Translated

Egypt Kuwait Holding Company
and its subsidiaries
Consolidated financial statements
For the financial period ended at September 30, 2021
and limited review report

__Translated__

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KPMG

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Limited review report on interim consolidated financial statements
To the Board of Directors of Egypt Kuwait Holding Company

Introduction

We have reviewed the accompanying consolidated statement of financial position of Egypt Kuwait Holding Company – An Egyptian Joint Stock Company, as of September 30, 2021 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine -months period then ended , and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

We conducted our review in accordance with Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A Limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated financial statements .

Conclusion

Based on our review of the consolidated financial statements of Egypt Kuwait Holding Company, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information do not present fairly, in all material respects, the consolidated financial position of Egypt Kuwait Holding Company as of September 30, 2021 , and of its financial performance and its cash flows for the nine -months period then ended in accordance with Egyptian Accounting Standards.

Emphasis of Matter Paragraph

As indicated in Note No. (53) from the notes to the financial statements. Most of the world countries, including Egypt, were exposed to the novel epidemic of Corona virus (Covid-19) during year 2020. Effect of this epidemic is extended till current year. This epidemic caused disturbances in most commercial and economic activities in general and on certain number of group's activities, such as energy, fertilizer and chemicals activity in particular. Therefore, this might have a significant impact on the pre-defined operational, marketing plans and future cash flows associated with it in addition to the associated elements of revenues, cost of revenues and the effect on gross / net profit of the group during the period and the following periods.

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As indicated in the above-mentioned note, the Group's management is taking the advantage of the actions taken by the Egyptian government to support these activities as well as reducing the cost of production and changing the selling mix of certain activities in addition to taking several actions to face this risk and limiting its impact on its financial position. However, in light of instability and uncertainty as a result of the current events, the magnitude of the impact of that event depends mainly on the time period for the continuation of those effects at which that event is expected to end and the effects and capacity that it entails the group to fulfill its plans to face this threat, which is difficult to determine at the current time.

KPMG Hazem Hassan

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants & Consultants
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Cairo, November 14 , 2021

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of financial position as of September 30, 2021

Translated

All numbers are in US Dollars	Note No.	30/9/2021	(Restated) 31/12/2020	(Restated) 01/01/2020
Assets				
Non-current assets				
Equity - accounted investees (associates Companies)	(15)	19 003 239	24 612 567	7 115 188
Financial assets at fair value through other comprehensive income	(16)	156 708 721	237 188 715	13 562 361
Financial assets at amortized cost	(17)	245 519 770	204 080 465	130 667 336
Property, plant and equipment and projects under construction	(18)	278 439 932	263 642 413	247 240 804
Exploration & development assets	(19)	165 548 634	73 012 244	87 764 078
Right of use assets	(20)	12 163 007	12 801 010	-
Goodwill	(21)	141 329 463	63 514 041	63 044 332
Intangible assets	(22)	1 313 976	1 682 156	3 135 663
Biological assets	(23)	2 843 957	1 550 797	765 449
Notes receivables		2 112 279	263 245	1 089 685
Total non-current assets		**1 024 982 978**	**882 347 653**	**554 384 896**
Current assets				
Cash and cash equivalents	(24)	191 242 241	212 867 993	117 549 094
Financial assets at fair value through other comprehensive income	(16)	65 206 198	-	-
Financial assets at amortized cost	(17)	379 097 956	211 287 961	375 206 499
Financial assets at fair value through profit or loss	(25)	47 119 538	39 404 659	48 126 690
Trade & notes receivables	(26)	103 984 809	79 382 105	81 060 014
Derivative financial instruments	(27)	1 774 000	-	-
Other current assets	(28)	117 242 101	75 643 258	66 724 132
Inventories	(29)	78 987 220	73 698 519	71 136 984
Work in progress	(30)	31 515 563	32 338 938	39 514 422
Non-current assets held for sale	(31)	28 155 557	13 255 557	13 255 557
Total current assets		**1 044 325 183**	**737 878 990**	**812 573 392**
Total assets		**2 069 308 161**	**1 620 226 643**	**1 366 958 288**
Equity and Liabilities				
Equity of the Parent Company				
Issued & paid up capital	(32)	281 721 321	256 110 292	256 110 292
Set aside for issued & paid up capital increase		-	25 611 029	-
Legal reserve	(33)	128 055 146	127 895 052	127 240 575
Other reserves	(33)	(178 098 947)	(170 944 003)	(121 605 778)
Share-based payments		-	-	9 549 602
Retained earnings	(34)	422 162 291	321 852 054	301 065 830
Treasury shares	(35)	-	(8 199 679)	-
Total equity of the Parent Company		**653 839 811**	**552 324 745**	**572 360 521**
Non-controlling interests	(12)	243 448 516	237 723 793	216 828 148
Total equity		**897 288 327**	**790 048 538**	**789 188 669**
Liabilities				
Non-current liabilities				
Long-term loans	(36)	235 986 728	142 324 271	72 139 732
Bank facilities	(40)	176 532 450	135 107 429	-
Other long-term liabilities	(37)	4 508 399	2 841 505	1 490 124
Lease contracts liabilities	(20)	10 068 117	10 829 778	-
Deferred tax liabilities	(38)	15 373 961	17 786 770	21 378 144
Total non-current liabilities		**442 469 655**	**308 889 753**	**95 008 000**
Current liabilities				
Provisions	(39)	47 078 643	29 571 408	24 989 085
Banks overdraft		-	-	1 052 868
Portion due during the year of long-term loans	(36)	87 847 662	67 793 230	46 400 400
Bank facilities	(40)	146 250 238	123 474 130	109 313 199
Lease contracts liabilities	(20)	1 960 464	1 546 294	-
Insurance policyholders rights	(41)	113 087 554	105 377 827	90 624 355
Suppliers, contractors, notes payable & other credit balances	(42)	284 075 467	163 654 471	179 369 647
Accrued income tax		49 250 151	29 870 992	31 012 065
Total current liabilities		**729 550 179**	**521 288 352**	**482 761 619**
Total liabilities		**1 172 019 834**	**830 178 105**	**577 769 619**
Total equity and liabilities		**2 069 308 161**	**1 620 226 643**	**1 366 958 288**

*** The accompanying notes on pages from (6) to (66) are an integral part of these consolidated financial statements and to be read therewith.**

Group Chief Financial Officer	Managing Director	Chairman
Medhat Hamed Bonna	Sherif Al Zayat	Al-Moataz Adel Al-Alfi

EGYPT KUWAIT HOLDING CO.
S.A.E
C.R. # 114648

***Limited review Report " attached "**

Translated

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of income for the financial period ended September 30, 2021

All numbers are in US Dollars

	Note No.	The nine-months ended 30/9/2021 From 1/7/2021 till 30/9/2021	The nine-months ended 30/9/2021 From 1/1/2021 till 30/9/2021	The nine-months ended 30/9/2020 From 1/7/2020 till 30/9/2020	The nine-months ended 30/9/2020 From 1/1/2020 till 30/9/2020
Revenues	(5)	194 834 687	544 141 420	134 544 269	424 830 128
Cost of revenue recognition	(6)	(115 546 988)	(332 777 821)	(89 467 911)	(285 919 755)
Gross profit		**79 287 699**	**211 363 599**	**45 076 358**	**138 910 373**
Income from investments	(7)	16 231 891	44 254 711	10 954 887	31 798 655
Other income	(8)	744 808	3 363 628	406 785	1 973 222
Selling & distribution expenses	(9)	(1 400 088)	(4 989 348)	(912 953)	(3 173 426)
General & administrative expenses		(10 048 691)	(27 205 190)	(7 010 376)	(22 858 060)
Reversal (charges) for expected credit losses		63 979	499 662	1 317 139	3 220 436
Other expenses	(10)	(544 160)	(2 519 720)	(314 435)	(3 350 090)
Net operating profit		**84 335 438**	**224 767 342**	**49 517 405**	**146 521 110**
Interest income		1 440 075	4 315 363	1 525 146	4 185 091
Forward foreign exchange contracts' profit (losses)		(70 746)	2 827 120	412 085	2 718 810
Financing expenses		(7 793 207)	(17 722 707)	(4 659 079)	(13 089 113)
Net (losses) profit from foreign currency translation differences		(757 716)	(1 490 273)	(567 830)	3 204 754
Net financing cost		**(7 181 594)**	**(12 070 497)**	**(3 289 678)**	**(2 980 458)**
Company's share of profit of equity - accounted investees (associates Companies)		493 748	1 202 879	96 410	96 410
Net profit for the period before income tax		**77 647 592**	**213 899 724**	**46 324 137**	**143 637 062**
Income tax	(11)	(13 848 099)	(40 805 269)	(8 295 537)	(25 367 057)
Net profit for the period		**63 799 493**	**173 094 455**	**38 028 600**	**118 270 005**
Net profit attributable to:					
Owners of the Parent Company		46 816 839	134 735 911	29 181 728	89 274 040
Non-controlling interests	(12)	16 982 654	38 358 544	8 846 872	28 995 965
Net profit for the period		**63 799 493**	**173 094 455**	**38 028 600**	**118 270 005**
Basic / Diluted earnings per share of profits (US cent / Share)	(13)	**3.78**	**10.17**	**2.55**	**7.45**

*** The accompanying notes on pages from (6) to (66) are an integral part of these consolidated financial statements and to be read therewith.**

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of comprehensive income for the financial period ended September 30, 2021

All numbers are in US Dollars

	Note No.	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
		From 1/7/2021 till 30/9/2021	From 1/1/2021 till 30/9/2021	From 1/7/2020 till 30/9/2020	From 1/1/2020 till 30/9/2020
Net profit for the period		63 799 493	173 094 455	38 028 600	118 270 005
Other comprehensive income					
Items that will not be reclassified to statement of income					
Financial assets at fair value through other comprehensive income	(16)	3 859 319	(9 008 160)	(2 072 723)	(53 634 850)
		3 859 319	(9 008 160)	(2 072 723)	(53 634 850)
Items may be reclassified subsequently to statement of income					
Foreign currency translation differences		(2 422 812)	(1 932 658)	5 953 248	693 222
		(2 422 812)	(1 932 658)	5 953 248	693 222
Total other comprehensive income for the period after deducting tax		1 436 507	(10 940 818)	3 880 525	(52 941 628)
Total comprehensive income		65 236 000	162 153 637	41 909 125	65 328 377
Total comprehensive income attributable to:					
Owners of the Parent Company		48 964 001	127 580 967	33 000 112	35 322 965
Non-controlling interests		16 271 999	34 572 670	8 909 013	30 005 412
Total comprehensive income		65 236 000	162 153 637	41 909 125	65 328 377

*** The accompanying notes on pages from (6) to (66) are an integral part of these consolidated financial statements and to be read therewith.**

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

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Consolidated statement of changes in equity for the financial period ended September 30, 2021

All numbers are in US Dollars

	Notes No.	Issued & paid up capital	Set aside of issued & paid up capital increase	Legal reserve	Special reserve - Share premium	General reserve	Reserves: Fair value reserve	Reserves: Translation reserve	Total other reserves	Share-based payment	Retained earnings	Treasury shares	Total equity of the parent Company	Non-controlling interests	(Restated) Total equity
Balance as of January 1, 2020 (before adjustment)		256 110 292	-	127 240 575	57 954 547	8 380 462	107 022	(188 047 809)	(121 605 778)	9 549 602	301 770 284	-	573 064 975	217 237 963	790 302 938
Prior period adjustments	(34)	-	-	-	-	-	-	-	-	-	(704 454)	-	(704 454)	(409 815)	(1 114 269)
Balance as of January 1, 2020 (after adjustment)		256 110 292	-	127 240 575	57 954 547	8 380 462	107 022	(188 047 809)	(121 605 778)	9 549 602	301 065 830	-	572 360 521	216 828 148	789 188 669
<u>Comprehensive income</u>															
Net profit for the period		-	-	-	-	-	-	-	-	-	89 274 040	-	89 274 040	28 995 965	118 270 005
Other comprehensive income		-	-	-	-	-	(56 501 890)	2 550 815	(53 951 075)	-	-	-	(53 951 075)	1 009 447	(52 941 628)
Total comprehensive income		-	-	-	-	-	(56 501 890)	2 550 815	(53 951 075)	-	89 274 040	-	35 322 965	30 005 412	65 328 377
<u>**Transactions with owners of the Company**</u>															
Transferred to legal reserve		-	-	654 477	-	-	-	-	-	-	(654 477)	-	-	-	-
Shareholders dividends		-	-	-	-	-	-	-	-	-	(61 466 470)	-	(61 466 470)	-	(61 466 470)
Employees and board members dividends		-	-	-	-	-	-	-	-	-	(16 210 787)	-	(16 210 787)	(3 817 554)	(20 028 341)
Non-controlling interests in subsidiaries dividends		-	-	-	-	-	-	-	-	-	-	-	-	(9 053 348)	(9 053 348)
Net changes of share-based payment		-	-	-	-	-	-	-	-	(9 549 602)	9 549 602	-	-	-	-
Acquisition of minority share		-	-	-	-	-	-	-	-	-	(411 418)	-	(411 418)	411 418	-
Purchase of treasury shares		-	-	-	-	-	-	-	-	-	-	(5 363 753)	(5 363 753)	-	(5 363 753)
Total transactions with owners of the Company		-	-	654 477	-	-	-	-	-	(9 549 602)	(69 193 550)	(5 363 753)	(83 452 428)	(12 459 484)	(95 911 912)
<u>**Other changes**</u>															
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	(4 172 086)	(4 172 086)
Total other changes		-	-	-	-	-	-	-	-	-	-	-	-	(4 172 086)	(4 172 086)
Balance as of September 30, 2020		256 110 292	-	127 895 052	57 954 547	8 380 462	(56 394 868)	(185 496 994)	(175 556 853)	-	321 146 320	(5 363 753)	524 231 058	230 201 990	754 433 048
Balance as of January 1, 2021 (before adjustment)		256 110 292	25 611 029	127 895 052	57 954 547	8 380 462	(54 656 195)	(182 622 817)	(170 944 003)	-	322 556 508	(8 199 679)	553 029 199	238 133 608	791 162 807
Prior period adjustments	(34)	-	-	-	-	-	-	-	-	-	(704 454)	-	(704 454)	(409 815)	(1 114 269)
Balance as of January 1, 2021 (after adjustment)		256 110 292	25 611 029	127 895 052	57 954 547	8 380 462	(54 656 195)	(182 622 817)	(170 944 003)	-	321 852 054	(8 199 679)	552 324 745	237 723 793	790 048 538
<u>**Total comprehensive income**</u>															
Net profit for the period		-	-	-	-	-	-	-	-	-	134 735 911	-	134 735 911	38 358 544	173 094 455
Other comprehensive income		-	-	-	-	-	(4 279 880)	(2 875 064)	(7 154 944)	-	-	-	(7 154 944)	(3 785 874)	(10 940 818)
Total comprehensive income		-	-	-	-	-	(4 279 880)	(2 875 064)	(7 154 944)	-	134 735 911	-	127 580 967	34 572 670	162 153 637
<u>**Transactions with owners of the Company**</u>															
Issued & paid up capital increase		25 611 029	(25 611 029)	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to legal reserve		-	-	160 094	-	-	-	-	-	-	(160 094)	-	-	-	-
Employees and board members dividends		-	-	-	-	-	-	-	-	-	(17 813 372)	-	(17 813 372)	(5 022 350)	(22 835 722)
Non-controlling interests in subsidiaries dividends		-	-	-	-	-	-	-	-	-	-	-	-	(4 255 910)	(4 255 910)
Acquisition of non-controlling interests without change in control		-	-	-	-	-	-	-	-	-	(17 204 725)	-	(17 204 725)	(39 981 144)	(57 185 869)
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	22 609 465	22 609 465
Sale of treasury shares	(35)	-	-	-	-	-	-	-	-	-	752 517	8 199 679	8 952 196	-	8 952 196
Total transactions with owners of the Company		25 611 029	(25 611 029)	160 094	-	-	-	-	-	-	(34 425 674)	8 199 679	(26 065 901)	(26 649 939)	(52 715 840)
<u>**Other changes**</u>															
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	(2 198 008)	(2 198 008)
Total other changes		-	-	-	-	-	-	-	-	-	-	-	-	(2 198 008)	(2 198 008)
Balance as of September 30, 2021		281 721 321	-	128 055 146	57 954 547	8 380 462	(58 936 075)	(185 497 881)	(178 098 947)	-	422 162 291	-	653 839 811	243 448 516	897 288 327

* The accompanying notes on pages from (6) to (66) are an integral part of these consolidated financial statements and to be read therewith.

