translation differences are recognized as part of changes in fair value.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign and local subsidiaries whose reporting currencies are different from the presentation currency of the Group (EGP), are expressed in Egyptian Pounds using exchange rates prevailing at the balance sheet date, equity items are expressed in Egyptian Pounds using the historical exchange rates at the date of acquisition or incorporation. Income and expense items are translated at the average exchange rates for the year.

Exchange differences arising, if any, are classified as equity and recognized in the Group's foreign currency translation reserve.

j. Revenue recognition and measurement

The Company's revenue represented below:

- Dividend income from investments

Dividend income from investments is recognized at a point in time when the shareholders' right to pay these dividends at the fair value of the consideration received or still owed to the company is issued.

- Interest income

Interest income is recognized according to the accrual principle on the basis of a time proportional distribution, taking into account the principal outstanding and the interest rate applied over the period to the maturity date.

k. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events and that it is probable that an outflow of economic resources will be required to settle the obligation, the costs to settle related obligations are probable and a reliable estimate is made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized in the profit or loss as finance costs.

l. Taxation

A provision for potential tax claims is generally recognized based on management comprehensive study for prior years' tax assessments and disputes.

Deferred tax assets and liabilities are recognized on temporary differences between the assets and liabilities tax basis set by the Egyptian Tax Law and its executive regulations, and their reported amounts per the accounting principles used in the preparation of the consolidated financial statements.

Accordingly, during each reporting period, an estimated income tax expense is recognized in the profit or loss that represents the sum of the tax currently payable and deferred tax with actual income tax expense recognized at year-end.

Current tax payable is calculated based on taxable profit of the year as determined in accordance with applicable local laws and regulations using tax rates enacted by the balance sheet date. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted by the balance sheet date.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity unless those related items recognized in equity have affected taxable profit and calculation of current tax expense for the year, then the related deferred tax is recognized in the consolidated statement of profits and losses.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are accounted for using the balance sheet liability method and are reported in the balance sheet as non-current assets and liabilities.

m. Dividends

Dividends declared to the shareholders and Board of Directors are recognized as a liability in the financial statements in the year in which these dividends have been approved by the Company's shareholders.

n. Earnings per Share

Basic and diluted earnings per share are calculated based on dividing the profit or loss, according to the financial statements (net of employees statutory profit share and Board of Directors profit share, if any), attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

o. Impairment of non-financial assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The company considers each investment, whether a jointly controlled entity, or associate, as a single cash generating unit.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and those not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent the revised estimate does not exceed what the carrying amount would have been determined had the impairment loss not been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profits and losses.

p. Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are recognized and derecognized on the "trade date" where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: investment in treasury bills, cash at banks, due from related parties, credit facilities to related parties, and certain items within other debit balances. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

A. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The subsequent measurement of all other financial assets is measured by fair value.

B. Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

The return on all debt instruments is recognized on an effective interest basis except as a financial asset at fair value through profit or loss where the yield is included in the net change in fair value.

C. Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

The company has designated all investments in equity instruments, that are not held for trading, as at FVTOCI on initial application of EAS No. (47).

Dividends on these investments in equity instruments are recognized in profit or loss when the company's right to receive the dividends is established based upon the Egyptian Accounting Standard No. (48) "Revenue from contracts with customers". Dividends earned are recognized in profit or loss and are included in the "Dividends income from investments" line item.

D. Financial assets at fair value through profit and loss (FVTPL)

Investments in equity instruments are classified as FVTPL unless the Company classifies the investment as FVTOCI upon initial recognition as FVTOCI.

Debt instruments - which do not meet the conditions of amortized cost - are measured at fair value through profit or loss, and debt instruments that meet the conditions of amortized cost - however the company chooses to classify them at fair value through profit or loss - are also measured at fair value through profits or losses. A debt instrument may be classified upon initial recognition at fair value through profit or loss if that classification eliminates or significantly reduces a measurement or recognition inconsistency that may arise from the use of different bases in measuring assets or liabilities or in recognizing the resulting gains or losses. The company has not classified any debt instrument at fair value through profit or loss.

Debt instruments are reclassified from the "amortized cost" classification to the "fair value through profit or loss" classification when the business model is changed such that the amortized cost terms are no longer applicable. It is not allowed to reclassify debt instruments that are classified upon initial recognition at fair value through profit or loss outside that classification.

Financial assets classified at fair value through profit or loss are measured at fair value at the end of each financial period, with any gain or loss resulting from re-measurement recognized in profit or loss. The net gain or loss - recognized in profit or loss for the period - is included in "other gains and losses" in the condensed statement of comprehensive income.

The value is determined and the interest income from debt instruments classified at fair value through profit or loss is included in the net profit or loss referred to above.

Income from dividends resulting from investments in equity instruments classified at fair value through profit or loss is recognized in profit or loss when the company has the right to receive dividends in accordance with Egyptian Accounting Standard No. (48) "Revenue from contracts with customers", and that income is included within the net profit or loss referred to above.

q. Impairment of financial assets

On a prospective basis, the company evaluates the expected credit losses for debt instruments measured at amortized cost and at fair value through other comprehensive income. The company measures the expected credit losses and recognizes a provision for credit loss at the date of preparing the financial reports. The measurement of credit losses reflects the expectation: (i) a weighted fair amount determined by evaluating a range of outcomes, (ii) the time value of money, and (iii) reasonable and supportive information that is available without incurring undue cost or effort at the end of each reporting period of preparation of financial reports about past events, current conditions, expectations and future conditions.

The company applies a three-stage model of impairment, based on changes in credit quality since the first recognition, the financial instrument that has not been decreased by impairment at the first recognition is classified in the first stage. The expected credit losses for financial assets in the first stage are measured at an amount equal to the portion of the expected credit losses over the life that results from default events that are possible within the next 12 months or until the contractual maturity date, if more (up to 12 months expected credit losses) if the company determines a significant increase in credit risk since the first recognition, the asset is transferred to the second stage and the expected credit losses are measured on the basis of the expected credit losses over the life, that is, until the contractual maturity date, but taking into account the expected advance payments, if any (expected credit losses over a lifetime).

