Translation of financial statements originally issued in Arabic

O/FH
Orascom Financial Holding

Orascom Financial Holding
S.A.E.
Interim Consolidated Financial Statements
For the period from the date of incorporation till September 30, 2021
Together with the review report

KPMG

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Translation of review report originally issued in Arabic

Review Report on Interim Consolidated Financial Statements

To: The Board of Directors of Orascom Financial Holding (S.A.E)

Introduction

We have performed a review for the accompanying interim consolidated statement of financial position of Orascom Financial Holding (S.A.E) and its subsidiaries "the group" as of September 30, 2021, and the related interim consolidated statements of income, comprehensive income, changes in equity, and cash flows for the period from the incorporation date on December 10, 2020 till September 30, 2021, 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 Standard. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements (2410), "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company 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 interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2021, and of its consolidated financial performance and its consolidated cash flows for the period from the incorporation date on December 10, 2020 till September 30, 2021, then ended in accordance with Egyptian Accounting Standard.

Explanatory Paragraph

As explained in detail in note no. 1-C, the parent Company of the group was established as a result of the demerger from Orascom Investment Holding S.A.E, where the balances of December 31, 2019, were taken as a basis for the demerger after making the proposed amendments made by the General Authority for Investment to those book values.

KPMG Hazem Hassan
Public Accountants and Consultants

Cairo, November 28, 2021

KPMG Hazem Hassan
Public Accountants and Consultants
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Orascom Financial Holding "S.A.E"
Interim Consolidated Statement of Financial Position as of

(In thousands of EGP)	Note no.	September 30, 2021
Assets		
Non-current assets		
Goodwill and other intangible assets	(5)	375,363
Fixed assets	(6)	158,228
Equity accounted investees	(7)	1,814,265
Financial assets measured at fair value through other comprehensive income	(8)	36,293
Other assets	(9)	7,469
Trade receivables	(11)	284,743
Total non-current assets		**2,676,361**
Current assets		
Trade receivables	(11)	931,288
Other assets	(9)	26,309
Due from related parties	(12-2)	71,751
Due from companies working in securities		60
Financial assets measured at fair value through profit or loss	(13)	14,630
Cash and cash equivalents	(14)	1,027,887
Total current assets		**2,071,925**
Total assets		**4,748,286**
Equity and liabilities		
Equity		
Issued and paid-up capital	(15)	1,626,165
Reserves		481,292
Retained earnings		620,766
Equity attributable to owners of the parent company		**2,728,223**
Non-controlling interests		210,191
Total equity		**2,938,414**
Labilities		
Non-current liabilities		
Lease liabilities		17,101
Credit facilities	(17)	353,688
Deferred tax liabilities	(10)	27,530
Total non-current liabilities		**398,319**
Current liabilities		
Credit facilities	(17)	678,843
Due to related parties	(12-3)	6,007
Customers - credit balances	(18)	567,708
Provisions	(19)	43,088
Current income tax liabilities		13,732
Lease liabilities		4,713
Other liabilities	(20)	97,462
Total current liabilities		**1,411,553**
Total liabilities		**1,809,872**
Total equity and liabilities		**4,748,286**

* The accompanying notes from (1) to (31) are an integral part of the interim consolidated financial statements and to be read therewith.

Review Report "Attached"

Chief financial officer **Managing member of the board**

Orascom Financial Holding Company "S.A.E"
Interim Consolidated Statement of Income for the period from the date of incorporation till September 30, 2021

(In thousands of EGP)	Note no.	Financial period from the incorporation date till September 30, 2021	Three month-period ended in September 30, 2021
Fees and commissions income	(21)	129,862	50,195
Interest income	(22)	139,049	57,444
Total operating revenues		**268,911**	**107,639**
Share of profit of equity accounted investees	(7)	83,289	30,577
Dividends income-bonds		9,020	7,654
Other income		21,001	636
Revaluation of financial assets measured at fair value through profit or loss		621	1,122
Reversal of expected credit losses	(11)	1,445	238
Provisions no-longer required	(19)	11,286	(203)
Gains from fixed assets sale		1,019	1,017
Total revenues		**396,592**	**148,680**
Wages, salaries and equivalents		(174,951)	(69,231)
Incorporation expenses and subscriptions		(7,886)	-
Other operating expenses	(23)	(55,980)	(21,264)
Amortization of intangible assets	(5)	(3,867)	(1,289)
Depreciation of fixed assets and right of use assets	(6)	(11,067)	(3,635)
Provisions formed	(19)	(5,613)	(1,904)
Net differences from foreign currencies translation		(407)	(63)
Interest expenses	(22)	(62,969)	(26,964)
Net profit for the period before income tax		**73,852**	**24,330**
Income tax expense	(24)	(19,266)	(6,403)
Net profit for the period		**54,586**	**17,927**
Attributable to:			
Owners of the parent company		54,690	18,989
Non-controlling interests		(104)	(1,062)
Net profit for the period		**54,586**	**17,927**
Earnings per share (basic and diluted)	(25)	**0.0104**	**0.0036**

* The accompanying notes from (1) to (31) are an integral part of the interim consolidated financial statements and to be read therewith.