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Consolidated statement of cash flows for the financial period ended September 30, 2021

All numbers are in US Dollars	Note No.	The nine - months ended 30/9/2021	The nine - months ended 30/9/2020
Cash flows from operating activities			
Net profit for the period before income tax		213 899 724	143 637 062
Adjustments for:			
Depreciation & amortization		31 377 601	34 692 360
Company's share of profit of Equity - accounted investees (associates Companies)		(1 202 879)	(96 410)
Changes in fair value of financial assets at fair value through profit or loss		899 225	828 287
Financing expenses		17 722 707	13 089 113
Interest income		(4 315 363)	(4 185 091)
Capital gain		(817 395)	(16 257)
Provisions no longer required		(203 694)	(252 366)
Provisions formed		2 519 720	3 528 449
Forward foreign exchange contracts' profit		(2 827 120)	(2 718 810)
Income from financial assets at amortized cost		(44 958 888)	(32 218 791)
Reversal (charges) for expected credit losses		(499 662)	(3 220 436)
		211 593 976	**153 067 110**
Change in:			
Financial assets at fair value through profit or loss		(8 614 104)	13 008 892
Trade & notes receivables		(12 629 851)	(20 291 556)
Other current assets		(38 694 636)	(1 280 851)
Inventories		(5 289 232)	(4 546 718)
Work in progress		823 375	9 081 562
Lease contracts liabilities		(539 054)	(1 374 097)
Suppliers, contractors, notes payable & other credit balances		(10 334 294)	(26 021 368)
Insurance policyholder's rights		7 709 727	12 989 999
Time deposits		(27 564 147)	6 669 000
Blocked deposits		(40 000 000)	-
Provisions used		(685 238)	(1 641 739)
Income tax paid		(23 716 707)	(27 299 306)
Net change in assets of the acquired company at the acquisition date		67 899 587	-
Net cash from operating activities		**119 959 402**	**112 360 928**
Cash flows from investing activities			
Collected interest		4 606 005	3 056 995
Payments for additions of property, plant, equipment, and projects under construction	(14)	(32 588 889)	(26 057 758)
Payments for additions of biological assets		(653 941)	(447 307)
Payments for additions of exploration & development assets	(14)	(36 611 299)	-
Proceeds from sale of property, plant and equipment		1 056 521	1 107 876
Proceeds from (payments for) financial assets at fair value through other comprehensive income	(14)	5 560 148	(282 938 966)
(Payments for) proceeds from financial assets at amortized cost		(229 112 309)	178 148 338
Net cash used in investing activities		**(287 743 764)**	**(127 130 822)**
Cash flows from financing activities			
Proceeds from loans and bank facilities		225 187 198	316 888 150
Payments of loans and bank facilities		(116 082 759)	(65 209 489)
Payments of financing expenses		(17 646 101)	(13 050 804)
Non-controlling interests		(68 886 195)	(4 172 086)
Payments of purchase of treasury shares		-	(5 363 753)
Proceeds from sale of treasury shares		8 952 196	-
Dividends paid		(24 350 439)	(90 465 146)
Forward foreign exchange contracts' profit		1 050 859	1 402 924
Net cash from financing activities		**8 224 759**	**140 029 796**
Foreign currency translation differences of accumulated financial statements		4 402 834	(89 632)
Net change in cash and cash equivalents during the period		(155 156 769)	125 170 270
Cash and cash equivalents at beginning of the period		351 562 628	172 688 385
Cash and cash equivalents at end of the period	(24)	**196 405 859**	**297 858 655**

*** The accompanying notes on pages from (6) to (66) are an integral part of these consolidated financial statements and to be read therewith.**

1- Company's background and activities

- Egypt Kuwait Holding Company "The Company" was incorporated by virtue of the Chairman of General Investment Authority's resolution No. 197 of 1997, according to the provisions of Investment Law No. 230 of 1989 and according to Law No. 8 of 1997, concerning Investment Incentives & Guarantees and Law No. 95 of 1992 concerning Capital Market. The Company was registered in Giza Governorate Commercial Registry under No. 114 648 on 20/7/1997. The duration of the Company according to the Company's Statute, is 25 years starting from the date of registration in the Commercial Registry.
- The Company's financial year starts on January 1st and ends on December 31st each year.
- The Company's purpose is represented in investment in all activities stated in Article 1 of Law No. 230 of 1989, provided that its object does not include accepting deposits or performing banking transactions and comprise the following activities: -
    - Securities underwriting and promotion.
    - Participation in Companies, which issue securities or increasing their capital.
    - Venture capital.

  In addition, the Company is entitled to establish other projects or modify its purposes in conformity with the Investment Law. The Company is also entitled to establish or participate in projects not governed by the Investment Law subject to the approval of the General Investment Authority & General Capital Market Authority.

  On March 6, 2002 the General Investment Authority gave permission to the Company to use the excess funds in investing outside the Arab Republic of Egypt by participating in establishing companies & contributing to projects & portfolios of marketable securities managed abroad.
- The registered office of the Company is located at 14 Hassan Mohamed El Razaz St.-Dokki-Egypt. Mr. Al Moataz Adel AL-Alfi is the Chairman of the Company.
- The Company is listed in the Egyptian Stock Exchange of the Arab Republic of Egypt and Kuwait Stock Exchange.
- The consolidated financial statements comprise of the financial statements of Egypt Kuwait Holding Company (the Parent Company) & its subsidiaries (referred to as the "Group") and the Group's share in the profit or loss of associates is also included. The Group is involved in several activities which are represented in investment activities, selling & supplying of natural gas activity, drilling, petroleum, petrochemicals services activity, fertilizers activity, exploration and exploitation of oil, natural gas activity, chill technology by natural gas activity, communications and selling & distributing of chemicals & plastic activity, manufacturing of Formica chips & MDF of all types and sizes, and the activity of life insurance generally and real estate development.

2- Accounting framework of the preparation consolidated financial statements

- The consolidated financial statements have been prepared in accordance with Egyptian accounting standards in compliance with Egyptian Laws.
- The consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 14, 2021.
- Details of the Group's accounting policies are included in Note 54.

3- Functional and presentation currency

- The consolidated financial statements are presented in USD which is the Parent Company's functional currency.

4- Use of estimates and judgments

- In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates
- Estimates and underlying assumptions are reviewed on an ongoing basis.

A- Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 54-4 – revenue recognition: revenue is recognized as detailed in the accounting policies applied.
- Note 54-1 – equity-accounted investees (associates Companies): whether the Group has significant influence over an investee.
- Note 54-22 – lease contracts classification.

B- Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at September 30, 2021 that might have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Notes (54-21)–recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note (54-20) – measurement of ECL for cash at banks, trade and notes receivables and other current assets.

C- Measurement of fair values

Certain number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to fair values measurement. This includes the presence valuation team that has overall responsibility for reviewing all fair values according to the different levels in the hierarchies referred to below, and a report of those values and methods of measuring them will be issued directly to the board of directors. A report on the material matters related to the evaluation process will be issued to the Internal Audit Committee.

Accreditation is measured in the fair value of assets and liabilities mainly on available market data, and the data that is relied upon in the evaluation is classified according to the following hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs of the quoted prices included in level (1) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the financial year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 48 – financial instruments.

All amounts are in US Dollars if otherwise isn't mentioned

5- Revenues

	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
	From1/7/2021 till 30/9/2021	From1/1/2021 till 30/9/2021	From1/7/2020 till 30/9/2020	From1/1/2020 till 30/9/2020
Fertilizers activity revenue	66 575 318	195 256 998	42 801 681	144 860 048
Chemicals & plastic activity revenue	40 814 925	128 489 624	25 166 192	86 487 098
Gas & electricity supplies activity revenues	37 177 561	105 892 822	32 681 542	102 930 240
Drilling and petroleum services activity revenue	29 928 019	60 176 549	13 318 257	41 793 243
Insurance activity revenue	18 499 463	47 267 392	16 737 259	39 809 263
Cooling technology by natural gas activity revenue	1 188 528	4 623 605	2 871 031	5 668 059
Agencies activity revenue	187 791	575 198	193 538	650 708
Other activity revenue	463 082	1 859 232	774 769	2 631 469
	194 834 687	**544 141 420**	**134 544 269**	**424 830 128**

6- Cost of revenue recognition

	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
	From1/7/2021 till 30/9/2021	From1/1/2021 till 30/9/2021	From1/7/2020 till 30/9/2020	From1/1/2020 till 30/9/2020
Fertilizers activity cost	35 028 869	116 942 857	31 007 512	105 697 518
Chemicals & plastic activity cost	29 326 058	82 679 860	15 413 943	55 593 579
Gas & electricity supplies activity cost	24 072 324	68 887 977	20 772 815	68 564 829
Drilling and petroleum services activity cost	13 295 673	24 000 776	6 275 933	18 552 488
Insurance activity cost	12 878 560	35 135 047	12 626 791	30 397 676
Cooling technology by natural gas activity cost	383 492	3 214 722	2 436 552	4 669 421
Agencies activity cost	143 437	416 257	139 779	477 689
Other activity cost	418 575	1 500 325	794 586	1 966 555
	115 546 988	**332 777 821**	**89 467 911**	**285 919 755**

All amounts are in US Dollars if otherwise isn't mentioned

7- Income from investments

	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
	From 1/7/2021 till 30/9/2021	From 1/1/2021 till 30/9/2021	From 1/7/2020 till 30/9/2020	From 1/1/2020 till 30/9/2020
Income from financial assets at amortized cost	16 756 738	44 958 888	10 423 465	32 218 791
Gain on sale of financial assets at amortized cost	-	-	-	296 896
Change in fair value of financial assets at fair value through profit or loss	(524 975)	(899 225)	530 386	(828 287)
Income from investments at fair value through other comprehensive income	128	195 048	1 036	111 255
	16 231 891	**44 254 711**	**10 954 887**	**31 798 655**

8- Other income

	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
	From 1/7/2021 till 30/9/2021	From 1/1/2021 till 30/9/2021	From 1/7/2020 till 30/9/2020	From 1/1/2020 till 30/9/2020
Drawback and exports subsidies revenue	656 059	1 503 132	192 568	669 099
Provisions no longer required	(206 389)	203 694	(124 992)	252 366
Capital gain (loss)	39 566	817 395	(91 848)	16 257
Other	255 572	839 407	431 057	1 035 500
	744 808	**3 363 628**	**406 785**	**1 973 222**

9- Selling & distribution expenses

	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
	From 1/7/2021 till 30/9/2021	From 1/1/2021 till 30/9/2021	From 1/7/2020 till 30/9/2020	From 1/1/2020 till 30/9/2020
Chemicals & plastic activity	1 197 023	4 367 803	680 445	2 543 309
Fertilizers activity	123 205	348 047	80 612	269 446
Cooling technology by natural gas activity	-	78 805	51 728	120 459
Other	79 860	194 693	100 168	240 212
	1 400 088	**4 989 348**	**912 953**	**3 173 426**

All amounts are in US Dollars if otherwise isn't mentioned

10- Other expenses

	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
	From 1/7/2021 till 30/9/2021	From 1/1/2021 till 30/9/2021	From 1/7/2020 till 30/9/2020	From 1/1/2020 till 30/9/2020
Provisions formed	544 160	2 519 720	314 435	3 350 090
	544 160	**2 519 720**	**314 435**	**3 350 090**

11- Income tax

	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
	From 1/7/2021 till 30/9/2021	From 1/1/2021 till 30/9/2021	From 1/7/2020 till 30/9/2020	From 1/1/2020 till 30/9/2020
Current income tax expense	14 677 752	43 041 002	9 257 171	28 590 227
Deferred income tax	(829 653)	(2 235 733)	(961 634)	(3 223 170)
	13 848 099	**40 805 269**	**8 295 537**	**25 367 057**

Adjustments to calculate the effective tax rate

	The nine- months ended 30/9/2021	The nine- months ended 30/9/2020
Consolidated net accounting profit before income tax	213 899 723	143 637 062
Tax rate	22.5 %	22.5 %
Expected income tax on accounting profit	**48 127 438**	**32 318 339**
Expenses are not applicable to tax deduction	280 499	184 827
Tax exemptions	(7 990 840)	(2 848 843)
Provisions effect	350 500	151 947
Property, plant & equipment' depreciation and other assets' amortization	2 279 168	2 101 583
Capital gain & loss	(14 274)	(2 799)
Books' currency differences	30 594	(237 312)
Others	(22 083)	(3 077 515)
Deferred income tax	(2 235 733)	(3 223 170)
Tax according to consolidated statement of profit or loss	**40 805 269**	**25 367 057**
Effective tax rate	**19.08%**	**17.66%**

All amounts are in US Dollars if otherwise isn't mentioned

12- Non-controlling interests

The balance of non-controlling interests is represented in the share in subsidiaries' equity as follows:

	Non-controlling interests %	Non-controlling share in subsidiaries profits/(losses)	Non-controlling share in equity excluding profits/(losses) for the period	Non-controlling interests as of 30/9/2021	Non-controlling interests as of 31/12/2020
National Gas Co. "Natgas"	16.02	4 514 361	19 280 639	23 795 000	20 883 662
Globe for Communications & Information Technology Co.	1	-	5 834	5 834	5 834
Cooling Technology by Natural Gas Co.- Gas Chill	14.01	160 727	560 032	720 759	610 536
Gas Technology Co. (Go Gas)	0.80	276	12 743	13 019	-
Midor Suez for Oil Refinery Co.	0.002	-	6	6	6
El Fayoum Gas Co.	22.01	392 689	2 150 032	2 542 721	2 147 796
Bawabat Al Kuwait Holding Company	35.46	27 033 091	139 747 206	166 780 297	191 064 145
Arabian Company for Fertilizers	19.81	(308)	(18 229)	(18 537)	(23 124)
El Shorouk for Melamine & Resins Co.	4.95	14 203	120 953	135 156	167 161
NSCO Co.	0.0007	154	291	445	1 340
Delta Insurance co.	36.78	4 312 781	20 621 000	24 933 781	22 866 437
MOG Energy co.	21.71	1 930 570	22 609 465	24 540 035	-
		38 358 544	**205 089 972**	**243 448 516**	**237 723 793**

13- Basic / diluted earnings per share of profits

The calculation of basic / diluted earnings per share of profits was based on the profit attributable to shareholders and a weighted average number of outstanding shares as follows:

	The nine-months ended 30/9/2021		The nine-months ended 30/9/2020	
	From 1/7/2021 till 30/9/2021	From 1/1/2021 till 30/9/2021	From 1/7/2020 till 30/9/2020	From 1/1/2020 till 30/9/2020
Net profit for the period (owners of the parent Company)	46 816 839	134 735 911	29 181 728	89 274 040
Employees & board members' share in profit - Parent Co.– proposal	(2 675 525)	(7 678 090)	(1 619 341)	(4 858 023)
Employees & board members' share in profit in subsidiaries - proposal	(1 523 795)	(12 432 604)	(1 565 114)	(8 502 006)
Shareholders' share in net profit for the period	**42 617 519**	**114 625 217**	**25 997 273**	**75 914 011**
Weighted average number of shares outstanding during the period	1 126 885 287	1 126 885 287	1 019 100 274	1 019 100 274
Basic/diluted earnings per share of profits (US cent / Share)	**3.78**	**10.17**	**2.55**	**7.45**

All amounts are in US Dollars if otherwise isn't mentioned

- Weighted average number of outstanding shares during the period calculated as follows:

	The nine- months ended 30/9/2021	The nine- months ended 30/9/2020
Issued shares at the beginning of the period	1 016 393 170	1 017 206 623
Effect of issuance of bonus shares	102 444 117	-
Effect of issuance of bonus shares to finance the incentive shares	-	7 234 547
Treasury shares	8 048 000	(5 340 896)
Weighted average number of outstanding shares during the period	**1 126 885 287**	**1 019 100 274**

14- Non-cash transactions

For the purpose of preparing the consolidated statement of cash flows for the financial period ended September 30, 2021, the effect of the following transactions has been excluded from investing activities which considered as non-cash transactions:

10 647 278	Exploration & development assets additions –recorded in suppliers, subcontractors, noted payables & other creditors.
1 055 833	Property, plant & equipment additions – recorded in suppliers, subcontractors, noted payables & other creditors.
1 868 127	Uncollected portion from sale of financial assets at fair value through OCI, recorded in trade and notes receivables

15- Equity-accounted investees (associates companies)

	Ownership %	30/9/2021	31/12/2020
Investments listed in stock exchange			
El-Mohandes Insurance Company	24.99	18 600 032	17 253 617
Investments not listed in stock exchange			
TOSS Co. (Limited Liability Co.- Cayman Islands)*	-	-	6 940 362
Inayah Egypt for Medical Care Programs Management Co.	20	403 207	418 588
Egyptian Tankers Co. (S.A.E.- Free Zone)	30	17 128 175	17 128 175
		36 131 414	**41 740 742**
Impairment losses		(17 128 175)	(17 128 175)
		19 003 239	**24 612 567**

*During the period, an additional share capital was indirectly acquired in TOSS Co., and the group gained control over this company, and thus it became one of the group's subsidiaries.

All amounts are in US Dollars if otherwise isn't mentioned

16- Financial assets at fair value through other comprehensive income

	Ownership %	30/9/2021	31/12/2020
Portfolios managed by abroad investment managers	–	219 810 522	225 603 364
Local companies' securities listed in the Egyptian Stock Exchange (EGX)	–	2 104 397	1 814 581
United Arab Chemical Carriers Co.	–	-	14 108 171
MOG Energy Co.- previously named Tri Ocean Co. *	–	-	34 462 504
TOD Company*	–	-	2 807
		221 914 919	**275 991 427**
Impairment losses		–	(38 802 712)
		221 914 919	**237 188 715**
Long term		156 708 721	237 188 715
short term		65 206 198	-
		221 914 919	**237 188 715**

* This amount is represented in the value of direct investments in MOG Energy Co. "Tri Ocean Co. previously", control lost over this Company during the year 2016 due to the waiver of 35% from the shares of Solidarity group limited (the owner of MOG Energy Co. "Tri Ocean Co. previously"). During the period, the 35% shares has been restored, and accordingly, the group gained control over this company.

* A lawsuit was filed by the management of MOG Energy Co. - under No. 433 for year 2016 related to a case of misappropriation of significant funds. The first hearing of the case was set before the Southern Cairo Criminal Court on November 24, 2018 and the call has been delayed several times, most recently one was on December 5, 2020 until the court's verdict is decided. On the same call the court ruled with a sense of embarrassment and referred the lawsuit to another circuit, the first session was scheduled for March 31, 2021 and the call has been postponed to the May 26, 2021 session for pleading and the presence of the accused. On that date, the court ruled in absentia sentenced the three defendants to life imprisonment, and refund an amounts equivalent to the seized amounts and financial penalty equivalent to the embezzled amounts, whereas, one of the defendants repeated the procedures, on July 27, 2021, he was sentenced in his presence to three years in prison, and fined him with a financial penalty equivalent to the various amounts and refund the embezzled amounts with the confiscation of the seized counterfeit documents and charged him with criminal expenses.
No negative impact was reflected neither on the financial statements of MOG Energy Co. nor on the consolidated financial statements or separate financial statements belonging to the Company, as in case of collecting amounts from the defendants, a positive impact shall be reflected on the financial statements of MOG Energy Co. An impairment loss was fully formed for this investment in the consolidated financial statements.

All amounts are in US Dollars if otherwise isn't mentioned

The movement of financial assets at fair value is as follows: -

	30/9/2021	31/12/2020
Fair value	221 914 919	227 417 945
Deduct:		
Cost	281 875 257	278 370 123
Fair value reserve	**(59 960 338)**	**(50 952 178)**
Classified as follows:		
Owners of the parent company	(58 936 075)	(54 656 195)
Non-controlling interests	(1 024 263)	3 704 017
	(59 960 338)	**(50 952 178)**

17- Financial assets at amortized cost

	30/9/2021	31/12/2020
Investment certificates at local banks "Insurance Sector"	73 929 465	112 612 841
Governmental bonds	108 332 069	73 646 665
Treasury bills	370 061 877	211 287 961
Portfolios managed by a bank abroad	-	-
Designated governmental bonds "Insurance Sector"	72 294 315	17 820 959
	624 617 726	**415 368 426**
Classified as follows: -		
Short term (due within one year)	379 097 956	211 287 961
Long term (due after one year)	245 519 770	204 080 465

All numbers are in US Dollars

Translated

18- Property, plant and equipment and projects under construction

	Land	Buildings & constructions	Vehicles & transportation	Furniture & office equipment	Machinery & equipment	Tools & supplies	Stations, generators & electric transformers	Computer, software & decorations	Leasehold improvements	Irrigation network	Projects under construction	Total
Cost as of 1/1/2020	28 049 596	57 661 513	12 694 614	8 550 183	410 543 622	2 356 739	68 188 449	6 997 765	1 225 045	-	18 396 648	614 664 174
Additions	6 668 184	1 552 104	628 373	589 422	1 972 204	98 002	13 178 687	1 295 512	-	-	-	25 982 488
Change in projects under construction	-	-	-	-	-	-	-	-	-	-	22 403 947	22 403 947
Disposals	(2 175 719)	(1 861)	(258 946)	(32 509)	(9 367)	(48 513)	-	(18 339)	(41 457)	-	-	(2 586 711)
Cost as of 31/12/2020	**32 542 061**	**59 211 756**	**13 064 041**	**9 107 096**	**412 506 459**	**2 406 228**	**81 367 136**	**8 274 938**	**1 183 588**	**-**	**40 800 595**	**660 463 898**
Cost as of 1/1/2021	32 542 061	59 211 756	13 064 041	9 107 096	412 506 459	2 406 228	81 367 136	8 274 938	1 183 588	-	40 800 595	660 463 898
Additions	6 469	208 875	975 089	743 968	984 548	85 151	986 138	790 048	-	2 745 249	-	7 525 535
Change in projects under construction	-	-	-	-	-	-	-	-	-	-	26 119 187	26 119 187
Disposals	-	(31 046)	(215 826)	(34 076)	(65 809)	-	-	(123 499)	-	-	-	(470 256)
Cost of assets acquired through business combination	-	-	569 617	465 178	-	-	-	1 086 889	441 872	-	623 875	3 187 431
Cost as of 30/9/2021	**32 548 530**	**59 389 585**	**14 392 921**	**10 282 166**	**413 425 198**	**2 491 379**	**82 353 274**	**10 028 376**	**1 625 460**	**2 745 249**	**67 543 657**	**696 825 795**
Depreciation and impairment loss												
Accumulated depreciation and impairment loss as of 1/1/2020	-	26 080 096	9 929 120	6 455 329	247 048 099	1 830 051	10 810 555	5 383 062	763 509	-	-	308 299 821
Depreciation	-	1 994 767	763 194	561 931	18 370 190	49 578	2 548 370	711 165	44 975	-	-	25 044 170
Accumulated depreciation of disposals	-	(1 049)	(258 946)	(10 697)	(6 587)	(48 513)	-	(18 339)	(41 457)	-	-	(385 588)
Accumulated depreciation and impairment losses as of 31/12/2020	**-**	**28 073 814**	**10 433 368**	**7 006 563**	**265 411 702**	**1 831 116**	**13 358 925**	**6 075 888**	**767 027**	**-**	**-**	**332 958 403**
Accumulated depreciation and impairment losses as of 1/1/2021	-	28 073 814	10 433 368	7 006 563	265 411 702	1 831 116	13 358 925	6 075 888	767 027	-	-	332 958 403
Depreciation	-	1 621 524	636 784	462 716	13 569 410	53 054	2 168 377	401 265	27 013	343 186	-	19 283 329
Accumulated depreciation of disposals	-	(22 473)	(153 444)	(655)	(47 712)	-	-	(6 846)	-	-	-	(231 130)
Accumulated depreciation of assets acquired through business combination	-	-	497 628	453 133	-	-	-	1 079 989	441 872	-	-	2 472 622
Accumulated depreciation and impairment loss as of 30/9/2021	**-**	**29 672 865**	**11 414 336**	**7 921 757**	**278 933 400**	**1 884 170**	**15 527 302**	**7 550 296**	**1 235 912**	**343 186**	**-**	**354 483 224**
Carrying amount as of 31/12/2020	32 542 061	31 137 942	2 630 673	2 100 533	147 094 757	575 112	68 008 211	2 199 050	416 561	-	40 800 595	327 505 495
Effect of change in foreign exchange rates	(5 087 774)	(10 212 996)	(872 303)	(711 922)	(25 372 352)	(417 994)	(14 730 664)	(48 372)	(130 525)	-	(6 278 180)	(63 863 082)
Carrying amount as of December 31, 2020	**27 454 287**	**20 924 946**	**1 758 370**	**1 388 611**	**121 722 405**	**157 118**	**53 277 547**	**2 150 678**	**286 036**	**-**	**34 522 415**	**263 642 413**
Carrying amount as of 30/9/2021	32 548 530	29 716 720	2 978 585	2 360 409	134 491 798	607 209	66 825 972	2 478 080	389 548	2 402 063	67 543 657	342 342 571
Effect of change in foreign exchange rates	(5 060 319)	(10 212 827)	(884 759)	(664 110)	(25 552 060)	(395 483)	(14 661 775)	(70 423)	(143 628)	(3 058)	(6 254 197)	(63 902 639)
Carrying amount as of September 30, 2021	**27 488 211**	**19 503 893**	**2 093 826**	**1 696 299**	**108 939 738**	**211 726**	**52 164 197**	**2 407 657**	**245 920**	**2 399 005**	**61 289 460**	**278 439 932**

All numbers are in US Dollars

19- Exploration and development assets

Cost	Producing wells	Exploration wells	Development wells	Equipment / field services	Pipelines	Projects under construction	Total
As of 1/1/2020	86 305 967	-	-	33 895 906	-	-	120 201 873
Additions	766 055	-	-	-	-	3 695 776	4 461 831
As of 31/12/2020	**87 072 022**	-	-	**33 895 906**	-	**3 695 776**	**124 663 704**
As of 1/1/2021	87 072 022	-	-	33 895 906	-	3 695 776	124 663 704
Additions	1 466 789	-	-	391 102	-	45 387 278	47 245 169
Cost of assets acquired through business combination	172 475 320	24 095 854	105 830 089	190 334 748	159 832 556	-	652 568 567
As of 30/9/2021	**261 014 131**	**24 095 854**	**105 830 089**	**224 621 756**	**159 832 556**	**49 083 054**	**824 477 440**
Accumulated amortization, depletion, and impairment losses							
As of 1/1/2020	31 185 396	-	-	1 252 399	-	-	32 437 795
Amortization	17 617 490	-	-	1 596 175	-	-	19 213 665
As of 31/12/2020	**48 802 886**	-	-	**2 848 574**	-	-	**51 651 460**
As of 1/1/2021	48 802 886	-	-	2 848 574	-	-	51 651 460
Amortization	8 432 317	-	-	3 089 946	-	-	11 522 263
Accumulated amortization of assets acquired through business combination	148 134 389	24 095 854	104 780 635	158 911 649	159 832 556	-	595 755 083
As of 30/9/2021	**205 369 592**	**24 095 854**	**104 780 635**	**164 850 169**	**159 832 556**	-	**658 928 806**
Carrying amount as of 31/12/2020	**38 269 136**	-	-	**31 047 332**	-	**3 695 776**	**73 012 244**
Carrying amount as of 30/9/2021	**55 644 539**	-	**1 049 454**	**59 771 587**	-	**49 083 054**	**165 548 634**

All amounts are in US Dollars if otherwise isn't mentioned

20- Right of use assets

	30/9/2021	31/12/2020
Cost		
Cost as of 1/1/2021	13 765 315	-
Additions	-	13 765 315
Cost as of 30/9/2021	**13 765 315**	**13 765 315**
Accumulated depreciation		
Accumulated depreciation as of 1/1/2021	(1 011 385)	-
Depreciation	(649 387)	(1 011 385)
Accumulated depreciation as of 30/9/2021	**(1 660 772)**	**(1 011 385)**
Net amount	**12 104 543**	**12 753 930**
Effect of foreign exchange rate	58 464	47 080
Net carrying amount as of September 30, 2021	**12 163 007**	**12 801 010**

* Present value of the total liabilities resulted from right of use at September 30, 2021 is amounted to USD 12 028 581 as follows:

	30/9/2021	31/12/2020
Short-term lease contracts liabilities	1 960 464	1 546 294
Long-term lease contracts liabilities	10 068 117	10 829 778
	12 028 581	**12 376 072**

21-Goodwill

This balance is represented in the carrying amount of goodwill resulted from acquisition of the following companies:

	30/9/2021	31/12/2020
National Gas Co. (Natgas)	7 897 722	7 887 681
Sprea Misr	11 139 765	11 125 601
El Fayoum Gas Co.	1 622 806	1 620 743
Alex Fertilizer Co.	34 107 324	34 107 324
Delta Insurance Co.	3 674 278	3 669 609
Shield Gas Co.	5 103 083	5 103 083
MOG Energy Co.	77 784 485	-
	141 329 463	**63 514 041**

22-Intangible assets

	Net as of 1/1/2021	Amortization	Translation differences	Net as of 30/9/2021
Deferred revenue charges*	**682 156**	(181 780)	1 100	501 476
Other assets**	**1 000 000**	(187 500)	-	812 500
	1 682 156	**(369 280)**	**1 100**	**1 313 976**

All amounts are in US Dollars if otherwise isn't mentioned

* This item is represented in the costs related to Nubaria Electrical Station and pressure reduction station in Beheira government. Both stations will be delivered to the Egyptian Natural Gas Holding Company (EGAS) at the end of the agreement. Which will be amortized over 15 years.

** This item is represented in the amounts paid to others, whereby, it is expected to obtain future economic benefits to the subsidiary which will be amortized over 8 years.

23- Biological assets

	30/9/2021	31/12/2020
Tree forests	781 527	780 534
Wages, salaries and consultations	790 231	388 311
Fertilizers and pesticides	154 621	82 397
Tools rent	162 705	106 665
Right of use assets' depreciation	171 627	95 597
Usufruct benefit	191 563	-
Property plant and equipment' depreciation	386 351	15 724
Other	205 332	81 569
	2 843 957	**1 550 797**

This balance is represented in the acquisition cost of the tree forest (Eucalyptus and Casorina trees) which are located on the leased land by the subsidiary.