For a description of how the company determines when a significant increase in credit risk will occur. If the company determines that a financial asset is credit-impaired, the asset is transferred to the third stage and the expected credit losses are measured as lifetime expected credit losses.

r. Derecognition of financial assets

The company derecognizes the financial asset from its books - only - when its contractual rights to the cash flows from the asset expire, or when the company transfers the financial asset and all the risks and benefits associated with its ownership to another entity to a large extent.

If it turns out that the company has neither transferred nor retained substantially all of the risks and benefits associated with ownership of the asset and continues to control the transferred asset, then the company will recognize the right it held in the asset and with a corresponding liability representing the amounts that may have to be paid. If it turns out that the company retains to a large extent all the risks and benefits of ownership of the transferred financial asset, then the company continues to recognize the financial asset, provided that it also recognizes the gains it received as an amount borrowed as a security for that asset.

When a financial asset carried at amortized cost is removed from the books, then the difference between the carrying amount of the asset and the sum of the consideration received and the consideration still accrued is recognized in profit or loss.

Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met:

a) The instrument includes no contractual obligation:

- i. to deliver cash or another financial asset to another entity; or
- ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

b) If the instrument will or may be settled in the issuer's own equity instruments, it is:

- i. a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or

- ii. a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

Financial liabilities are classified into the following specified categories: accounts payable, due to related parties and other credit balances and they are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

A financial liability is classified as current liability when it satisfies any of the following criteria:

- It is expected to be settled in the entity's normal operating cycle
- It is held primarily for the purposes of trading;
- It is due to be settled within twelve months after the reporting period;
- The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other financial liabilities are classified as non-current.

d. Derecognition of financial liabilities

The company derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

6. Advance for investments

Based upon the Share Purchase Agreement (SPA) dated November 15, 2021, B Healthcare Investments company has transferred an amount of EGP 110 682 592 to Escrow Agent – Arab African International Bank to acquire 51% of the shareholding of the Egyptian IVF Centre for S.A.E.

7. Investments in associates using equity method

	<u>No. of</u> <u>Shares</u>	<u>Ownership</u> <u>%</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
			<u>EGP</u>	<u>EGP</u>
Al Retail for Trade and Investment (7-1)	727 526	22.79%	409 058	377 752
Madinet Nasr for Housing and Development "MNHD" (7-2)	112 400 513	7.51%	414 114 563	455 246 239
Metalar	--	--	--	--
Infinity Solar 1 B.V (7-3)	246	24.6%	--	--
Infinity Solar 2 B.V (7-3)	175	17.5%	--	--
Infinity Solar 3 B.V (7-3)	175	17.5%	--	--
			<u>414 523 621</u>	<u>455 623 991</u>

(7-1) Al Retail for Trade and Investment

The group's recognized share of profit amounted to EGP 31 306 in the statement of profit or loss (December 31, 2020: share of loss amounted to EGP 37 636) - Note (28).

(7-2) Madinet Naser for Housing and Development "MNHD"

Investment in Madinet Nasr for Housing and Development (MNHD) was classified as investments in associates as the Company has significant influence over MNHD through its direct stake and the stake owned by BIG Investments Group B.V.I Co. (related party) which holds a stake of 19.93 % of the total shares of MNHD, therefore both companies own collectively 27.44% of MNHD's shares, and that have been done after taking into considerations that both BIG for Investment B-V-I and B Investments Holding are managed by a management contract (solo) between both companies and BPE Partners S.A.E.

The group's recognized share of profit amounted to EGP 18 209 735 in the statement of profit or loss (December 31, 2020: share of profit amounted of EGP 64 513 920), Note-(28).

The effect of the group's share in losses of application of EAS No. (47), profits of application of EAS No. (48) along with losses in other comprehensive income has reached an amount of EGP 15 637 656, EGP 2 976 829 and EGP 119 383 respectively.

In addition to eliminating the amount of EGP 48 634 837 from the investment cost in the Nasr City for Housing and Development Company, which represents the company's share in the dividend distributions before tax.

(7-3) Infinity Solar B.V (1,2&3)

In partnership with Infinity Solar Energy and Ib Vogt, the Company invested in three solar power generation plants located in Ben Ban, Egypt with a total capacity of 130 MW. The investment is financed through equity and debt from international development finance institutions including the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) and the shareholders of the solar energy companies. Additionally, these solar projects are part of the second round of the Ministry of Electricity's Feed-in Tariff (FiT) program to encourage the development of renewable energy resources in the country as well as private sector involvement in energy generation.

The shareholders' agreements signed by the Company and other shareholders regulate the operation and management of the solar companies and the relationship between shareholders. The terms of shareholders' agreements entitle the company to exercise significant influence over the solar entities' through participation in the financial and operating policy decisions of the investees and accordingly are accounted for as investments in associates.

The shareholders' agreements provide that the planned investment period will be four years starting from the commercial operation date of the solar plants where the company will exit the investments through sale, otherwise the company will have the option to put all of its shares in the solar entities after the elapse of the mentioned four years' period, the option will be excisable at any time during a period of 2.5 years.

The company subscribed for shares in the capital of the solar entities, each share capital has par value of USD 1. The issued shares are not paid and are only payable on the call of each investee. Each solar entity is a private company with limited liability incorporated under the laws of the Netherlands, and each solar entity ultimately invests in a joint stock company that undertake the solar power generation related activities in Egypt.

The finance made by the Company to the three solar entities, which takes the form of shareholders loans, reached USD 7.1 million equivalent to EGPM 111.4 at December 31, 2021 - Note (11).