Chief financial officer **Managing member of the board**

Orascom Financial Holding "S.A.E"

Interim Consolidated Statement of Comprehensive Income for the period from the date of incorporation till September 30, 2021

(In thousands of EGP)	Financial period from the incorporation date till September 30, 2021	Three month-period ended in September 30, 2021
Net profit for the period	54,586	17,927
Items of other comprehensive income / (loss)		
Items that will be reclassified subsequently to consolidated statement of income:		
Foreign currency translation differences of foreign subsidiaries	7	225
Items will not reclassified subsequently to consolidated statement of income:		
Revaluation of equity instruments measured at fair value through other comprehensive income	578	(2,191)
Total other comprehensive income / (loss) for the period, net of tax	**585**	**(1,966)**
Total comprehensive income for the period	**55,171**	**15,961**
Attributable to:		
Owners of the parent company	55,765	16,995
Non-controlling interests	(594)	(1,034)
Total comprehensive income for the period	**55,171**	**15,961**

* The accompanying notes from (1) to (31) are an integral part of the interim consolidated financial statements and to be read therewith.

Chief financial officer **Managing member of the board**

Orascom Financial Holding "S.A.E"
Interim Consolidated Statement of Changes in Equity for the period from the date of incorporation till September 30, 2021

(In thousands of EGP)	Share capital	Reserves: Legal reserve	Reserves: Foreign currency translation reserve	Reserves: Fair value reserve	Reserves: Other reserves	Reserves: Total reserves	Retained earnings	Equity attributable to the owners of the parent company	Non-controlling interests	Total Equity
Opening balance resulted from the demerger	1,626,165	419,526	30,191	34,633	-	484,350	428,938	2,539,453	128,423	2,667,876
Impact of implementing Egyptian Accounting Standards starting from January 1, 2021	-	-	-	-	-	-	(4,680)	(4,680)	-	(4,680)
Opening balance, restated	1,626,165	419,526	30,191	34,633	-	484,350	424,258	2,534,773	128,423	2,663,196
Items of comprehensive income										
Net profit for the period	-	-	-	-	-	-	54,690	54,690	(104)	54,586
Foreign currency translation differences of foreign subsidiaries	-	-	4	-	-	4	-	4	3	7
Revaluation of equity instruments measured at fair value through other comprehensive income	-	-	-	1,071	-	1,071	-	1,071	(493)	578
Total comprehensive income for the period	-	-	4	1,071	-	1,075	54,690	55,765	(594)	55,171
Transactions with the shareholders										
Change in ownership percentage of subsidiaries without a change in control	-	-	(3,734)	826	-	(2,908)	141,818	138,910	77,362	216,272
Capital increase from non-controlling interests	-	-	-	-	(1,225)	(1,225)	-	(1,225)	5,000	3,775
Total transactions with the shareholders	-	-	(3,734)	826	(1,225)	(4,133)	141,818	137,685	82,362	220,047
Balance as of September 30, 2021	1,626,165	419,526	26,461	36,530	(1,225)	481,292	620,766	2,728,223	210,191	2,938,414

* The accompanying notes from (1) to (31) are an integral part of the interim consolidated financial statements and to be read therewith.

Chief financial officer

Managing member of the board

Orascom Financial Holding "S.A.E"

Interim Consolidated Statement of Cash Flows for the period from the date of incorporation till September 30, 2021