24- Cash and cash equivalents

	30/9/2021	31/12/2020
Banks – current accounts	72 415 593	93 199 056
Banks – time deposits (less than three months)	91 392 490	121 433 550
Banks – time deposits (more than three months)	27 955 813	391 666
Cash on hand	657 714	168 063
	192 421 610	**215 192 335**
Expected credit loss	(1 179 369)	(2 324 342)
	191 242 241	**212 867 993**

For the purpose of preparing the consolidated statement of cash flows, cash & cash equivalents account is represented as follows:

	30/9/2021	30/9/2020
Cash & cash equivalents	192 421 610	228 384 875
Investments in treasury bills - during three months	71 940 062	69 814 367
Blocked deposits	(40 000 000)	-
Bank – time deposits (more than three months)	(27 955 813)	(340 587)
	196 405 859	**297 858 655**

25- Financial assets at fair value through profit or loss

This balance is represented in the market value of the portfolios owned by the Group, which consist of Egyptian Companies' shares, governmental bonds and portfolios managed by abroad investment managers for the purpose of dealing in international stock exchanges. These investments are represented as follows:

	30/9/2021	31/12/2020
Portfolios managed by abroad investment managers	3 839 495	2 905 957
Egyptian Companies' stocks (listed in the Egyptian Stock Exchange)	331 283	287 320
Investments funds	13 534 100	5 759 512
Governmental bonds	29 414 660	30 451 870
	47 119 538	**39 404 659**

26- Trade & notes receivable

	30/9/2021	31/12/2020
Trade receivables	52 882 722	29 789 742
Egyptian General Petroleum Corporation*	35 616 155	38 895 038
	88 498 877	**68 684 780**
Expected credit losses	(1 254 207)	(1 021 669)
Notes receivable	16 740 139	11 718 994
	103 984 809	**79 382 105**

* Egyptian General Petroleum Corporation's balance is related to the following companies:

	30/9/2021	31/12/2020
Natgas Co.	1 292 821	1 092 516
El Fayoum Gas Co.	515 251	500 438
NSCO Co.	33 615 848	37 302 084
MOG Energy Co.	192 235	-
	35 616 155	**38 895 038**

27- Derivative financial instruments

The balance of USD 1 774 000 (year 2020: zero) is represented in forward foreign exchange contracts' profits which was recognized in financing income, as one of the Group's subsidiaries signed forward exchange contracts in US Dollars with a related bank which deals with, The contractual value of these contracts is amounted to EGP 27 869 540 as of September 30, 2021 (Year 2020: zero).

All amounts are in US Dollars if otherwise isn't mentioned

28- Other current assets

	30/9/2021	31/12/2020
Accrued revenue	20 881 459	16 254 012
Suppliers-advanced payments	29 010 790	8 710 473
Tax Authority	18 144 262	15 961 020
Uncollected issued bills	10 689 130	9 034 673
Accounts receivables from insurance	11 591 055	10 128 281
Deposits with others	6 051 263	5 614 922
Prepaid expenses	3 383 620	2 902 975
Cheques under collection	1 953 198	2 143 629
Due from Building Materials Industries Co.	1 932 911	597 568
Insurance and reinsurance Companies	1 649 624	1 708 888
Payments to employees under dividends account	941 295	662 529
Imprests & employees' custodies	551 463	221 534
Loans guaranteed by individuals' insurance	398 531	435 074
Refunded networks costs from the corporation	2 273 960	-
Due from Sudapet Co.	1 411 896	-
Debtors- west Jabal al-Zeit	1 206 554	-
Due from Egyptian Hydrocarbon Co.	500 000	-
Due from related parties	-	165 845 972
Other debit balances	11 270 331	8 132 213
	123 841 342	**248 353 763**
Expected credit losses	(6 599 241)	(172 710 505)
	117 242 101	**75 643 258**

29- Inventories

	30/9/2021	31/12/2020
Supplies	32 951 111	27 055 318
Spare parts and tools	25 927 504	22 964 420
Fuel and oil	13 733 712	14 504 335
Finished goods and work in process	6 406 690	8 051 688
Letters of credit & goods in transit	46 313	1 200 337
	79 065 330	**73 776 098**
Write down of inventory	(78 110)	(77 579)
	78 987 220	**73 698 519**

30- Work in progress

	30/9/2021	31/12/2020
Gas sectors	-	99 311
Land & buildings under development	30 955 410	31 823 881
Others	560 153	415 746
	31 515 563	**32 338 938**

All amounts are in US Dollars if otherwise isn't mentioned

31- Non-current assets held for sale

	30/9/2021	31/12/2020
Building Materials Industries Co.*	13 255 557	13 255 557
Egyptian Hydrocarbon Co.**	14 900 000	-
	28 155 557	**13 255 557**

* Assets related to the Building Materials Industries Company – Equity - accounted investees (associates Companies) are presented as non-current held for sale as of September 30, 2021, during the last quarter of year 2019, an agreement was signed to manage the sale of shares owned by the group in the Building Materials Industries Company - Equity - accounted investees (associates Companies) of 38.32% to a party outside the group. The agreement to manage the sale process has been continued until an appropriate selling price is determined for the group.

**Assets related to the Egyptian Hydrocarbon Company – financial assets at fair value through other comprehensive income are presented as non-current held for sale as of September 30, 2021, during year 2017 one of the group's subsidiaries signed an agreement for sale 10% Egyptian Hydrocarbon Company shares to a party outside the group, An amount of USD 2 million was obtained as a selling advance during year 2017, which is recognized in the credit balances, and the contract with the buyer was renewed until the rest of the contract value is paid.

32-Share capital

- The Company's authorized capital is USD 500 million.
- The issued capital was initially determined amounted to USD 120 million (One hundred & twenty million USD) distributed over 12 million shares at a par value of USD 10 per share. The Founders and subscribers through methods other than public subscription have subscribed to 9 million shares at a value of USD 90 million (Only ninety million USD) 3 million shares at USD 30 million (Only thirty million USD) were offered for public subscription and they were fully underwritten. The issued capital was fully paid. The issued capital has been increased and the share of the Company was split several times to reach an amount of USD 243 914 564.5 distributed over 975 658 258 shares of par value of US Cent 25 each fully paid.
- On June 11, 2015, the ordinary general assembly of the Company unanimously approved to transfer part of the retained earnings of the Company as shown in the consolidated financial statements for the financial year ended at December 31, 2014 that were approved by the shareholder's' ordinary general assembly held on March 22, 2015 to 48 782 912 bonus shares with an amount of USD 12 195 728 for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members, that has been approved by the Egyptian Financial Supervisory Authority on November 12, 2014. Annotation to affect such increase was made on the Company's commercial register on September 13, 2015. Accordingly, the issued capital is USD 256 110 292.5 distributed over 1 024 441 170 shares with a par value of US Cent 25 each that is fully paid.
- On June 11, 2015, the extra-ordinary general assembly of the Company unanimously approved the increase of the issued and paid – up capital from USD 243 914 564.5 to USD 256 110 292.5 with an amount of increase of USD 12 195 728 as bonus increase distributed over 48 782 912 bonus share whose nominal value amounts to US Cent 25 for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members issued from the Egyptian Financial Supervisory Authority on 12 November 2014.

All amounts are in US Dollars if otherwise isn't mentioned

- On December 27, 2020, the ordinary general assembly of the company unanimously approved interim dividends at the rate of 10% of the issued and paid-up capital as dividends of one bonus shares for every 10 shares. This interim dividends from the retained earnings shown in the issued independent financial statements of the company for the financial period ending September 30, 2020 including auditor's report used to increase the issued and paid-up capital of the company from USD 256 110 292.5 to USD 281 721 321.75 with a value of USD 25 611 029.25 bonus increase distributed over number of 102 444 117 bonus shares with a nominal value of US Cent 25 per share.
- On December 27, 2020, the extra-ordinary general assembly of the Company unanimously approved to increase the issued and paid up capital from USD 256 110 292.5 to USD 281 721 321.75 with an amount of USD 25 611 029.25 as bonus increase distributed over 102 444 117 bonus share whose nominal value amounts to US Cent 25 per share.
- On March 22, 2021, the increase was made on the Company's commercial register. Accordingly, the issued capital is USD 281 721 321.75 distributed over 1 126 885 287 shares, with a par value of US Cent 25 each that is fully paid.

33- Reserves

	30/9/2021	31/12/2020
Special reserve – share premium	57 954 547	57 954 547
General reserve	8 380 462	8 380 462
Fair value reserve	(58 936 075)	(54 656 195)
Foreign exchange reserves	(185 497 881)	(182 622 817)
	(178 098 947)	**(170 944 003)**

Legal reserve

According to the Companies' Law and the Parent Company's article of association, the Company is required to set aside 5% of the annual net profit of the Holding Company to form the legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital of the Holding Company. The reserve is not distributable. However, it can be used to increase the share capital or offset losses. The Holding Company is required to set aside 5% of the annual net profit until it reaches 50% of the issued share capital of the Holding Company.

Special reserve – share premium

The balance is represented in the remaining amount of the share premium of the issued share capital increase of a number of 136 363 636 shares during year 2014 after deducting the amount of USD 17 045 454 credited to the legal reserve.

General reserve

General reserve item represents the amounts set aside from the Holding Company's profits in previous years according to the resolutions of the General Assembly Meeting of shareholders of the holding Company. This reserve shall be used by a resolution from the General Assembly of shareholders based on a proposal from the holding Company's board of directors in matters that could be favorable to the Company's interests.

Fair value reserve

This item is represented in the accumulated net change in the fair value of Financial assets at fair value through other comprehensive income until the investment is derecognized.

All amounts are in US Dollars if otherwise isn't mentioned

Translation differences reserve

This item represents in the accumulated differences resulted in the financial statements translations for the subsidiary companies from foreign currency to USD in addition to its share in accumulated differences in associate's owner equity's translations.

34- Prior period adjustments

During the period, the retained earnings and the non-controlling interests balances of 1st January ,2020 were restated by an amount of USD 704 454 and an amount of USD 409 815, respectively, in order to correct the retrospective accounting error during 2019 for one of the group's subsidiaries. This error resulted from unrecognized impairment losses for due amounts of the subsidiary company on year 2019.

35- Treasury shares

During the period 8 048 000 shares of Egyptian – Kuwait Holding Company were sold at a cost of USD 8 199 679, which resulted in profit with an amount of USD 752 517 added to retained earnings balance.

36- Loans

	Loan's currency	Interest rates	Maturity date	30/9/2021	31/12/2020
Loan guaranteed by investment portfolio	USD	4% above Libor-3 months	2019-2022	-	86 400 000
Loan guaranteed by investment portfolios	USD	2.5% above Libor-6 months	2022-2027	200 000 000	77 000 000
Loan guaranteed by first class official trade mortgage over some production owned by the company	EGP	1% above the minimum borrowing rate by 17.75% till November 2019 &1% after that date till the end of the loan	2021-2026	1 581 809	10 082 580
Loan guaranteed by treasury bills	EGP	8% decreasing rate according to the central bank initiative.	2021	5 903 067	3 194 910
Loan guaranteed by treasury bills	EGP	0.25% above average Corridor rate	2021	5 453 811	1 039 505
Loan guaranteed by treasury bills	EGP	0.25% above average Corridor rate	2021	1 448 982	1 953 725
Loan guaranteed by the pledge of the acquired assets	Euro	From 1.75% to 2.50% annually above Libor rate	2036	15 321 908	18 735 051
Loan without guarantee	USD	From 4.75% to 5.50% annually above Libor-6 Months.	2021-2022	54 925 684	-
B/F				**284 635 261**	**198 405 771**

All amounts are in US Dollars if otherwise isn't mentioned

	Loan's currency	Interest rates	Maturity date	30/9/2021	31/12/2020
C/F				**284 635 261**	**198 405 771**
Loan without guarantee	USD	-	2022-2028	13 321 735	-
Loan guaranteed by Sprea Misr for Chemicals Co.	EGP	8% decreasing rate according to the central bank initiative.	2022-2026	6 831 106	-
Loan guaranteed by the pledge of the building and the financial elements of the factory after operating and mortgage deposits	EGP	8% annually replaced with a return of by 1.5% above Corridor rate, annual borrowing in case of funding deviation from the initiative of the Central Bank of Egypt.	2020-2028	19 046 288	11 711 730
Total				**323 834 390**	**210 117 501**
Current loans				**87 847 662**	**67 793 230**
Non-current loans				**235 986 728**	**142 324 271**

37- Other long-term liabilities

	30/9/2021	31/12/2020
Noted payable	1 720 172	2 616 805
Customers advance payment	1 327 529	224 700
Deferred tax revenue	1 460 698	-
	4 508 399	**2 841 505**

38- Deferred tax liabilities

	30/9/2021	31/12/2020
Property, plant and equipment and other assets	15 373 961	17 786 770
	15 373 961	**17 786 770**

Deferred tax assets-not recognized

The deferred tax assets for tax losses and the deductible temporary differences are not recognized because of uncertainty for existing enough future tax profits that can benefits these assets.

39- Provisions

	Balance as of 1/1/2021	Provisions formed	Provisions used	Provisions no longer required	Provisions of acquired subsidiary	Translation differences	Balance as of 30/9/2021
Retention provisions	323 838	39 174	(224)	–	–	363	**363 151**
Other provisions*	29 247 570	2 543 744	(685 014)	(203 694)	15 368 146	444 740	**46 715 492**
	29 571 408	2 582 918	(685 238)	(203 694)	15 368 146	445 103	47 078 643

All amounts are in US Dollars if otherwise isn't mentioned

* The provisions relate to expected claims from certain entities related the Company's business. The usual disclosure information about the provisions has not been disclosed in accordance with Egyptian accounting standards, as we believe that doing so will seriously affect the results of the negotiations with those entities.

- The provisions formed during the period includes an amount of USD 63 198, represented in the present value of the expected cost to bring the asset to its first intended condition recognized in the exploration and development assets item amounting to USD 766 055 during year 2020.