The group's share in the value of the losses of Infinity Solar B-V 1,2 and 3 has not been recognized, as the losses are recognized within the limits of the book value of the investment of zero Egyptian pounds at the end of 2021, and the company's share in the losses during the year that have not been recognized amounted to 3 643 212 Egyptian pounds, 5 280 589 Egyptian pounds and 1 746 422 Egyptian pounds, respectively. Summarized financial information in respect of each of the Group's material associates of December 31, 2021 is set out below.

The summarized financial information below represents amounts in associates' financial statements prepared as of December 31, 2021 in accordance with EAS.

<u>EGP 000'</u>	<u>Total Assets</u>	<u>Total Equity</u>	<u>Total Revenue</u>	<u>Profit (Loss)</u>
AI Retail For Trade and Investment	2 265	2 212	206	137
MNHD	12 572 130	3 931 439	2 230 394	282 837
Infinity Solar 1 - B.V.	682 889	(91 711)	98 676	(14 809)
Infinity Solar 2 - B.V.	1 188 135	(154 880)	168 863	(30 174)
Infinity Solar 3 - B.V.	90 275	(37 832)	5 731	(9 979)

8. Investments in joint ventures using equity method

	<u>No. of Shares</u>	<u>Ownership</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
		<u>%</u>	<u>EGP</u>	<u>EGP</u>
Inergia Technologies for Information Systems "Inergia" (8-1)	5 532 124	68.04	263 256 699	257 375 823
Red Sea Venture for Solar Power (8-2)	7 425	49.5	5 727 150	5 727 150
Ebtikar Holding for Financial Investments (8-3)	168 600 600	16.45	115 248 630	155 151 438
Gourmet Egypt .com Foods (8-4)	3 722 261	52.9	112 472 756	124 197 375
Payments under capital increase in Gourmet Egypt.Com Foods S.A.E. (8-4)	--	--	--	11 234 610
Basata Financial Holding S.A.E. (8-5)	673 783	20.25	73 984 141	1 012 500
Deduct: Impairment in investments (Red Sea Venture for Solar Energy)			(5 727 150)	(5 727 150)
			564 962 226	548 971 746

(8-1) Inergia Technologies for Information Systems "Inergia"

Pursuant to the shareholders' agreement, Inergia an SPV created late 2006 by the Company and the management team of Giza Systems Company "S.A.E" "Giza Systems" for the purpose of owning a controlling stake in Giza Systems. Currently, Inergia owns a stake of 65.7% in Giza Systems' shares.

Despite of owning 68.04% of the share capital and voting rights in Inergia Technologies for information Systems Company, but according to the contractual terms contained in shareholders' agreement for Inergia Company referred to above with the parties managing Giza Systems, both contracting parties have joint control over Inergia and Giza Systems.

The group has recognized share of profit in Inergia consolidated profit and loss financial statement amounted to EGP 62 666 106 (December 31, 2020: share of profit amounted of EGP 43 371 610) in the statement of profit or loss, Note (28) and the impact resulted from the company's share in loss of application of EAS (47), gains from translation reserve of financial statements and actuarial profit for employee benefits amounted to EGP 32 194 870, EGP 205 600 and EGP 416 123 respectively.

In addition to eliminating the amount of EGP 25 212 084 from investment cost, which represents the company's share in the dividend distributions before tax.

(8-2) Red sea venture for solar energy

Investment in Red Sea Venture for Solar Energy "S.A.E" is initially recognized as a jointly controlled entity based on the preliminary agreement between the company and the other shareholders which provide that the decision making process will be jointly made by the parties to the agreement. The company recognized impairment for the total amount of investment in prior year as a result of the cessation of the investee's business activities.

(8-3) Ebtikar Holding for Financial Investments

On June 12, 2017 the company subscribed in the capital of Ebtikar Holding for Financial Investments. As per the article of association. The company, management company and others hold 50% of Ebtikar Holding for Financial Investment's capital and the management company holds (representing itself and its managed entities) 50% of votes at board meetings.

On December 16, 2020, the board members of Ebtikar Holding for Financial Investment have approved a capital increase of EGPM 26 where B Investments Holding's share in this increase has reached an amount of EGP 5 265 400. This was registered in the investee's commercial register on February 7, 2021.

During May 2021, a deed of assignment was signed between Ebtikar Holding for Financial Investment (Seller) and Basata Financial Holding S.A.E. (Buyer) with portion of the credit balance arising from restructuring of Ebtikar Holding for Financial Investment owned shares in Tamweel Holding for Investment S.A.E., Tamweel Group of Companies and Basata for Microfinance S.A.E (previously Vitas Misr) to Basata Financial Holding S.A.E. where part of its credit balance will be transferred to Ebtikar Holding for Financial Investment's shareholders. Accordingly, Ebtikar Holding for Financial Investment transferred part of its rights in Basata Financial Holding S.A.E. by an amount of EGP 192 700 000 to Ebtikar Holding for Financial Investment's shareholders with Basata Financial Holding S.A.E. acceptance of the transfer and of its commitment to fulfill the aforementioned amount to the shareholders upon request where the share of B Investments Holding amounted to EGP 39 024 400.

On May 26, 2021, the extraordinary general assembly meeting of Ebtikar Holding for Financial Investment approved the capital decrease by an amount of EGP 192 700 000 where B Investments Holding's share in this decrease reached an amount of EGP 39 024 400. This was registered in the investee's commercial register on July 13, 2021.

On October 24, 2021, the extraordinary general assembly meeting of Ebtikar Holding for Financial Investment approved the dilution of the par value per share to be 0.5 Egyptian piasters instead of EGP 100 where Ebtikar Holding for Financial Investment number of shares will be 1 024 818 200 shares. The number of B Investments Holding's owned shares after this amendment reached 168 600 600 shares. This was registered in the investee's commercial register on November 22, 2021.

The group has recognized share of loss in Ebtikar consolidated profit and loss financial statement amounted to EGP 2 488 717 (December 31, 2020: share of profit amounted of EGP 302 856), Note-(28) along with the impact resulted from the company's share in loss of application of EAS (47) has reached an amount of EGP 3 655 091.