(In thousands of EGP)	Note no.	Financial period from the incorporation date till September 30, 2021
Cash flows from operating activities		
Net profit for the period before income tax		73,852
Adjustments for:		
Amortization of intangible assets	(5)	3,867
Depreciation of fixed assets and rights of use assets	(6)	11,067
Credit interest from banks		(14,687)
Interest income from customers balances		(10,320)
Interest expenses on credit facilities		55,361
Interest on lease liabilities		1,779
Interest expense on sale and leaseback contracts		5,829
Share of profit of equity accounted investees		(83,289)
Dividends income-bonds		(9,020)
(Reversal of) expected credit losses	(11)	(1,445)
(Gains) from sale of fixed assets		(1,019)
Revaluation of financial assets measured at fair value through profit or loss		(621)
Net differences from foreign currencies translation		407
		31,761
Net change in:		
Trade receivables		(495,933)
Investments measured at fair value through profit or loss		36,873
Due from related parties		23,761
Due from companies working in securities		409
Other assets		(15,626)
Other liabilities		12,020
Customers - credit balances		349,849
Due to related parties		997
Provisions	(19)	(10,174)
Cash flows (used in) operating activities		(66,063)
Dividends received from equity accounted investees		35,623
Credit interest received		14,962
Proceeds from interest income from customers balances		10,320
Interest expenses paid		(53,489)
Income tax paid		(20,086)
Net cash flows (used in) operating activities		(78,733)
Cash flows from investing activities		
Payments for purchase of fixed assets		(8,645)
Proceeds from sale of fixed assets		1,823
Dividends received-Bonds		9,020
Payments for purchase of investments in subsidiaries		(3,750)
Net cash flows (used in) investing activities		(1,552)
Cash flows from financing activities		
Payments for lease liabilities		(3,938)
Proceeds from non-controlling interests in subsidiaries		3,775
Proceeds from sale of investments in subsidiaries without change in control net of selling expenses		216,272
Proceeds from credit facilities		555,439
Net cash flows generated by financing activities		771,548
Net change in cash and cash equivalents during the period		691,263
Effect of exchange rate fluctuation on cash and cash equivalents in foreign currencies		62
Cash and cash equivalents resulted from the demerger		336,562
Cash and cash equivalents at the end of the period	(14)	1,027,887

* The accompanying notes from (1) to (31) are an integral part of the interim consolidated financial statements and to be read

Chief financial officer **Managing member of the board**

1- General information

A- Legal status

Orascom Financial Holding S.A.E. Which will be mentioned later as the demerged company or **"the Company"** is an Egyptian Joint Stock company pursuant to provisions of the capital market law No. 95 of 1992 and its executive regulations. The Company was registered at Cairo Commercial Register No 430755 on December 10, 2020. The Company's head office is located at Nile City Towers, Ramlet Boulak – Cairo, Egypt. The Company's duration is 25 years starting from December 10, 2020.

B- Purpose of the Company

The Company's purpose is to participate in incorporating companies that issue securities or to increase the share capital of these companies in relation to the Capital Market Law. The Company may have interest or participate, by any mean, in companies and other enterprises that have activities similar to those of the Company or those that may assist the Company to achieve its objectives in Egypt or abroad. It may also merge into those companies and enterprises or acquire them pursuant to the provisions of the law and its executive regulations.

C- Brief over incorporation of the Company

The Company was established through the demerger from Orascom Investment Holding S.A.E.

Based on the decision of the Board of Directors of Orascom Investment Holding held on July 9, 2020, it was approved to submit a detailed demerger project to be presented to the extraordinary general assembly of Orascom Investment Holding, as the project includes demerger of Orascom Investment Holding, into two companies, company with the same name of Orascom Investment Holding, which includes investments in companies operating in different fields, and a demerged company to be established called "Orascom Financial Holding" and includes investments in companies operating in non-banking financial services activities, namely Beltone Financial Holding (a subsidiary company) and Contact Financial Holding (Previously Sarwa Capital Holding Company) (an associate company), and the affiliation of Beltone Financial Holding Company and Sarwa Capital Holding Company for Financial Investments, as well as the current account due to Orascom Investment Holding Company, is transferred from Victoire Investment Company to the demerged company.

On October 19, 2020, the Extraordinary General Assembly of Orascom Investment Holding, approved the demerger plan of Orascom Investment Holding S.A.E. according to the horizontal demerger method using the book value of the share and to use the separate financial statements for the financial year ended December 31, 2019, as a basis for the demerger where Orascom Investment Holding S.A.E.(the demerging Company) will still exist and its issued capital shall be reduced by reducing the par value of its shares and will also specialize in performing various investment activities while maintaining its license as a company whose purpose is "to participate in the establishment of all joint stock companies or to recommend shares that issue securities or to increase their capital.". Furthermore, the demerger resulted in the establishment of a new company in the name of Orascom Financial Holding S.A.E. (the demerged Company) in the form of an Egyptian joint stock company, subject to the provisions of the Capital Market Law No. 95 of 1992 and its executive regulations, and its purpose is to "participate in the establishment of companies that issue securities or increase their capital and that operate in the fields of non-banking financial activities." The companies resulting from the demerger shall be owned by the same shareholders of Orascom Investment Holding at the date of the execution of the demerger having the same ownership percentages for each shareholder before the execution of the demerger.

The extraordinary general assembly meeting also approved the report issued by the Economic Performance Authority of the General Authority for Investment and Free Zones issued on September 2, 2020, with the net equity of the demerged company based on the financial statements as of December 31, 2019, and which concluded that the book value of the net equity of the demerged company is EGP 2,009,824,600, where it was agreed that the authorized capital of the demerged company will be EGP 8,130,820,461, and the issued capital amounted to EGP 1,626,164,092.2, distributed over 5,245,690,620 shares with a nominal value of EGP 0.31 per share.