40- Bank facilities

	Facility's Currency	Interest rate	30/9/2021	31/12/2020
Credit facility guaranteed by a promissory note	EGP & USD	0.5% annually above corridor, 2.5% above Libor generally for USD	17 659 070	18 281 120
Facility without guarantee	USD	2.9% above Libor 3 months for USD	-	25 000 000
Facility guaranteed by investment portfolio for one of the subsidiaries	EGP & USD	1.25% annually above Libor 3 months, 0.5% annually above corridor rate	24 485 884	-
Credit facility guaranteed by investment portfolio	USD	From 3.3125% to 4.3125%	33 928 306	28 150 460
Facility guaranteed by investment portfolio for one of the subsidiaries	USD	2.75% above Libor for 3 months	78 900 000	51 900 000
Facility without guarantee	USD & EGP	1.25% annually above corridor and 2.25% above Libor generally for USD	17 890 796	16 473 348
Facility without guarantee	USD & EGP	0.75% annually above corridor and 2.3% above Libor generally for USD	30 115 097	30 056 965
Credit facility guaranteed by deposits	EGP	2% over deposit interest rate	940 526	294 515
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	1 872 490	11 131 846
Credit facility guaranteed by a promissory note	EGP	0.75% above corridor	2 926 382	1 115 074
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	5 008 203	2 401 302
B/F			**213 726 754**	**184 804 630**

All amounts are in US Dollars if otherwise isn't mentioned

	Facility's Currency	Interest rate	30/9/2021	31/12/2020
C/F			**213 726 754**	**184 804 630**
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	-	1 739 532
Credit facility guaranteed by a promissory note	EGP	8% annually as part of the Central Bank's initiative to support industrial activity.	119 065	1 229 469
Credit facility without guarantee	EGP	8% annually as part of the Central Bank's initiative to support industrial activity	9 005 468	-
Credit facility guaranteed by a promissory note	EGP	Decreasing rate according to the Central Bank's initiative	7 597 825	-
Credit facility guaranteed by a promissory note	EGP	0.15% above corridor	1 990 160	-
Credit facility guaranteed by deposits	USD	2.5% over deposit rate	37 930 678	38 065 811
Credit facility guaranteed by investment portfolio	USD	1.625% above Libor for 3 months	1 906 131	4 650 000
Credit facility guaranteed by investment portfolio	USD	1.625% above Libor for 3 months	-	265 000
Credit facility guaranteed by a promissory note	EGP	8% annually as part of the Central Bank's initiative to support industrial activity.	5 247 278	7 808 873
Credit facility guaranteed by an insurance policy against both the risk of fire and burglary in favor of the bank at rate of 110% of the company's assets value.	EGP	8% annually as part of the Central Bank's initiative to support industrial activity.	13 699 049	4 399 791
Credit facility guaranteed by the factory insurance policy in favor of the bank at rate of 110% of the company's assets value.	EGP	8% annually as part of the Central Bank's initiative to support industrial activity.	10 833 184	4 109 399
B/F			**302 055 592**	**247 072 505**

All amounts are in US Dollars if otherwise isn't mentioned

	Facility's Currency	Interest rate	30/9/2021	31/12/2020
C/F			**302 055 592**	**247 072 505**
Credit facility guaranteed by a promissory note and providing the bank with an insurance policy against theft and fire on the inventories.	EGP	8% annually as part of the Central Bank's initiative to support industrial activity	7 405 032	-
Credit facility guaranteed by a promissory note and providing the bank with an insurance policy against theft and fire on the inventories.	EGP	8% annually as part of the Central Bank's initiative to support industrial activity.	3 679 816	3 969 574
Credit facility guaranteed by deposits	USD	1% over deposit rate	-	908 780
Credit facility guaranteed by investment portfolio	USD	2.5% annually above Libor for 3 months	2 533 292	143 059
Credit facility without guarantee	AED	Interest rate 3.83%	164 258	-
Credit facility without guarantee	AED	2.5% above Libor	374 826	-
Credit facility guaranteed by investment portfolio	USD	0.859% annually	6 569 872	6 487 641
			322 782 688	**258 581 559**
Current facilities			**146 250 238**	**123 474 130**
Non-current facilities			**176 532 450**	**135 107 429**

41- Insurance policyholder's rights

	30/9/2021	31/12/2020
Technical provisions for individual's insurance	24 132 426	24 229 828
Technical provisions for property and liability insurance	84 452 485	77 450 050
Policyholder's rights for investments units	3 839 494	2 905 957
Provision for outstanding claims	663 149	791 992
	113 087 554	**105 377 827**

All amounts are in US Dollars if otherwise isn't mentioned

42- Suppliers, contractors, noted payable & other creditors

	30/9/2021	31/12/2020
Suppliers & contractors	34 624 078	19 469 972
Noted payable	3 883 376	4 328 721
Trade receivables – Advanced payments	48 823 761	47 467 116
Accrued expenses	91 685 365	40 119 855
Deposits from others	16 300 253	13 323 693
National Egyptian Authority for Petroleum*	4 843 345	4 558 398
Insurance and reinsurance Companies	10 157 209	9 394 337
Collected installments	1 847 701	2 136 759
Dividends payable	1 196 641	1 196 641
Dividends payable-non-controlling interests	6 361 508	3 620 315
Insured current account	1 383 220	1 160 629
Financing from non- controlling interests	7 910 215	-
Operating companies	7 042 849	-
Due to Nile Bit Co.	15 488 067	-
Employees' dividends payable	2 550 406	168 901
Property, plant & equipment creditors	1 055 833	597 147
Other credit balances	28 921 640	16 111 987
	284 075 467	**163 654 471**

*National Egyptian Authority for Petroleum balance concerning the following companies: -

	30/9/2021	31/12/2020
National Gas Co. (Natgas)	2 701 119	1 396 948
El Fayoum Gas Co.	2 142 226	3 161 450
	4 843 345	**4 558 398**

43- Incentive and bonus plan of the Company's employees and managers

- On September 11, 2014, the extra - ordinary general assembly unanimously agreed to approve the incentive & bonus plan of the Company's employees and managers and executive board of directors members, through the allocation of 48 782 912 shares, at a percentage of 5% of its total shares issued till December 31, 2014 to apply the incentive and bonus plan through one of the following:-
    - Issuance of new shares through capital increase or by transferring from reserve or part thereof or retained earnings to shares by which the value of issued capital is increased.
    - Transfer of treasury shares to incentive and bonus plan and to be financed from reserves.
- On November 12, 2014, the Egyptian Financial Supervisory Authority approved applying the incentive & bonus plan of the Company's employees and board of directors members, which includes granting the Company's shares to the board members, managing directors, sectors 'heads , general managers and the other employees in the Company or its subsidiaries (equity settled share- based payments) according to the level of the Company's or individuals' economic performance pursuant to the shareholders , and the terms and conditions stated in the said plan.

All amounts are in US Dollars if otherwise isn't mentioned

- On June 11, 2015, the ordinary general assembly of the Company approved by the majority of votes to transfer part of the retained earnings as shown in the consolidated financial statements for the financial year ended at December 31, 2014, that were approved by the shareholder's ordinary general assembly held on March 22, 2015 to 48 782 912 bonus shares with an amount of USD 12 195 728 for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members, that has been approved by the Egyptian Financial Supervisory Authority on November 12, 2014. Annotation to the effect of such increase was made on the Company's commercial register on September 13, 2015.

- On September 16, 2015 the Listing committee of the Egyptian stock exchange approved listing the incentive shares to finance the incentive and bonus plan for employees and board members. On October 5, 2015, the incentive shares were added to the shareholders register labeled as "the incentive and bonus plan for employees of Egypt Kuwait Holding Co."

- On June 9, 2016, the Supervisory Committee on the incentives and bonus plan agreed to grant and allocate all the shares of the incentives and bonus plan to the beneficiaries of the plan as well as determining the number of shares allocated to each one of them. The vesting date of such shares was also determined to be December 31, 2016. All the shares were granted to the executive members of the Board of Directors and the senior managers of the Company, a matter that resulted in recognizing an expense for equity-settled share-based payments transactions, in the consolidated Statement of profit or loss with a total amount of USD 17 561 848 and a corresponding increase with the same amount included in the equity under the amount set aside for share-based payments transactions caption during 2016. The beneficiary may dispose of the shares only after the lapse of three years from the date of share transfer to him. During this period, the beneficiary shall be entitled to receive 100 % of total dividends and exercise the right of voting on the resolutions of the Company.

- The conditional terms for granting shares are as follows:
  A)Increase the Company's net profit by 15% annually.
  B)Increase the Company's share price by 15% annually in the Egyptian stock Exchange.

Details of beneficiaries of the plan are as follows: -

The assigned party shares	Granted date	Number of shares	Fair value of share at granted date	Exercise Price
The executive members of the Board of Directors and the senior managers	June 9, 2016	48 782 912	36 US cent	-

- On February 27, 2017, the Committee of the incentives and bonus plan unanimously agreed to grant 21 463 699 shares to the beneficiaries of the plan, while the methods of granting the remaining shares of the incentive plan and who deserve them shall be discussed in its upcoming meetings. On March 29, 2017, the ownership of such shares was transferred to the beneficiaries.

- On March 24, 2018, the Company's Incentive and Bonus Plan Committee unanimously decided to grant 2 927 757 shares to the beneficiaries of the plan, which is represented in the value of the remaining shares allocated for fulfilling the first criterion pertaining to the growth of the Company's profits with a total number of shares that reached 24 391 456 shares. It also decided to unanimously approve granting 6 015 132 shares to the beneficiaries of the plan for fulfilling the second criteria related to increasing the Company's share price in the Egyptian Stock Exchange at an annual rate of 15% with a total number of shares that reached 24 391 456 shares. On March 29, 2018, the ownership of these shares was transferred to the beneficiaries.

All amounts are in US Dollars if otherwise isn't mentioned

- On March 30, 2019, the Company's Incentive and Bonus Plan Committee unanimously decided to grant 11 141 777 shares to the beneficiaries of the plan. This decision is to fulfill the second criteria related to increasing the Company's share price in the Egyptian Stock Exchange at an annual rate of 15% with a total number of shares that reached 24 391 456 shares. On April 4, 2019 the ownership of these shares was transferred to the beneficiaries.
- On February 16, 2020, the incentives and bonus committee unanimously agreed to grant 7 234 547 shares to the beneficiaries of the plan after the approval of the board of directors, on February 26, 2020 the board of directors approved this granted. So, all shares were granted to the beneficiaries.
- According to the above-mentioned granted decisions, the Incentive and Bonus Plan' movements are as follows:

	No. of shares
Shares for Incentive and Bonus Plan	48 782 912
Deduct:	
Shares granted to the first criterion on February 27, 2017	21 463 699
Shares granted to the first criterion on March 24, 2018	2 927 757
Shares granted to the second criterion on March 24, 2018	6 015 132
Shares granted to the second criterion on March 30, 2019	11 141 777
Shares granted to the second criterion on February 16, 2020	7 234 547
Total shares granted	**(48 782 912)**
Total remaining available shares	-

44- Subsidiaries Companies

Main subsidiaries are represented in the following:

	Country of Incorporation	Direct & indirect Ownership %	
		30/9/2021	31/12/2020
Companies under direct control			
International Financial Investments Co. S.A. E	Egypt	100	100
Bawabat Al Kuwait Holding Co.– S.A.K *	Kuwait	64.54	54.65
Delta Insurance Co.*	Egypt	63.22	61.5
Globe for Communication & Information Technology Co.	Egypt	99	99
Globe Telecom Co.	Egypt	100	100
ECO for Agriculture Development Co.	Egypt	100	100
ECO for Industrial Development Co	Egypt	100	100
MAT Company for Trading	Egypt	100	100
EKHN B.V.	Netherlands	100	100

All amounts are in US Dollars if otherwise isn't mentioned

	Country of Incorporation	Direct & indirect Ownership % 30/9/2021	31/12/2020
Global MDF Industries B.V.	Netherlands	100	100
EKH Microfinnace	Netherlands	100	-
Subsidiaries Companies of International Financial Investments Co.			
Sprea Misr for Production of Chemicals & Plastics Co. S.A. E	Egypt	100	100
Egyptian Company for Petrochemicals S.A.E	Egypt	100	100
National Energy Co - S.A. E	Egypt	100	100
El Fayoum Gas Holding Company	Virgin Islands	100	100
Midor Suez Oil Refining Co.	Egypt	100	100
NSCO INVESTMENT LIMITED Company	Cayman Islands	99.997	99.997
BKH Megan	Cayman Islands	100	100
Arabian Fertilizer Limited Co.	United Arab of Emirates	100	100
National Gas Company (NATGAS) S.A. E	Egypt	83.98	83.98
Nahood International Limited Co.	United Arab of Emirates	60	60
Solidarity Mena Limited Co.	United Arab of Emirates	100	100
Solidarity International Limited Co.	United Arab of Emirates	100	100
Solidarity group limited Co.*	United Arab of Emirates	100	65
MEA Investments Co.	United Arab of Emirates	100	100
Polar Star Investments Co.	United Arab of Emirates	100	100
Egypt Kuwait Investments Holding Limited Co.	United Arab of Emirates	100	100
IFIC Petrochemicals Co.	Cayman Islands	100	100
Ekuity Holding International - Limited by Shares	Cayman Islands	100	100
Henosis for Construction & Real-Estate Development Co.	Egypt	100	100
Capital Investment Limited Luxembourg Co.	Luxembourg	100	100
OGI Capital - Limited Liability Co.- Free Zone - Jebel Ali	United Arab of Emirates	100	100
AD ASTRA REAL ESTATE, S.L. Co.	Spain	100	100
AD ASTRA PROYECTO MISR, S.L. Co.	Spain	100	100
AD ASTRA PROYECTO ALCAZAR, S.L. Co.	Spain	100	100
AD ASTRA PROYECTO CAIRO, S.L. Co.	Spain	100	100
SISTEMAS INDUSTRIALES SALGAR II S.L	Spain	100	100
AD ASTRA PROYECTO MEDINA, S.L. Co.	Spain	100	100
Gas Serve Co.	Egypt	100	100
Shield Gas Co.	United Arab of Emirates	100	100
EEK Investment Holding LTD Co.	United Arab of Emirates	100	100
International Fertilizer trading Co.	Cayman Islands	100	100
NSCO Investment INC Co.	Panama	99.997	99.997
IFIC Investments Limited Co.	United Arab of Emirates	100	100

All amounts are in US Dollars if otherwise isn't mentioned

	Country of Incorporation	Direct & indirect Ownership % 30/9/2021	Direct & indirect Ownership % 31/12/2020
IFIC Global Co.	Cayman Islands	100	100
Subsidiary of Solidarity group Ld.			
MOG Energy group Companies *	Egypt	78.29	-
Subsidiary of Globe Telecom Co.			
Globe for Trading & Agencies Co.	Egypt	100	100
Subsidiaries of National Gas Co. Natgas			
Al Watania for Electric Technology Co.(Kahraba) S.A.E.	Egypt	91.95	91.95
Al Nubaria for Natural Gas Co. S.A.E.	Egypt	83.98	83.98
Subsidiaries of BKH Megan Co.			
Middle East for River Transport Co.- S.A.E	Egypt	100	100
Subsidiaries of National Energy Company			
Cooling Technology by Natural Gas Co. (Gas Chill) S.A.E.	Egypt	85.99	85.99
El Fayoum Gas Co. S.A.E.	Egypt	77.99	77.99
Technology Gas Co. GoGas	Egypt	93	-
Subsidiaries of Bawabat Al Kuwait Holding Co.			
Alex Fert Co. - S.A.E.	Egypt	57.25	45.57
International Logistics Co. – L.L.C.	Kuwait	64.45	54.65
Subsidiary of Egyptian Company for Petrochemicals			
El Shorouk for Melamine & Resins Co.	Egypt	93.39	93.39
Subsidiary of Global MDF Co.			
Cairo Wood for Imports and Exports Co. (S.A.E.)	Egypt	100	100
Nile Waste Co.	Egypt	100	100
Nile Wood Co. (S.A.E.)	Egypt	100	100
Subsidiary of Sprea Misr for Production of Chemicals & Plastics Co.			
Asprea for Chemicals Co. (S.A.E.)	Egypt	100	100
Subsidiary of EKH Microfinnace Co.			
Bedayty for Small & Micro Projects Co.	Egypt	100	-

* During the period, an additional shares has been acquired as follows:

Subsidiary		Additional shares in capital share
Bawabat Al Kuwait Holding Co.		9,89 %
Delta Insurance Co		1.72%
Alex Fertilizer Co.		5,81%
Solidarity group Limited's **		35%

** Group total shares in MOG Energy group Companies become 78.29% after this additional acquisition.

45- Transactions with related parties

Related parties are represented in the Company's shareholders & its subsidiaries, and Companies in which they own directly shares giving them significant influence or controls over the Group. The Group's companies made several transactions with related parties and these transactions have been done in accordance with the terms determined by the Board of Directors of these companies. Significant transactions are represented in following: -

- The Group has agreed with Abu Qir Fertilizers and Chemical Industries Co. on signing rental contracts for a plot of land to construct the factory on it with a yearly rental value USD 622 494 effective from July 15, 2003 and last for 25 years, a contract for a building to use it as a temporary headquarter for the Company's management with an annual rental value of EGP 237 600 with annual increase amounting to EGP 16 632 effective from December 1, 2003 and last for July 14, 2028. The Company has also leased a plot of land with an annual rental value of USD 421 to construct a water station effective from January 30, 2005 and last for 25 years. The Company has also agreed with Abu Qir Fertilizers and Chemical Industries Company on signing a contract for using its sea and land facilities for exporting amounts of the produced ammonia.