(8-4) Gourmet Egypt.Com Foods

During September 2018, the Company signed a shareholder's agreement for acquiring shares in the capital of Gourmet Egypt S.A.E., the acquisition was completed during October 2018, the company holds 52.9% of Gourmet's share capital, the terms of shareholders agreement of Gourmet provide the contracting parties have joint control over Gourmet. Acquisition cost reached an amount of EGPM 126.3 by the end of 2018 that included an amount of EGPM 33.7 recorded as credit balance to shareholders in Gourmet's books until the completion of the capital increase procedures of the investee.

On July 10, 2020, the company and the shareholders of Gourmet Egypt.com S.A.E "Gourmet" signed an appendix to the shareholders' agreement signed on September 18, 2018, according to which some of the terms of that agreement related to the acquisition of B Investments Holding Company (an Egyptian joint stock company) are amended share in the capital of Gourmet Egypt.com S.A.E "Gourmet" which is related to capitalizing the credit balance of the company in the books of Gourmet Egypt.com "Gourmet" in light of the targeted business results of Gourmet Egypt.com Company "Gourmet".

On May 6, 2021, the board members of Gourmet Egypt.com have approved a capital increase by an amount of EGP 11 234 610 where this increase was registered in Gourmet Egypt.com commercial register on June 27, 2021.

The group has recognized share of loss in Gourmet consolidated profit and loss financial statement amounted to EGP 21 574 637 (December 31, 2020: share of profit amounted of EGP 23 479 786), Note-(28) along with the impact resulted from the company's share in loss of application of EAS (47) has reached an amount of EGP 166 255.

(8-5) Basata Financial Holding

On July 17, 2020, the company invested in the capital of Basata Financial Holding S.A.E. As per the memorandum of association. The company, the management company and others own 50% of the capital of Basata Financial Holding S.A.E. the management company holds (representing itself and its managed entities) 50% of votes at board meetings.

On January 26, 2021, the board members of Basata Financial Holding S.A.E. have approved a capital increase by an amount of EGPM 55, where B Investments Holding's share in this increase has reached an amount of EGP 11 139 100. This was registered in the investee's commercial register on February 10, 2021.

On May 5, 2021, the board members of Basata Financial Holding S.A.E. have approved a capital increase by an amount of EGPM 80, where B Investments Holding's share in this increase has reached an amount of EGP 16 202 300. This was registered in the investee's commercial register on June 26, 2021.

On September 28, 2021, the extraordinary general assembly meeting of Basata Financial Holding S.A.E. approved a capital increase by an amount of EGP 192 700 000 where B Investments Holding's share in this increase has reached an amount of EGP 39 024 400. This was registered in the investee's commercial register on December 29, 2021.

The group has recognized share of profit in Basata consolidated profit and loss financial statement amounted to EGP 645 707, Note-(28) along with the impact resulted from the company's share in profit of application of EAS (47) and other comprehensive income profit have reached amounts of EGP 1 105 867 and EGP 4 854 267.

Summarized financial information in respect of each of the Group's material associates of December 31, 2021 is set out below.

The summarized financial information below represents amounts in joint ventures financial statements prepared as of December 31, 2021 in accordance with EAS.

<u>EGP</u>	<u>Total assets</u>	<u>Total equity</u>	<u>Total revenue</u>	<u>Profits (loss)</u>
Inergia Technologies for Information Systems S.A.E.	90 711	89 236	44 357	39 859
Giza Systems S.A.E.	3 791 155	649 327	4 589 202	175 413
Ebtikar Holding for Financial Investments S.A.E.	1 471 757	679 033	536 715	(16 814)
Basata Financial Holding S.A.E.	607 670	365 318	62 332	3 188
Gourmet Egypt .com Foods S.A.E.	670 821	64 291	959 932	(43 086)

9. Investments at fair value through OCI

<u>Name of Company</u>	<u>No. of Shares</u>	<u>Ownership %</u>	<u>December 31, 2021</u> <u>EGP</u>	<u>December 31, 2020</u> <u>EGP</u>
Total Egypt LLC "Total" - Cost*	330 248	6.375%	113 009 935	141 262 077
<u>Deduct:</u> 20% disposal of total shares			--	(28 252 142)
<u>Add:</u> Valuation of remaining shares **			268 562 788	256 905 533
			381 572 723	369 915 468

* Pursuant to the shareholders' agreement signed in 2013 with Total O M "parent company of Total Egypt", the Company invested EGP 141 262 077 in Total, and accounts for its investment as an available for sale investment. The Company's share in Total was 13.01% as of December 31, 2013.

During 2014, Total called for a capital increase and the Company did not subscribe in this capital increase, which diluted the Company's interest from 13.01% to 7.97%. The commercial register of Total has been amended to reflect the capital increase on September 24, 2014. Additionally, the shareholders' agreement signed in 2013 between the Company and Total O M "parent company of Total Egypt" stipulates that the Company has a put option to sell all or part of the shares owned to Total O M, the put option is exercisable starting from the sixth year until the thirteenth year from the date of signing the shareholders' agreement. In contrast, (Total O M) has the option to call all of the shares owned by the Company starting from the eighth year until the thirteenth year from the date of signing the shareholders' agreement.

On December 24, 2020, the Company sold 20% of its share in Total Egypt which is equal to 1.6% of the Company's total Quotas, and accordingly, its ownership percentage has become 6.375%.

** The company's management reached to an appropriate method for measuring the fair value of the investment in Total Egypt LLC "Total" on December 31, 2021 considering the world's exposure to the spread of the new Corona virus (COVID-19) taking into consideration the conflict broke out between Russia and Ukraine, which has a negative impact on the economies of many countries which reflected on the performance of financial markets and the volume of global trade, as well as any other influences.

10. Investment properties (net)

<u>Cost</u>	<u>Maadi Administration Building</u>		<u>Total</u>
	<u>EGP</u>		<u>EGP</u>
	<u>Land</u>	<u>Building</u>	
As of January 1, 2020	57 922 825	38 380 722	96 303 547
Disposals during the year	--	(20 538)	(20 538)
As of December 31, 2020	57 922 825	38 360 184	96 283 009
As of January 1, 2021	57 922 825	38 360 184	96 283 009
Additions during the year	--	204 847	204 847
As of December 31, 2021	57 922 825	38 565 031	96 487 856
<u>Accumulated depreciation</u>			
As of January 1, 2020	--	1 257 012	1 257 012
Depreciation during the year	--	1 729 885	1 729 885
As of December 31, 2020	--	2 986 897	2 986 897
As of January 1, 2021	--	2 986 897	2 986 897
Depreciation during the year	--	1 779 005	1 779 005
As of December 31, 2021	--	4 765 902	4 765 902
Net book value as of December 31, 2021	57 922 825	33 799 214	91 721 954
Net book value as of December 31, 2020	57 922 825	35 373 287	93 296 112

The company leased the office building in Maadi to Daikin Egypt for air-conditioners for operating lease after completing the decoration and utility connection works, in return for a monthly rent of 325 000 Egyptian pounds for the first year, 341 250 Egyptian pounds for the second year and USD 27 563 and the building was delivered from the first of November 2019. Also, the company leased the first floor and two elevators in the administrative building in Maadi to the National Bank of Egypt as operating lease where the lease rent will be computed in the successive month following the completion of utilities instalments with a monthly rent of 231 150 Egyptian pounds with an annual cumulative increase of 10% starting from the second year for a period of nine years starting from November 2021.

These properties were registered under the company's name in the Real Estate Registration Authority where the fair value of the real estate investments was measured at an amount of EGP 95 081 410 as of December 31, 2021 based on the valuation expert report (2020: EGP 99 643 670).

11. Loans to associates

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Infinity Solar 1 B.V.	32 696 342	33 495 330
Infinity Solar 2 B.V.	56 731 029	56 195 804
Infinity Solar 3 B.V.	22 259 077	22 566 921
Deduct: Expected credit losses	(241 303)	--
	111 445 145	112 258 055

On December 31, 2017, the Company signed shareholder loan agreements with its investees, the solar entities as disclosed in (note 7). The loans were made pursuant to the shareholders' agreements governing the Company's investments in the solar entities. The Company's funding to its investees is in the form of shareholder loans that will be repaid, from the operation of the solar plants' projects undertaken in Egypt by the investees of the solar entities, during the investment period and on the company's exit from the investments if sale or exercise of the put options occur before full repayment.

Total loan amount as of December 31, 2021 reached USD 7.1M equivalent to EGPM 111.4 with an interest rate of 10 % per annum.

12. Loans to joint ventures

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Current portion from loan to joint ventures	24 772 315	11 234 610
Non-current portion from loan to joint ventures	--	11 234 610
Deduct: Expected credit losses	(64 907)	--
	24 707 408	22 469 220

On July 10, 2020, the company and the shareholders of Gourmet Egypt.com LLC "Gourmet" signed an appendix to the shareholders' agreement signed on September 18, 2018, according to which some of the terms of that agreement related to the acquisition of B Investments Holding Company (an Egyptian joint stock company) are amended A share in the capital of Gourmet Egypt.com LLC "Gourmet" which is related to capitalizing the credit balance of the company in the books of Gourmet Egypt.com "Gourmet" in light of the targeted business results of Gourmet Egypt.com Company "Gourmet".

From January 1, 2021, annual interest is calculated on the total credit balance referred to above according to the corridor rate announced by the Central Bank of Egypt in addition to 1%.

13. Notes receivable (net)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Current notes receivable	3 000 000	4 000 000
Deduct: Present value of the current portion	(549 668)	(259 626)
Deduct: Expected credit losses	(3 272)	--
Short term notes receivable – Net	2 447 060	3 740 374
Non-current portion of notes receivable	12 000 000	15 000 000
Deduct: Present value of the non-current portion	(4 559 117)	(5 108 783)
Deduct: Expected credit losses	(9 340)	--
Long term notes receivable – Net	7 431 543	9 891 217

14. Due from related parties (net)

	<u>Relationship nature</u>	<u>Account nature</u>	<u>December 31, 2021</u> <u>EGP</u>	<u>December 31, 2020</u> <u>EGP</u>
Red Sea venture for Solar Energy	Joint venture	Current account	1 150 528	1 149 958
Infinity Solar 1 B.V.	Associate	Current account	--	665 293
Infinity Solar 2 B.V.	Associate	Current account	--	678 440
Infinity Solar 3 B.V.	Associate	Current account	--	653 440
Deduct: Expected credit losses			(1 150 528)	(1 143 958)
			--	2 003 173

15. Other debit balances (net)

	<u>December 31, 2021</u> <u>EGP</u>	<u>December 31, 2020</u> <u>EGP</u>
Deposits held with others	46 795	46 795
Accrued interest	3 902	16 987
Accrued rental income	2 804 500	2 804 500
Prepaid expenses	148 105	207 645
Withholding tax receivable	131 277	89 212
Withholding tax on treasury bills	6 325 602	10 381 829
Advance payment to tax authority	400 000	--
Advance payment to suppliers	363 932	998 413
Other debit balances	394 476	47 852
Deduct: Expected credit losses	(2 807 671)	(2 804 500)
	7 810 918	11 788 733

16. Treasury bills (net)

	<u>December 31, 2021</u> <u>EGP</u>	<u>December 31, 2020</u> <u>EGP</u>
Treasury bills – with maturities more than 3 months	342 200 000	499 325 000
Deduct: unrealized interest	(4 337 700)	(38 567 355)
Deduct: Expected credit losses	(11 112)	--
	337 851 188	460 757 645

The balance represents treasury bills bought from private banks with an interest rate of 13%.