46- Dividends approved, and board of directors' remuneration

- On February 28, 2017, the board of directors of the Parent Company unanimously decided to set an amount of 5% of the annual profits to the chairman and managing director of the Company. The decision is effective from the 2016 results and decided to grant part of the said amount to the employees. The said amount will be set and granted from the board of directors' bonuses of subsidiaries.

The shareholders of the Parent Company unanimously proposed the interim dividends approved by the Ordinary General Assembly of the company held on December 27, 2020, interim dividends by 10% of the issued and paid-up capital as bonus shares dividends per 10 shares from the retained earnings represented in the separate financial statements, for the financial period ended September 30, 2020, with a total amount of USD 25 611 029, and it was decided to distribute remunerations to the Board of Directors members with an amount of USD 5 814 836, and employees' profit shares with an amount of USD 662 529, which was approved by the Parent company's shareholders 'general assembly held on March 30, 2021.

The shareholders of the Parent Company approved cash dividends for the financial year ended December 31, 2019 of 6 Cent/share with a total amount of USD 61 466 470 and has not approved any remunerations for the board of directors. The approval was made by the shareholders general assembly meeting of the Parent Company held on March 28, 2020.

47- Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Parent

Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board also is responsible for identifying and analyzing the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Parent Company is assisted in its oversight role by the Audit Committee and Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base including the default risk of the industry has less an influence on credit risk.

The Group Management has established credit policies under which each new customer is analyzed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment basis. No previous impairment loss was resulted from transactions with trade receivables.

Investments

The Group limits its exposure to credit risk by only investing in active and liquid securities. Management does not expect any counterparty to fail to meet its obligations.

Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

All amounts are in US Dollars if otherwise isn't mentioned

Currency risk

The Group is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Egyptian Pound.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge and no derivatives are entered into.

The Company's investments in other subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

Interest rate risk

The Group adopts a policy of ensuring that the exposure to changes in interest rates on borrowings is on fixed rate basis. The Company does not enter into interest rate swap.

Other market price risk

Equity price risk arises from equity instruments measured at fair value through other comprehensive income and management of the Group monitors the equity securities in its investment portfolio based on market indices.
Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Parent Company.

The primary goal of the Group's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

In accordance with this strategy certain investments are designated as held for trading investments because their performance is actively monitored, and they are managed on a fair value basis.

Capital management

The Group policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain future development of the business.

The Board of Directors of the Parent Company monitors the return on capital, which the Company defines as net profit for the period divided by total shareholders' equity, the Board of Directors also monitors the level of dividends to shareholders.

The Board of the Parent Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the period; the Parent Company is not subject to externally imposed capital requirements.

48- Financial instruments

Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the consolidated financial statements' date are as follows:

	30/9/2021	31/12/2020
Other current assets	91 446 932	237 141 157

All amounts are in US Dollars if otherwise isn't mentioned

Financial assets at amortized cost	624 617 726	415 368 426
Trade & notes receivable	107 351 295	80 667 019
	823 415 953	**733 176 602**

The maximum exposure to credit risk for trade receivables at the consolidated financial statements date according to the type of customer are as follows:

	30/9/2021	**31/12/2020**
Governmental customers	35 844 650	39 124 216
Retail customers	14 754 534	8 546 880
Final consumers customers	30 696 917	18 620 821
Export customers	7 202 776	2 392 863
Notes receivable	18 852 418	11 982 239
	107 351 295	**80 667 019**

The aging of trade receivables at the consolidated financial statements' date are as follows:

	30/9/2021		**31/12/2020**	
	Balance	**Impairment**	**Balance**	**Impairment**
Past due within 30 days	16 141 947	-	5 715 702	-
Past due from 1-3 month	6 389 851	-	3 972 849	-
Past due from 3 months-1 year	71 791 002	-	69 989 443	(32 644)
More than one year	13 028 811	(1 254 207)	989 025	(989 025)
	107 351 611	**(1 254 207)**	**80 667 019**	**(1 021 669)**

Liquidity risk

The following are the contractual maturities of financial liabilities:

September 30, 2021

		Due date			
	Carrying amount	**During 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Loans & bank facilities	646 617 078	200 238 308	129 885 866	257 407 523	59 085 381
Suppliers, contractors, noted payables & other creditors	235 251 706	235 251 706	-	-	-
Accrued income tax	49 250 151	49 250 151	-	-	-
Insurance policyholders' rights	113 087 554	113 087 554	-	-	-
	1 044 206 489	**597 827 719**	**129 885 866**	**257 407 523**	**59 085 381**

All amounts are in US Dollars if otherwise isn't mentioned

December 31, 2020

		Due date		
	Carrying amount	During 1 year	1-2 years	2-5 years
Loans & bank facilities	468 699 060	326 374 789	142 324 271	-
Suppliers, contractors, noted payables & other creditors	116 187 355	116 187 355	-	-
Accrued income tax	29 870 992	29 870 992	-	-
Insurance policyholders' rights	105 377 827	105 377 827	-	-
	720 135 234	**577 810 963**	**142 324 271**	**-**

Currency risk

Currency risk exposure

The Group's exposure to foreign currency risk was as follows based on notional amounts:

September 30, 2021

Description	L.E	K.W. D	EURO	GBP	AED	JPY
Cash & cash equivalents	555 803 739	282	3 356 489	9 263	34 555	419
Financial assets at amortized cost	9 418 449 172	-	-	-	-	-
Other current assets	1 206 437 837	26 258	699 104	-	3 326 213	-
Trade & notes receivable	974 859 330	-	1 286 765	-	12 140 227	-
Bank loans	(662 019 183)	-	(13 208 541)	-	-	-
Bank facilities	(1 148 421 991)	-	(414 130)	(27 066)	(1 376 548)	-
Suppliers, contractors, noted payables & other creditors	(3 598 250 798)	-	(5 412 728)	(5 757)	(15 320 076)	-
Net risk exposure	**6 746 858 106**	**26 540**	**(13 693 041)**	**30 572**	**(1 195 629)**	**419**

All amounts are in US Dollars if otherwise isn't mentioned

December 31, 2020

Description	L.E	K.W. D	EURO	GBP	AED	JPY
Cash & cash equivalents	613 765 652	12 781	908 937	12 332	103 218	419
Financial assets at amortized cost	1 743 480 517	-	-	-	-	-
Other current assets	676 276 419	1 342 477	-	-	-	-
Trade & notes receivables	504 214 935	-	342 494	-	-	-
Bank loans	(405 577 446)	-	(343 753)	-	-	-
Bank facilities	(600 139 938)	-		-	-	-
Suppliers, contractors, noted payables & other creditors	(1 263 821 638)	-	(112 670)	-	-	-
Net risk exposure	**1 268 198 501**	**1 355 258**	**795 008**	**12 332**	**103 218**	**419**

The following is the average exchange rates during the period:

US Dollar	Average exchange rate during the period		Spot rate at the financial statements date	
	30/9/2021	**30/9/2020**	**30/9/2021**	**31/12/2020**
L.E	15.69	15.85	15.71	15.73
K.W. D	0.3016	0.3067	0.3012	0.3067
EURO	0.8333	0.8741	0.8621	0.81301
GBP	0.71942	0.855	0.7407	0.72993
AED	3.6725	3.70	3.6725	3.7

Sensitivity Analysis

A reasonably possible strengthening (weakening) of 5% other currencies exchange rate against US Dollar as of September 30, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

September 30, 2021

Description	Equity		Profit or Loss	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
L.E	13 624 566	(12 449 469)	5 441 142	(5 045 419)
EURO	(981 943)	875 191	(934 101)	831 906
GBP	3 204	(2 798)	3 204	(2 798)
K.W. D	4 359 740	(3 940 421)	1 875 056	(1 692 374)
AED	29 872	(26 720)	(70 717)	64 290
USD	(44 313)	44 032	(44 313)	44 032
	16 991 126	**(15 500 185)**	**6 270 271**	**(5 800 363)**

All amounts are in US Dollars if otherwise isn't mentioned

December 31, 2020

Description	Equity		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
L.E	9 235 417	(8 369 603)	4 408 207	(4 002 127)
EURO	57 564	(50 759)	80 762	(71 748)
GBP	(13 857)	12 080	(13 857)	12 080
K.W. D	3 376 388	(3 071 552)	894 624	(826 147)
AED	116 155	(105 231)	26 588	(24 194)
USD	(5 023)	4 991	(5 023)	4 991
	12 766 644	**(11 580 074)**	**5 391 301**	**(4 907 145)**

Interest rate risk

The interest rate profile of the Group's interest bearing-financial instruments at the consolidated financial statements date:

	30/9/2021	31/12/2020
Financial liabilities at fixed rate	93 219 199	28 004 747
	93 219 199	**28 004 747**
Financial liabilities at variable rate	553 397 879	440 694 313
	553 397 879	**440 694 313**

49- Capital commitments

Total capital commitments amounted to USD 39 238 747 as of September 30, 2021 is represented in the amount of contributions in long–term investments and property, plant & equipment which have not been requested to be paid till the consolidated financial position date (year 2020: an amount of USD 30 578 539).

50- Contingent liabilities

In addition to amounts included in the consolidated statement of financial position, there are contingent liabilities represented in the following:

- Uncovered letters of credit amounting to USD 14 891 893 (year 2020: an amount of USD 6 551 193).
- Letters of guarantee issued by banks on the account of the Group and in favor of others amounting to USD 10 477 549 (year 2020: an amount of USD 10 827 947).

51- Tax status

Corporate profit tax

- The Company has a tax exemption for 5 years according to Investment Law No. 8 of 1997 and ended on December 31, 2003.
- Tax inspection for corporate profit tax from inception till 2004 was carried out and the resulting tax differences were settled.
- Years from 2005 till 2008, no taxes forms are received from the Tax Authority and the Company's records were not requested for inspection within the determined sample by the Tax Authority till authorizing of these financial statements for issuance.

All amounts are in US Dollars if otherwise isn't mentioned

- Tax inspection for year 2009 was carried out and the resulted differences were settled. Carried forward losses item was submitted to the tax appeal committees for further memos. The decision was issued to support the opinion of the tax authority, and the assessment, payment, and final settlement were made.
- Years from 2010 to 2019, the preparation of inspection are currently under process.
- Regarding years from 2019 till 2020, the annual tax returns were submitted on the due date according to the provisions of Law No. 91 of 2005.

Salary tax

- The tax inspection for salary tax for the period from inception till 2013 was carried out and the final assessment was determined and resulting differences were settled.
- Years 2014 till 2016 was carried out and the final assessment was determined and resulting differences were settled.
- Period from January 2017 till 15 September 2021, monthly withheld taxes are settled on due dates.

Stamp tax

- Inspection for the stamp tax from inception till 31/7/2006 was carried out and the final assessment was made, and the Company settled the resulting differences.
- Period from August 1, 2006 till 2016 was carried out and the final assessment was determined and resulting differences were settled.
- Years 2017 till 2019 was carried out, notified and appeal was submitted.
- The due tax is settled on due dates.

Property tax

- The survey of the Company's properties has not been carried out by the tax Enumeration and Assessment Committee yet.

52- Comparative figures

Some comparative figures of the consolidated statement of financial position and consolidated statement of changes in equity were restated as a result of what have been mentioned in detail in note No. (34). Items affected by restatement are as the follows:

Consolidated statement of financial position

Decrease of other current assets – Insurance and reinsurance companies.	400 842
Decrease of other current assets – Expected credit losses.	414 541
Increase of liabilities deferred tax balance	298 886
Decrease of retained earnings balance	704 454
Decrease of non-controlling interests balance	409 815

Consolidated change in equity statement

Decrease of retained earnings balance	704 454
Decrease of non-controlling interests balance	409 815

All amounts are in US Dollars if otherwise isn't mentioned

- Some comparative figures of consolidated statement of financial position were reclassified to comply with the presentation of the current financial period as the follows:

Decrease of biological assets	245 139
Decrease of current lease contracts liabilities	245 139
Increase of bank facilities balance – non – current	135 107 429
Decrease of bank facilities – current	135 107 429

53- Significant events during the financial statements

At the beginning of year 2020, the novel epidemic of Corona (Covid-19) Effect of this epidemic is extended till current year and the World Health Organization announced that the outbreak of this virus can be described as a pandemic and a global epidemic, which led to the world's governments, including the Egyptian government to set up a precautionary measures to combat the spread of this epidemic, This includes travel & quarantine restrictions and the closure of some businesses. These measures cause economic slowdown and contraction globally and in local level, which had an impact on all the activities in different ways.

The size and nature of the most significant potential and specific financial impacts for this risk generally on economic climate and the Group's activity in particular are identified as follow:

- Customer credit risk granted to customers and high indicators of payment failure.
- Stock market price fluctuations and significant changes in the fair values of financial assets and investments.
- Increased presence indication of non-financial assets and investments' decline.
- Risk of inability to achieve growth rates for the pre-defined business plan, associated with the changes in the expectations of the cash flows, and therefore the effect on going concern.

However, the Group's management is taking the advantage of the actions taken by the Egyptian government to support these activities, such as reducing interest rate and postponing the debts payment to face this risk and limiting its impact on its financial position. Certain significant actions are:

- Working on group's advantage of Central Bank's initiative to reduce interest rates and delay in payment of debts for a period of six months.
- Advantage of income tax installment' initiative for year 2019.
- Maintain sufficient cash liquidity in different currencies within the limits necessary to proceed its activity.
- Invest the available surplus liquidity at the maximum return to maximize profitability.
- Providing raw materials, exclusion of unnecessary expenses and reducing the cost of production, negotiate with local suppliers for the maximum possible credit limit period for payment, obtaining the maximum payment discount from external suppliers to avoid the effect of the expected increase in the foreign exchange rate and maintaining the margins of profitability.
- For end-consumer Companies such as natural gas delivery sector Companies. The Group's management is keen to clarify the precautionary measures for customers which contributes to their reassurance of maintaining business execution rates.

Expected effect on financial statements for the upcoming following of the financial period ended September 30, 2021 as follow:

Fertilizer, chemicals and plastic activities

- Despite the continuing spread of the new epidemic of Corona (Covid-19), the group management succeeded in continuing the growth of operation and achieving an increase in sales growth rates, and it is expected that there will be no material impact on the net profit resulting from this field.
- There is no expected effect on the collection from external or local customers.
- Changing the selling mix is according to market conditions by selecting to produce and sell the most demanding and profitable products.

Natural gas delivery activity

Despite the expected decline in both the number of residential customers converted to natural gas and expected decline in value of gas consumption collections compared to the estimated budget. However, part of this revenue was offset by increased other Companies' activities and precautionary measures to exclude unnecessary expenses and minimizing other expense. As expecting, no significant impact on the net profit resulting from that activity.

Other Group's activities

It is not expected that there will be a significant financial effect on the rest of the Group's activities during the following periods.