17. Cash at banks

	<u>December 31, 2021</u> <u>EGP</u>	<u>December 31, 2020</u> <u>EGP</u>
Current accounts - local currency	47 813 001	27 814 933
Current accounts - foreign currencies	12 430 632	146 742 426
Time deposits at banks - foreign currencies	1 565 000	4 699 290
Deduct: Expected credit losses	(7 321)	--
	61 801 312	179 256 649

For the purpose of preparing consolidated cash flows statement, the cash and cash equivalents are comprised of the following:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	61 801 312	179 256 649
Deduct: Deposit more than three months	(1 565 000)	(4 699 290)
	60 236 312	174 557 359

18. Due to related parties

	<u>Relationship</u>	<u>Account nature</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>nature</u>		<u>EGP</u>	<u>EGP</u>
BPE Partners S.A.E.	Management company	Management fees and incentive fees	4 691 395	20 655 149
Basata Financial Holding S.A.E.	Joint venture	Bank transfers	--	1 012 500
			4 691 395	21 667 649

19. Accounts payable and other credit balances

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Accounts payable	82 406	128 509
Accrued expenses	2 953 971	2 619 254
Withholding tax	161 721	163 746
Prepaid rent	434 883	341 250
Rent insurance	782 500	783 215
Dividends Payable	469 638	156 638
Others	50 854	--
	4 935 973	4 192 612

20. Provisions

	<u>December 31, 2020</u>	<u>Formed during the year</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provision for claims	2 040 651	2 000 000	4 040 651
	2 040 651	2 000 000	4 040 651

The provisions relate to claims from external parties arising from the ordinary course of business. Management reviews these provisions on quarterly basis and revise the amounts based on the latest developments, or negotiations or agreements reached with claiming parties.

21. Impairment movement in financial and non-financial assets

	<u>Balance as of</u>	<u>Balance as of</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Impairment in joint venture investment	5 727 150	5 727 150
Impairment in associate investment	7 273 507	7 273 507
Expected credit losses	4 295 454	3 948 458
	17 296 111	16 949 115

22. Capital

The Company's authorized capital amounted to EGP 2.4 billion, and the issued and paid-up capital amounted to EGP 800 122 080 divided into 160 024 416 shares of EGP 5 par value each on December 31, 2021.

23. Treasury stocks

The Board of Directors, in its meeting held on March 26, 2020, approved the purchase of its treasury shares, with a maximum number of 1,600,244 shares, which represents 1% of the company's total shares, through the open market for a period of three months, provided that the purchase value does not exceed 12 million Egyptian pounds. The number of treasury shares acquired is 801 289 shares, with a total value of EGP 5 471 154, as of December 31, 2020.

The Board of Directors, in its meeting held on February 3, 2021, approved the sale of the total treasury shares owned by the company, which amount to 801 289 shares, and the total shares were sold in a trading session on February 4, 2021 and a recognized net profit by an amount EGP 4 802 263 was charged to the retained earnings.

24. Reserves

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Legal reserve beginning balance	262 411 858	258 987 211
Transferred from net profit for the year	11 133 187	3 424 647
Legal reserve ending balance	273 545 045	262 411 858
Shares Issuance Reserve	(4 111 018)	(4 111 018)
Group's share in the equity of associate entities	--	(1 558 677)
Business combination reserve for joint venture entities	(4 522 300)	(4 522 300)
Translation reserve of joint ventures financial statements	12 502 427	12 296 827
Actuarial losses for employee benefits of joint ventures	57 545	(358 578)
Revaluation reserve of investments at fair value through OCI	4 734 884	--
	<u>282 206 583</u>	<u>264 158 112</u>

25. Deferred tax liabilities

	<u>December 31,</u>	<u>Movement during the year asset / (Liability)</u>	<u>Consolidated</u>	<u>Consolidated statement</u>	<u>December 31,</u>
	<u>2020</u>		<u>statement of profits</u>	<u>of Comprehensive</u>	<u>2021</u>
	<u>EGP</u>		<u>and losses</u>	<u>Income</u>	<u>EGP</u>
Deferred tax liability arising from the depreciation of investment properties	(540 777)		(82 124)	--	(622 901)
Deferred tax liability arising from unrealized foreign Currency exchange gain	2 840 207		(283 271)	--	2 556 936
Differences in valuation of investments at fair value through OCI	(67 684 535)		--	(3 739 398)	(71 423 933)
	<u>(65 385 105)</u>		<u>(365 395)</u>	<u>(3 739 398)</u>	<u>(69 489 898)</u>

The deferred tax assets were not recognized on the following items due to insufficient assurance to realize them in the future.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Impairment in joint venture investment	5 727 150	5 727 150
Impairment in Investment in associate	7 273 507	7 273 507
Provisions	4 040 651	2 040 651
Expected credit losses	4 295 454	3 948 4458
	<u>21 336 762</u>	<u>18 989 766</u>

26. Basic and diluted earnings per share

Basic: Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all convertible financial instruments and share options. The net profit is adjusted by omission of the cost of convertible debt instruments taking tax effect into consideration. As there are no debt instruments that are convertible to shares, so diluted and basic earnings per share are equal.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year attributable to the shareholders of the Parent Company	105 308 898	287 905 313
Less: Board of directors profit share	(3 660 000)	(3 756 000)
	<u>101 648 898</u>	<u>284 149 313</u>
Weighted average number of shares	160 024 416	160 024 416
Basic and diluted earnings per share	<u>0.64</u>	<u>1.78</u>
Add/Deduct treasury stocks:		
Weighted average number of shares after deducting treasury shares	159 949 775	159 773 058
Diluted earnings per share	<u>0.64</u>	<u>1.78</u>

27. Significant related parties transactions

Transactions made during the financial period consist of accounts of an ongoing basis in management fees and expenses paid on behalf of the company or the company's payment on behalf of those Parties.

The significant transactions during the year are as follows:

<u>Company name</u>	<u>Type of relation</u>	<u>Type of transaction</u>	<u>Volume of transactions for the year</u>
			<u>EGP</u>
BPE Partners S.A.E.	Management Company	Management fees	(18 612 600)
		Incentive fees	15 963 754
Infinity Solar (1) B.V.	Associate	Credit interest income	3 054 536
Infinity Solar (2) B.V.	Associate	Credit interest income	5 283 322
Infinity Solar (3) B.V.	Associate	Credit interest income	2 162 478
Gourmet Egypt.com note (30).	Joint Venture	Credit interest income	1 085 758

28. Group's share of profits (losses) of investment in associate entities and joint ventures

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Madinet Nasr for Housing and development S.A.E.	18 209 735	64 513 920
Inergia Technologies for information systems S.A.E.	62 666 106	43 371 610
Metalar co.	--	(1 822 585)
Al Retail for Trade and Investment	31 306	37 636
Gourmet Egypt.com S.A.E.	(21 574 637)	23 479 786
Ebtikar holding for finance investment	(2 488 717)	(302 856)
Basata Financial Holding	645 707	--
	<u>57 489 500</u>	<u>129 277 511</u>

The Company's share of the interest income on loans to joint venture (Gourmet Egypt.com) was eliminated, so, the Company's share of loss was reduced by an amount of EGP 1 218 337, which represents related transactions between the group and Gourmet Egypt.com S.A.E.

29. Dividends income from investments at fair value through OCI

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Total Egypt S.A.E.	20 201 805	38 075 645
	<u>20 201 805</u>	<u>38 075 645</u>

30. Finance income

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Interest income on time deposits and bank current accounts	1 442 678	698 201
Credit interest for loans to associates	10 500 336	10 410 377
Credit interest for loans to joint ventures*	1 084 758	--
Return on treasury bills	57 798 430	59 282 335
	<u>70 826 202</u>	<u>70 390 913</u>

* Credit interest for loans granted to Gourmet Egypt.com has reached an amount of EGP 2 303 095 and for the purpose of presentation of the group's investments in joint ventures an elimination of EGP 1 218 337 was made from the finance income and the group's share in losses of Gourmet Egypt.com as per the equity method where intercompany transactions between the group and the joint ventures were eliminated – Note (28).

31. Investment manager fees

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Management fees	18 612 600	18 663 594
Incentive fees	--	15 963 754
	<u>18 612 600</u>	<u>34 627 348</u>

On 19 July 2017, The Company signed a new management agreement with BPE Partners SAE, the new management agreement became effective on the date of completion of listing the company's shares on the EGX. The trading on the company's shares started on March 29, 2018. Pursuant to the terms of the new management agreement, the management company is entitled to a management fees of 2% of the company's paid up capital up to EGP 600 million and 1.5% of any capital increase (Included share premium) of more than EGP 600 million Up to EGP 1.2 billion and 1% on any capital increase of more than EGP 1.2 billion.

Additionally, the management company is entitled to a performance fee, the performance fee will be due to the management company only on the exit of investments entered into by the Company. Performance fees for existing investments are accrued for the management company and calculated as the difference between cash proceeds net of taxes and fees received from the disposal and distribution (dividend, interest, or rent) of the investment and the adjusted cost of the existing investment. The adjusted cost is the historical cost of the investment at an acceptable rate of return on investment (10% annually) for each year following the acquisition date of the investment until the date on which the new management agreement takes effect.

Performance fees on new investments entered into by the Company starting from the date on which the new management agreement takes effect will be 15% of the gain on the investment calculated as the difference between the cash proceeds net of taxes and fees received from the disposal and distribution (dividend, interest, or rent) of the investment and the aggregate cost of such investment.

32. Financial instruments and risk management

The company's financial instruments comprise financial assets and liabilities. Financial assets comprise cash at banks, due from related parties, AFS investments, accounts receivable, balances due on others or related parties. Financial liabilities comprise, creditors, and amounts due to related parties.

The company is exposed to several financial risks arising from its ongoing activities that may affect the carrying amounts of its financial assets and liabilities as well as the relevant revenues and expenses. The significant risks related to financial instruments and significant policies and procedures adopted by management to minimize the effect of those risks, are summarized below.

Capital management

The company manages its capital to ensure that it will be able to continue as going concern, in order to generate returns for shareholders, benefits for other stakeholders and to provide an adequate return for shareholders.

The company's management reviews the capital structure of the company on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Categories of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>	<u>EGP</u>	<u>EGP</u>
Cash at banks	61 801 312	179 256 649
Treasury Bills at amortized cost	337 851 188	460 757 645
Financial assets at amortized cost	147 385 110	151 679 731
Financial assets at FVOCI	381 572 723	369 915 468
<u>Financial liabilities</u>		
Financial liabilities at amortized cost	9 627 368	25 860 261

Financial Risk Management Objectives

The company monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial instruments is governed by the appropriate monetary and credit policies to be approved by the Board of Directors.

Foreign currency risk

Foreign currency risk represents fluctuations in exchange rates of foreign currencies, which affects receipts and disbursements in foreign currencies as well as the evaluation of assets and liabilities denominated in foreign currencies. Management monitors the company's foreign currencies position and the exchange rates declared by banks, and reduces overdrafts in foreign currencies, on an ongoing basis, since most of those assets represent cash at bank, documents for investment fund with a relatively cash nature, which reduces this risk to a minimum level.

Interest rate risk

Interest rate risk represents the fluctuations in interest rates which may have an impact on the company's results of operations and cash flows. All financial assets and liabilities are not subject to variable interest rates thus the cash flows interest rate risk is considered limited.

Liquidity risk

Liquidity risk is represented in inability of the company to meet its financial liabilities when they become due, which are paid in cash or another financial asset. The company manages financial liquidity to ensure - as much as possible - its possession of sufficient amount of liquidity to meet its liabilities when due in the normal and exceptional circumstances without incurring unacceptable losses, or impact on the company's reputation.

The remaining contractual dues of the financial liabilities, which include the payment of estimated interest and does not the impact of the liquidation contract.