The Group's management has also implemented a number of precautionary and preventive measures as follows:

- Follow all precautionary and preventive measures announced by the World Health Organization and the Egyptian Ministry of Health.
- Minimize the presence of staff to the maximum extent possible while enabling the work from home policy to be as effective as possible.
- Minimize the number of business dealers to the maximum extent possible and all modern technological means to reduce the number of meetings and gatherings.
- Measure the temperatures for all the visitors to the Group's companies and factories before entering and following all the necessary and announced procedures from the Egyptian Ministry of Health when any suspicious cases arise of high temperatures or any other symptoms.
- Conduct disinfectant and sterilization campaigns in the some of the Group companies' areas as a community service, which helps to establish positive relationships between customers and the Group.
- Workers wear all protective tools while working such as face masks, gloves, medical sanitizers and frequently warning them and the customers who visit the offices and factories to social distance.

54- Significant accounting policies applied

The Group has consistently applied the following accounting policies during all financial periods presented in these consolidated financial statements.

54-1 Basis of consolidation

Business combinations

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately.
- Acquisition costs (Transaction costs) are expensed as incurred and services received, except if related to the issue of debt or equity securities.
- The consideration transferred does not include amounts related to the settlement of pre-existing relationships between the acquirer and acquired entity. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries controlled are included in the consolidated financial statements from the date that control on which control commences until the date that control ceases.

Non-controlling interests

NCI are measured initially at their proportionate share of the acquirer's identifiable net acquired assets.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other comprehensive income. Any resulting gain or loss is recognized in in profit or loss. Any interests retained in the former subsidiary is measured at fair value when control is lost.

Interest in equity – accounted investees

The Group's interests in equity-accounted investees comprise interests in associates Companies and joint ventures.

And has no rights to the assets, and obligations for the liabilities, relating to an arrangement.

Associate Companies are companies in which the Group has significant influence over financial and operating policies but does not extend to be a control or a joint venture.

A joint venture is when the Group has rights only to the net assets of the arrangements.

Investments in associates and joint ventures are accounted for using the equity method and are recognized initially at cost. The cost of the investments includes transaction costs.

Subsequent measurement in the consolidated financial statements by increasing or decreasing the carrying value of the investment by the Group's share of the profit or loss and OCI items of the equity-accounted investees, until the date that significant influence ceases\ joint control is stopped.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment of transferred asset value.

54-2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and adjustments arising on acquisition, are translated at the exchange rates at the reporting date. Revenues and expenses of foreign operations are translated into US Dollar at the exchange rates at dates of the transactions.

Foreign currency differences are recognized in OCI items and the accumulated balance in the translation differences reserve, excluding the translation differences allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated income statement as part of the gain or loss on disposal.

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the consolidated income statement.

54-3 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is represented as if the operation had been discontinued from the start of the comparative year.

54-4 Revenue recognition

The Group applied the EAS No. 48 as of January 1, 2020.

Revenue from contracts with customers is recognized by the group based on five step modules as identified in EAS No. 48:

Step 1: Determine the contract (contracts) with customer: A contract is defined as an agreement between two or more parties that meets the rights and obligations based on specified standards which must be met for each contract.

Step 2: Determine the performance obligations in contract: Performance obligations is a consideration when the goods and services are delivered.

Step 3: Determine the transaction price: Transaction price is the compensation amount that the Group expects to recognize to receive for the transfer of goods or services to customer, except for the collected amounts on behalf of other parties.

Step 4: Allocation of the transaction price of the performance obligations in the contract: If the service concession arrangement contains more than one performance obligation, the Group will allocate the transaction price on each performance obligation by an amount that specifies an amount against the contract in which the Group expects to receive in exchange for each performance obligation satisfaction.

Step 5: Revenue recognition when the entity satisfies its performance obligations.

The Group satisfy the performance obligation and recognize revenue over time, if one of the following criteria is met: -

a) Group performance does not arise any asset that has an alternative use of the Group and the Group has an enforceable right to pay for completed performance until the date.
b) The Group arise or improves a customer-controlled asset when the asset is arise or improved.
c) The customer receives and consumes the benefits of Group performance at the same time as soon as the group has performed.

For performance obligations, if one of the above conditions is met, revenue is recognized in the period in which the Group satisfies performance obligation.

When the Group satisfies performance obligation by providing the services promised, it creates an asset based on payment for the contract performance obtained, when the amount of the contract received from customer exceeds the amount of the revenue recognized, resulting advance payments from the customer (contractual obligation)

Revenue is recognized to the extent that is potential for the flow of economic benefits to the Group, revenue and costs can be measured reliably, where appropriate.

The application of Egyptian Accounting Standard No. 48 requires management to use the following judgements:

Satisfaction of performance obligation

The Group should assess all contracts with customers to determine whether performance obligations are satisfied over a period of time or at a point in time in order to determine the appropriate method for revenue recognition. The Group estimated that, and based on the agreement with customers, the Group does not arise asset has alternative use to the Group and usually has an enforceable right to pay it for completed performance to the date.
In these circumstances, the Group recognizes revenue over a period of time, and if that is not the case, revenue is recognized at a point in time for the sale of goods, and revenue is usually recognized at a point in time.

Determine the transaction price

The Group has to determine the price of the transaction in its agreement with customers, using this judgement, the Group estimates the impact of any variable contract price on the contract due to discount, fines, any significant financing component in the contract, or any non-cash contract.

Control transfer in contracts with customers

If the Group determines the performance obligations satisfaction at a point of time, revenue is recognized when control of related contract' assets are transferred to the customer.

In addition, the application of Egyptian Accounting Standard No. 48 has resulted in:

Allocation of the transaction price of performance obligation in contracts with customers

The Group elected to apply the input method to allocate the transaction price to performance obligations accordingly that revenue is recognized over a period of time, the Group considers the use of the input method, which requires recognition of revenue based on the Group's efforts to satisfy performance obligations, provides the best reference to the realized revenue. When applying the input method, the Group estimates efforts or inputs to satisfy a performance obligation, In addition to the cost of satisfying a contractual obligation with customers, these estimates include the time spent on service contracts.

Other matters to be considered

Variable consideration if the consideration pledged in a contract includes a variable amount, then the Group shall estimate the amount of the consideration in which it has a right in exchange for transferring the goods or services pledged to the customer, the Group estimates the transaction price on contracts with the variable consideration using the expected value or the most likely amount method. this method is applied consistently throughout the contract and for identical types of contracts.

The significant funding component

The Group shall adjust the amount for the contract pledged for the time value of the cash if the contract has a significant funding component.

Revenue recognition

Sale of goods revenue

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. For export sales, transfer of risks and rewards of the goods sold occurs according to the shipping terms.

Services revenue

Service revenue is recognized when the service is rendered to customers. No revenue is recognized if there is uncertainty for the consideration or its associated costs.

Gas lines conversion revenue

Revenue is recognized when gas is delivered to the customer.

Gas distribution commissions revenue

Revenues from operation of network and gas distribution are recognized in the light of amounts distributed to customers and the agreed upon prices and in some areas, commission are recognized according to the actual commission or the minimum take commission whichever is greater.

Sale of electricity revenue

Revenue is recognized when the service is completely rendered, and issuance of customers' electricity consumption invoices.

Rental income

Rental income is recognized on a straight-line basis over the lease term.

Gain on sale of investments

Gain on sale of financial investments are recognized when ownership transfers to the buyer, based on the difference between the sale price and its carrying amount at the date of the sale.

54-5 Employee benefits

Employees' pension

The Group contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Group's liability is confined to the amount of its contribution. Contributions are charged to the consolidated statement of profit or loss using the accrual basis of accounting.

Some Companies within the Group contribute to the Group Insurance plan for the benefit of their employees at an insurance Company. According to this plan, employees are granted end of service benefit on retirement, death and full disability during the service years. End of service benefits are repayable by the insurance company. The Companies contribution is confined to the annual insurance premiums. The Group contributions are charged to the consolidated statement of profit or loss as they are incurred according to accrual basis of accounting.

Equity settled share – based payments

The grant-date fair value of equity settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

54-6 Finance income and costs

The Group's finance income and finance costs include:

- Interest income.
- Interest expense.
- Net gain or loss on financial assets at FVTPL.
- Foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

54-7 Income tax

Current income tax expense and deferred tax is recognized as revenue or expense in profit or loss for the period except in cases where the tax arises from a process or event that is recognized - in the same period or in different period- outside profit or loss whether in other comprehensive income, equity directly or business combination

Current income tax

Current taxes for the current and prior periods which have not yet been paid are recognized as a liability. If the taxes were actually paid in the current and prior periods exceed the amount due for these periods, then this increase is recognized as an asset. The value of current tax liabilities (assets) for the current and prior periods are measured by the value expected to be paid to (recovered from) the tax authority. Using the applicable tax rates (and effective tax laws) or in the process of being issued on the financial period ended. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognized for all temporary differences that are expected to be taxed except for the following:

- The initial recognition of goodwill.
- Or the initial recognition of assets or liabilities in a transaction that is:
  1. Not a business combination.
  2. And not affects neither accounting nor taxable profit or loss (tax loss).
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits that allows for the deferred tax asset to be absorbed.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

54-8 Basic / diluted earnings per share of profit

Basic / diluted earnings per share of profit is calculated by dividing the profit attributable to ordinary shareholders of the Company (After excluding the employees' profit share and the remuneration of the Board of Directors members) by the weighted average number of ordinary shares outstanding during the period.

All amounts are in US Dollars if otherwise isn't mentioned

54-9 The General Authority for Investment and Free Zones (GAFI) fees

For the Group Companies which established under the provisions of the Investment law and according to the Free Zone System, their profits are not subject to income tax. However, according to the Investment Law, a charge of 1% of the total revenues of these Companies is due to the General Authority for investment and is calculated and charged on the consolidated income statement according to the accrual basis.

54-10 Property, plant & equipment &Depreciation

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property and equipment is recognized in consolidated statement of income.

Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives for each type of property, plant and equipment, and is generally recognized in consolidated statement of income and other comprehensive income. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Asset	Years
Buildings & constructions	20–56 or according to lease term, which is lower
Vehicles and transportation	4 – 10
Furniture & office equipment	2 – 10
Machinery & equipment	3 – 20
Tools & supplies	5
Stations, generators & electric transformers	10
Computer, software and Decorations	3 – 6.67
Leasehold improvements	Over the lower of lease term or estimated useful life which is lower

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the assets to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

54-11 Exploration and development assets

The Company applies the **(successful efforts)** method in relation to capitalization of expenditures. As follows:

Direct expenses incurred in carrying out geological and geophysical in the field and all costs relating to these investigations are charged to income statement.

All exploration acquisition costs are capitalized, which includes the consideration of the acquisition in addition to any future expenditures that the company pay on behalf of the farm out party regarding to this acquisition.

Exploration drilling cost and cost of drilling an exploration well are initially capitalized pending determination whether or not the well contains proven reserves.

If proven reserves are found, the cost of the well is transferred to production wells and depleted using the "unit of production "method.

If proven reserves are not discovered the capitalized drilling costs are charged to income statement.

All development and production drilling costs which include drilling and development costs are capitalized and are recognized among the cost of developing the proven reserve.

Dry development wells are capitalized and remain part of the development costs of the production reservoir.

Development wells are depleted when starting production.

Under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use.

Projects under construction are transferred to its related caption when they are completed and are ready for their intended use.

The exploration and development assets depletion rate is determined according to the production during the financial period as follows:

Description	Depletion basis
Productive wells	Depletion rate is determined based on the percentage of the actual production volume during the period to the volume of developed proven reserve.
Upstream Facilities	Depletion rate is determined based on percentage of the actual production volume during the period to the volume of proven reserve.
Pipelines	Depletion rate is determined based on percentage of the actual production volume during the period to the volume of proven reserve.

54-12 Intangible assets

Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries. Goodwill is measured at cost less any accumulated impairment losses. Impairment of goodwill is not reversed subsequently. In case of gain on bargain purchase it is directly recognized immediately in the income statement.

Research and development

Expenditure on research activities is recognized as expense when incurred.

Development expenditure is capitalized only if the expenditure attributable to the intangible asset during the development period can be measured reliably, a technical feasibility study is available to complete the intangible asset, making it available for sale or to use, future economic benefits are probable from the intangible asset, and the availability of sufficient technical, financial, and other resources to complete development and to use or sell the intangible asset. Intent availability to complete the intangible asset to use or sell, the ability to use or sell the intangible asset. Otherwise, it is recognized as expense when incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets

Other intangible assets are recognized, including deferred income expenditures, the right to use, other assets in which they have definite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditures

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits which relates to research and development projects under implementation that recognized as an intangible asset. All other expenditures including expenditure on internally generated goodwill and brands are expensed as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in the consolidated statement of income. Goodwill is not amortized.

54-13 Biological assets

Biological assets are recognized at cost less accumulated depreciation and impairment losses of the asset value.

54-14 Inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories is based on the moving average principle and cost includes expenditure incurred in acquiring the inventories and bringing it to its existing location and condition. Cost of finished goods and work in process inventories includes an appropriate share of production overheads.

54-15 Works in progress

All expenditures directly attributable to works in process are included in work in process account till the completion of these works. They are transferred to completed residential units ready for sale caption when they are completed. Work in process are stated at the balance sheet date at lower of cost and net realizable value. It includes all direct costs that related to preparation of units to sell it and in the assigned purpose.

54-16 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

54-17 Cash and cash equivalents

For the purpose of preparing the consolidated statement of cash flows, "cash & cash equivalents" comprises cash at banks & on hand, time deposits with maturities of three months or less, also treasury bills due within three months, and bank overdrafts deducted.

54-18 Financial instruments

1) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.
Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets .
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business Model Assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:
- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or

realizing cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Group's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3)<u>Derecognition</u>

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4)Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

54-19 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24 "Income Tax".

Repurchase and re-issue of ordinary share (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Dividends

Dividends are recognized as a liability in the period in which they are declared.

54-20 Impairment

1)Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as releasing security (if any is held); or
- The financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 120 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is two years past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2)Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, work in progress, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in the previous years.

54-21 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the carrying amount of the provision resulting from the use of the discount to figure out the present value, which reflects the passage of time, is recognized as a finance cost.

54-22 Lease contracts

1)Determining whether the arrangement contains a lease contract or not

At inception of a contract, the Group assesses whether a contract is, or contains, a lease.
Initially or when evaluating any arrangement that contains a contract lease, the Group separates the payments and the other consideration which are required by the arrangement of the lease and those of other elements based on their relative fair values. If the Group concludes with a finance lease that it is not possible to separate the payments in a reliable manner, then the asset and the liability are recognized at an amount equal to the fair value of the underlying asset; Then the liability is reduced when the payments is fulfilled and the finance cost calculated on the obligation is recognized using the Group's additional borrowing rate.

2)Leased assets

Lease contracts for property, plant and equipment that are transferred in a large degree to the Group, all of the risks and rewards associated with the property are classified as finance leases. Leased assets are initially measured at an amount equal to the fair value of the fair value and the present value of the minimum lease payments, whichever is less. After initial recognition, the assets are accounted for according to the accounting policy applied to that asset.

Assets held under other contracts leases are classified as operating contracts leases and are not recognized in the Group's statement of financial position.

3)Lease payments

Operating leases' payments are recognized in profit or loss on a straight-line basis over the term of the lease. Received lease incentives are recognized as an integral part of the total lease expense, over the lease term.

The minimum lease payments of finance leases are divided between financing expenses and the reduction of unpaid liabilities. Finance charges are charged for each period during the lease period to reach a fixed periodic interest rate on the remaining balance of the obligation.

54-23Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, the share equity-accounted investees, and income taxes.

54-24Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

54-25 Insurance activity polices

Insurance activity revenue

Revenues from long-term insurance policies are fully recognized in the consolidated statement of income after excluding a percentage of 100% of the premiums value belonging to the following financial years after deducting the percentage of such years from the production commission with a percentage that must not exceed 20% of the premium value.