Credit risk

The credit risk is represented in the inability of clients, related parties or other parties, who are granted credit, to pay their dues. The company studies the credit position before the granting credit, and the company reviews its due balances, and loans granted to associates on a regular basis.

The company reviews this risk, and submits quarterly reports to the audit committee for this risk, and the means of facing its impact on the financial statements.

The maximum credit risk is represented as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	61 801 312	179 256 649
Notes receivable	9 878 603	13 631 591
Due from related parties	--	2 003 173
Other debit balances	7 810 918	11 788 733
Treasury bills	337 851 188	460 757 645
Loans to associate entities and joint venture	136 152 553	134 727 275
	<u>553 494 574</u>	<u>802 165 066</u>

Fair Value measurement

Fair value measurements recognized in the consolidated statement of financial position:

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Stages 1 to 3 based on the degree to which the fair value is observable.

- Stage 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Stage 2: fair value measurements are those derived from inputs, other than quoted prices included within Stage 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). However, it is not considered quoted prices as that included in stage 1.
- Stage 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2021 EGP	Stage 1	Stage 2	Stage 3	Total
Financial assets at FVTOCI				
Unlisted shares measured at FV	--	--	381 572 723	381 572 723
2020 EGP	Stage 1	Stage 2	Stage 3	Total
Financial assets at FVTOCI				
Unlisted shares measured at FV	--	--	369 915 468	369 915 468

33. Tax position**Corporate Tax**

The Company is subject to Corporate Income Tax Law No. 91 of 2005 and its amendments.

The Company submitted its corporate tax for each year according to the provisions of the Income Tax Law and its amendments since inception date until December 31, 2019 according to the Income Tax Law No. 91 of 2005.

Years 2006/2008:

The Company's books have not been inspected yet and therefore the company tax returns for those years were approved in accordance with the provisions of Law No. 91 of 2005.

Years 2009/2016:

Inspection completed and settlements were made.

Years 2017/2020:

These years were inspected, Part of tax differences was paid and a request will be submitted to the review committee of final submission regarding the residual differences under dispute.

Year 2021:

The Company has not received any notices for income tax inspection till date.

Salary tax**Years 2005 /2018:**

Inspection completed and settlements were made.

Years 2019 /2021:

The Company has not received any notices for income tax inspection till date.

Stamp Tax

From inception till 2021:

The Company has not received any notices for stamp duty inspection.

Withholding Tax

The Company deducts the due withholding tax according to the provisions of the Income Tax Law and submits this tax to the Tax Authority regularly and on its due date, taking into consideration that the Company's books have been inspected and no differences were identified.

34. Dividends distributions

On March 30, 2021, the Company's board of directors proposed distribution of dividends for the year ended December 31, 2020 to the shareholders by 1.25 piasters per share and an amount of EGP 3 756 000 to the board of directors' members. On April 29, 2021 the ordinary general assembly meeting of the Company approved the proposed distribution.

35. Significant Events during the year.

Most countries of the world, including Egypt, during the year 2021 are still subjected to a state of slowdown and economic downturn as a result of the spread of the new pandemic of the Corona virus (Covid-19). Governments around the world including Egypt have prepared precautionary measures to limit the spread of this pandemic where, as a result, it is expected that the economic and commercial operations of the various economic activities will be affected.

The company has conducted a study for the purpose of evaluating the potential risks and the management evaluation included the following factors:

- The risk of impairment of real estate assets and investment portfolio.
- Risks of not being able to collect debit balances and loans due from debtors and related parties on the maturity date.
- The risk of not being able to pay obligations owed to creditors on maturity.

Risks that may arise from any claims resulting from lawsuits

The management concluded that there is no impact on the company's work that could lead to a decrease in the value of real estate assets and investment portfolio in addition to debit balances and loans due from debtors and related parties, and the company pays all its obligations on the due date as well.

And the continuous and accelerating changes associated with that pandemic still impose a state of uncertainty and the inability to accurately predict due to the continuing economic repercussions of the Coronavirus crisis.

The management closely monitors the situation and adjusts the necessary plans to face these repercussions, by extension, if the situation continues to evolve for a longer period of time.

36. Events subsequent to the date of the financial statements

On January 2, 2022, the Board of Directors of Basata Financial Holding Company approved to increase the capital by an amount of 50M EGP, and the share of B Investments Holding Company from that increase amounted to 10 126 000 EGP. This was registered in the investee's commercial register on January 19, 2022. In February 2022, the Russian-Ukrainian conflict erupted. Situations change rapidly resulting in high volatility in all markets. Nevertheless, management is closely monitoring and analyzing market developments in this highly volatile situation. However, it is too early to fully assess the effects of the situation. Despite the current uncertainties, there is currently no indication of a major disruption in the company's business or non-fulfilment of the Group's obligations to its customers, and there are no indications of a material impact on its future operational performance.

On March 21, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided in its extraordinary meeting to raise the rates of the overnight deposit and lending rates and the price of the main operation of the Central Bank by 100 basis points to 9.25%, 10.25% and 9.75%, respectively. The credit and discount rates were also raised by 100 basis points to reach 9.75%.

On March 30, 2022, the Company's board of directors proposed distribution of dividends for the year ended December 31, 2021, to the shareholders by 50 piasters per share and an amount of EGP 3 660 000 to the board of directors' members.

On April 3, 2022, the company's board of directors approved an offer to acquire the entire share of B Investments Holding Company in Giza Systems of 44.7% through an indirect share. The offer requires signing the final sale agreement and obtaining all necessary approvals from the concerned authorities to complete the acquisition process.

B Investments Holding owns 68.0% of Inergia Technologies, which owns 65.7% of Giza Systems, and thus the indirect share of B Investments Holdings in Giza Systems becomes 44.7%.

37. Consolidated financial statements issuance date

The Board of Directors authorized the consolidated financial statements for the year ended December 31, 2021 for issue on April 24, 2022