Revenues related to the incoming reinsurance agreements, whose accounts have not completed a whole insurance year yet, shall be deferred in addition to other extraordinary or discretionary cases in which certain deferred accounts are not completed for the years subsequent to the financial position year. Such revenues are recorded under the liabilities in the statement of financial position till the completion of the insurance year of such accounts.

Net income from Investment- insurance activity

Net income from investment is allocated as follows:

- Return on investment of funds designated for the rights of policyholders shall be recorded in the consolidated statement of income of each insurance branch, (properties – individuals branches) at the percentage of average technical provisions for each insurance branch to total technical provisions, during the financial year.
- The return on free fund investments shall be recorded in the statements of income.

Accounts receivable from insurances

Accounts receivable from insurances are recorded either in the form of premium under collection or current accounts belonging to the insured persons at amortized cost represented in the carrying amount of such accounts less the accumulated impairment losses.

Debts are written off as a deducted amount charged to the accumulated impairment losses of the accounts receivable from insurance, while adding cash receipts from debts previously written off thereto.

Insurance and reinsurance companies (Debit balances)

The accounts of the insurance and reinsurance companies are recorded at the amortized cost represented in the carrying amount of such accounts less accumulated impairment losses.

Debts are written off as a deducted amount charged to the accumulated impairment losses of the insurance and reinsurance companies, while adding cash receipts from debts previously written off thereto.

Technical provisions for Insurance on individuals and fund formation

a)Mathematical reserve

The mathematical reserve of each of the insurance on individuals and the formation of funds are formed at the date of each financial position by the actuary in accordance with the technical basics provided by the Board of Directors of the Egyptian Financial Supervisory Authority (EFSA), in addition to the share of each policy in the increase (decrease) in the capital value of insurance premiums invested in the investment portfolios in favor of the policyholders.

b)Provision for outstanding claims

This provision is formed by the amount of claims related to casualties reported before the year end and still valid at the date of the financial position.

Technical provisions for properties and liabilities insurances

a)Provision for unearned premium

A provision for unearned premium is formed to meet the Company's liabilities resulting from insurances issued before the end of the financial year and still valid thereafter.

The unearned provision is equal to the sum of multiplying net premiums of the branch whose loss rate exceeds (100%) x50% of the actual loss rate for the year presented pertaining to all branches except for transportation branches, where this percentage equals 25%. The application of this rule is limited to annual premiums while excluding the long-term ones, taking into consideration that the provision, after the recalculation, shall not exceed the net premiums of the branches after revaluating and deducting the non-recurring significant accidents for which the Company prepares a statement to be approved by the Egyptian Financial Supervisory Authority (EFSA). This rule applies to all branches carrying out properties and liabilities insurances, except for obligatory motor insurance branch.

b)Provisions for outstanding claims

A provision for outstanding claims is separately formed for each insurance branch to cover the claims incurred from accidents reported before the financial year-end and still exist at the financial position date, as well as the accidents that might have occurred and not reported till the financial position date.

c)Provisions for retrograded fluctuations

A provision for retrograded fluctuations is formed to cover any contingent losses especially as a result of losses that may arise from natural hazards and risks of riots and vandalism in accordance with the rules stipulated in the executive regulations of Law No. 10 for the year 1981.

Credit balances of insurance and reinsurance companies

The credit balances of insurance and reinsurance companies are recognized at fair value. These balances are represented in the current accounts balances of insurance and reinsurance companies, credit balances of reinsurance agreements and retained provisions from reinsurers at the date of the financial statements.

Allocation of general and administrative expenses – insurance activity

Direct general and administrative expenses including salaries, wages and other direct expenses of insurance branches are charged to the accounts of revenues and expenses of the general insurance branches. While indirect expenses are distributed at the percentage of 90% as indirect general and administrative expenses and 10% as indirect investment expenses. Then the 90% is distributed one third of these expenses by direct wages and two third of these expenses are distributed by direct premiums after excluding 50% of the indirect expenses of the company's branches and charging them to production costs.

Production costs - insurance activity

The indirect production costs shall be distributed at the percentage of the due and paid commissions and allowance of each branch of the insurance branches after adding 50% of the indirect expenses of the company's branches and charging them to the production costs.

Insurance activity risks

Regulatory framework of the Risk Management Department

The objective of the Company's Risk Management Department and Financial Management Department is to protect the Company's shareholders from events that impede the achievement of financial performance objectives, including failure to take advantage of opportunities. Risk Management Department also works on protecting the rights of policyholders by ensuring that all commitments towards policyholders are met in accordance with the methods in practice.

Top management recognizes the necessity to have effective and efficient risk management systems.

Insurance risk

The risk of insurance contracts is represented in the possibility of the occurrence of the insured event resulting in a financial claim as indicated in the insurance contracts; bearing in mind that such risks are random and unpredictable. The risks facing the Company is the occurrence of the insured risk and the volume of the recorded claim.
The Company carries out insurance activities for individuals - insurance on liabilities and properties in all various branches.

- All forms of insurance for individuals.
- Temporary life insurance.
- Life insurance with profit sharing.

In addition to the abovementioned, there are additional insurance coverage to be added to each type in return for an additional premium at the request of the client.

Technical bases used in estimating the mathematical reserve

First: Used Life Table

Life and death rates of table A 49/52 ULT, taking into account using the premiums calculated on the basis of the life table A 67/70 ULT for the contracts that the Authority stipulated when approving them, while the remaining bases used in pricing shall remain constant.

Partial disability and permanent total disability: reinsurance rates.

Second: Used Interest Rates

Collective Contracts

Vary depending on the benefits of each collective contract, however, the interest rate does not exceed 8% according to the instructions of the Authority.

Individual Contracts

An interest rate of 4.25% is used for all individual insurance policies except the "Aman al-Tool" pension insurance policy, a 6% interest rate is used, that represents the same rates used to calculate the present value of the profits in case of insurance policies with profit sharing.

The assumptions related to the insurance policies issued in foreign currencies.

Maximum rates allowed to be used are 3%.

Third: Methods used to calculate reserves

Forward-looking method is used in the endowment life insurance and temporary contracts while the unearned premium method is used for the temporary contracts whose term is less than five years.

For the policies related to investment units, the reserve value is calculated as follows:

For the portion of protection: total annual net risk premiums based on life table A 49/52 ULT.

For the portion of investment: total investment balances with respect to the customers up to the date of valuation.

Fourth: Assumptions regarding wage scale

The client will provides us with the percentage of the increase in wages and we calculate the reserve in this case using the interest rate that is equivalent to the difference between the percentage of the increase required by the customer and the annual interest rate; taking into consideration the maximum authorized interest rate according to the instructions of the Authority.

Fifth: Amounts charged to administrative expenses

As for individual operations: according to the specifications of each policy approved by the Authority.

As for collective transactions: the amounts charged with respect to the administrative expenses of each collective contract shall be sent prior to issuance and shall be approved by the Authority. These rates are to be taken into account when estimating the reserve of collective contracts.

The main risks the Company faces are as follows:

- Mortality rates risk - risk of loss due to the discrepancy between the mortality rates of the policyholders and the expected rates.
- Risk of morbidity rates - risk of loss due to the discrepancy between morbidity rates among policyholders and the expected rates.
- Age risk - the risk of loss due to the age of the pensioner as he may live for a longer period than what was expected.
- Return on investment risk - risk of loss due to discrepancy between the actual expenses and the expected rates.
- Risk of decisions taken by the policyholder - risk of loss due to the different behavior of policyholders (cancellation and liquidation rates) than what was expected.

Regarding the property and liability insurance, the Company practices activities that encompass various insurance branches (fire, marine, automotive , engineering, petroleum, medical treatment, hazards ...), and studies the inherent risks that include the risk of recurrence or concentration in the insurance claims of large amounts of compensation as well as the geographical concentration within each insurance branch on a case by case basis while taking into account the relative volume of the branch's operations in proportion with the total activity of the Company and trying to maintain a balance with respect to the Company's subscription portfolio.

In order to reduce the insurance risk, the Company lays down the subscription and retention policies and the limits of the powers and authorities in addition to the subscription powers that determine the authorized and responsible persons for the completion of the execution of the insurance and reinsurance contracts. The implementation of these instructions are periodically reviewed and the developments that take place in the market are followed up accurately and the necessary measures are taken to reflect them in the subscription instructions if required.

The Company also uses reinsurance to manage insurance risk by entering into proportional and non-proportional agreements with third parties for reinsurance purposes.

Reinsurance activity risks

As customarily applied in the other insurance companies and in order to limit the risk of encountering loss arising from insurance claims of large amounts, the Company engage into reinsurance agreements with other parties. These reinsurance contracts allow greater diversification in the business field and enable management to monitor the possibility of encountering loss due to significant risks and provide additional growth potential. However, this procedure does not relieve the Company of its obligations towards its insured parties, and the Company shall remain liable to its policyholders for the reinsured part of the compensation under settlement in case the reinsurers fail to comply with their obligations under the reinsurance contract and therefore the credit risk shall remain-with respect to reinsurance -to the extent that any reinsurer is unable to settle his obligations.

To limit the probability of being exposed to huge losses as a result of the default of re-insurances. The Company evaluates the credit worthiness of its reinsurers in addition monitoring the concentration of the credit risks, both on a periodic basis.

The Company re-insure only those parties with good credit ratings. As their credit ratings are reviewed on a periodical basis.

55- Segment reporting

A segment is a group of related assets and operations that have a different risks and benefits from that of other sectors or within a single economic environment characterized by its own risks and benefits from those related to sectors operating in a different economic environment.

Segment information is presented in respect of the Group's business and geographical segments. The primary format of business segments is based on the Group management and internal reporting structure.
Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.
Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Business segments

The Group comprises the following main business segments:

- Oil & gas sector.
- Fertilizers & chemicals sector.
- Insurance sector.
- Wood Processing sector.
- Other operations.

Other operations include the communications, geographical maps, agencies, cooling technology by natural gas, insurance activity and investment activity.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

All numbers are in US Dollars

Translated

55- Segment reporting (Cont.)

	Energy sector		Chemicals & fertilizers sector		Insurance sector		Wood processing sector		Other operations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues	170 692 976	150 391 542	323 746 622	231 347 146	47 267 392	40 920 119	86 679	218 114	2 347 751	1 953 207	**544 141 420**	**424 830 128**
Net operating profit (loss)	64 866 047	57 396 510	107 096 804	64 575 325	13 762 746	10 346 656	(1 350 052)	(339 515)	40 391 797	14 542 134	**224 767 342**	**146 521 110**
Financing expenses	(2 470 727)	(1 629 682)	(3 211 804)	(2 357 231)	-	-	187 321	-	(12 227 497)	(9 102 200)	**(17 722 707)**	**(13 089 113)**
Interest income	1 567 848	1 371 883	1 412 211	1 953 612	53 683	298 884	531 319	48 261	750 302	512 451	**4 315 363**	**4 185 091**
Company's share of profit of equity - accounted investees (associates Companies)	-	-	-	-	1 202 879	96 410	-	-	-	-	**1 202 879**	**96 410**
Net profit (loss) for the period before income tax	63 738 344	56 937 746	106 995 704	70 872 016	15 023 419	10 741 950	(633 770)	(291 254)	28 776 027	5 376 604	**213 899 724**	**143 637 062**
Income tax	(10 213 039)	(9 287 910)	(28 192 076)	(16 195 388)	(9 738 918)	72 614	(54 216)	-	7 392 980	43 627	**(40 805 269)**	**(25 367 057)**
Net profit (loss) for the period	53 525 305	47 649 836	78 803 628	54 676 629	12 778 270	10 669 336	(687 986)	(291 254)	28 675 238	5 565 458	**173 094 455**	**118 270 005**
Total assets	686 144 611	463 112 858	791 809 560	679 344 000	191 046 377	168 454 162	75 103 955	56 214 143	325 203 658	253 101 480	**2 069 308 161**	**1 620 226 643**
Equity - accounted investees (associates Companies)	-	6 940 362	-	-	18 600 032	17 253 618	-	-	403 207	418 587	**19 003 239**	**24 612 567**
Total liabilities	(514 721 522)	(241 315 195)	(192 973 151)	(156 256 040)	(137 102 845)	(123 229 798)	(38 486 011)	(26 877 207)	(288 736 305)	(282 499 865)	**(1 172 019 834)**	**(830 178 105)**
Depreciation & amortization	(15 600 170)	(17 358 441)	(15 089 374)	(16 670 544)	(158 554)	(197 739)	(105 830)	-	(423 673)	(465 636)	**(31 377 601)**	**(34 692 360)**

56- Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Egyptian Accounting Standards (EASs) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

The 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 period if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies was as following

Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Determine if the arrangement includes a lease.
- Lease contracts classification.

Use of estimates and assumptions

The Group assess future estimates and assumptions, the resulting accounting estimates are rarely equal to the relevant actual results. Below are the estimates and assumptions that are subject to significant risks which may causes a significant adjustment to the carrying amounts of assets and liabilities during the following financial year.

Impairment of non-financial assets

The Group evaluates the asset at the date of the financial reporting, if there is an indication that the asset value has decreased. If any indication is found, the Group evaluates the collectable amount of the asset, the collectable amount of the asset is the asset fair value less cost of sale or its used value which is higher. When evaluating the used value, the estimated future cash flows of the asset are discounted to its present value using a discount rate reflects current market valuation of the time value of money and the risks specific to the asset. When determining the fair value deducted by the costs of sale, recent market transactions are considered.

If the collectable amount of the asset is estimated to be less than its carrying amount, the asset carrying amount is reduced to its collectable amount, the impairment loss is recognized directly in the income statement.

If the impairment loss is subsequently reversed, the asset carrying amount is increased to the adjusted value of the collectable amount, but only to the extent the carrying amount do not exceed the carrying amount that could have been determined in the absence of an impairment loss of the carrying amount of the asset in previous years, The reversed impairment loss is recognized directly in the income statement.

Expected credit losses provision for commercial customers

The Group uses provision record to calculate expected credit losses for commercial customers, the provision rates are based on the customer Company's delay days.

The provision record is initially based on the observed historical Group default rates, the Group calculates the matrix accurately to adjust the historical credit loss experiment with forward-looking information. For example, if the expected economic conditions (i.e. GDP and the overall inflation rate) are expected to deteriorate over the next year, which may increase the number of defaults in the industrial sector, the historical default rates are adjusted. At each reporting date, the historical default rates are updated and observed and changes in future-oriented estimates are analyzed.

The assessment of the relationship between the historical default rates that are observed, the expected economic conditions and the expected credit losses is a significant estimate. The experiment of the historical credit loss and expectations of the Group's economic conditions may not represent the actual default of the customer's payment in the future.

Provisions

Provisions are recognized when the Group has legal or constructive obligation from past event, and settlement of obligations is probable, and its value can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation, when the provision is measured using the estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows.

In the event that some or all of the economic benefits required are recoverable settle the provision from a third party, the amount due is recognized as an asset if it is certain to be recovered and can be measured in a reliable manner.

Useful life of fixed assets

The Group management determines the estimated productive life of the fixed assets for the purpose of calculating depreciation, which is calculated after consideration of the expected use of the asset or actual aging. The department regularly reviews estimated productive ages at least annually and the method of depreciation to ensure that the method and time of depreciation are agreed with the expected pattern of economic benefits of assets.

Lease contracts – estimation of the additional borrowing rate

The Group cannot easily determine the implied interest rate in the contract lease, and therefore uses the additional borrowing rate to measure the lease obligations. The additional borrowing rate is the interest rate that the group must pay to assume the necessary financing over a similar period and with a similar guarantee to obtain an asset with the same value as the "right of use" in a similar economic environment. Therefore, the additional borrowing rate reflects what the group "must pay", which requires an estimation when there are no declared rates or when it needs to be modified to reflect the terms and conditions of the lease contract.