Orascom Financial Holding S.A.E. was established. (the demerged Company) pursuant to the decision of the Chairman of the Financial Regulatory Authority no. 1453 of 2020, on November 30, 2020, pursuant to the decision of the Committee for Examination of Applications for the Establishment and Licensing of Companies Formed in the Authority in its session No. 440 on November 26, 2020, where the approval of the Financial Regulatory Authority was issued with No. 13821 issued on December 1, 2020, on the issuance of shares of Orascom Financial Holding (the demerged company) with a capital of EGP 1,626,164,092.2, according to the evaluation of the committee formed at the General Investment Authority. Moreover, on December 10, 2020, the company was registered in the commercial registry with No. 430755 Cairo Registry, and its articles of association were published in the Companies' listing issued by General Authority for Investments with an authorized capital of EGP 8,130,820,461.

D- The financial period of the interim consolidated financial statements

Since the date of incorporation of the company is the same as the date of registration in the commercial registry, which is December 10, 2020, these interim consolidated financial statements are the first financial statements that the company issues after the date of incorporation, and therefore it covers the financial period from December 10, 2020, till September 30, 2021.

2- Basis of preparation of the condensed interim consolidation financial statements

A- Statement of compliance with the Egyptian Accounting Standards

- The interim consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards issued by the Minister of Investment's decree No. 243 of 2006, and applicable Egyptian laws and regulations. The Egyptian Accounting Standards require referral to International Financial Reporting Standards "IFRS" for certain types of transactions or events when no Egyptian Accounting Standard or legal requirement exists to address treatment for these transactions or events.

- The interim consolidated financial statements for the Company for the period from the date of incorporation till September 30, 2021, were approved by the board on November 28, 2021.

B- Basis for preparation of the interim consolidated financial statements

As disclosed in Note 1-C, the demerged company was established as a result of demerger from Orascom Investment Holding, the demerging company, where the new legal entity represents a permanent economic entity starting from the date on which the demerging company acquired or established the subsidiaries and associates which their ownership was transferred to the demerged company.

The management of the Company considers that the substance of the demerger and establishment of the Company with the objective of transferring ownership subsidiaries and associates and continuation of its activities through the new legal entity, is considered a business combination for entities under common control transaction. The transferred entities pursuant to the demerger plan were under the control of same main shareholders both before and after the demerger and control is not considered temporary. Therefore, transactions under common control is out of scope of the Egyptian Accounting Standard (29) and International Accounting Standard (IFRS 3).

In the absence of a specific guidance in Egyptian Accounting Standards, EAS 5 requires management to develop and apply an appropriate accounting policy that leads to the provision of appropriate and reliable financial information. Management used its judgement in developing and applying an accounting policy to account for its investments in subsidiaries and associates transferred as part of the demerger process. Although the legal acquisition of subsidiaries was through transfer of shares of equity ownership certificates in application of the demerge decision which was taken in December 2020, the net assets of the companies that were transferred through the demerger process were consolidated as a continuing economic entity under the company's control from the actual date on which the demerging company has acquired the subsidiaries or incorporated them and so the statement of changes in equity includes the retained earnings of these entities during the period from controlling or incorporating these companies by the demerging company.

C- Basis of measurement

These interim consolidated financial statements are prepared on the historical cost basis, except for financial Instruments which are stated at fair value or amortized cost.

- Financial derivatives.
- Financial instruments at fair value through profit and loss.
- Financial assets at fair value through other comprehensive income, and
- Financial instruments measured at amortized cost.

D- Presentation currency

The Group's functional and presentation currency is the Egyptian Pound. All the financial information presented in Egyptian pound has been rounded to the nearest thousand except for earnings per share, unless otherwise indicated in the interim consolidated financial statements or in the notes.

3- Significant accounting policies

3-1 Interim consolidated financial statements

The interim consolidated financial statements of the Group include the financial statements of the parent company and companied controlled by the company (its Subsidiaries) as of the financial position date. Control is achieved where the Group has the following:

- Power over the investee.
- Exposure or right to variable returns through its contribution to the investee.
- The ability to use his authority over the investee in order to influence the amount of proceeds he receives from it.

The parent company should reassess the control of the investee if the facts and circumstances indicate that there are variables for one or more of the three control elements mentioned above.

The consolidated income statement includes the income and expenses of subsidiaries acquired or disposed of during the year as of the effective date of acquisition or the effective date of disposal as appropriate. The total income of the subsidiaries is distributed between the shareholders of the holding company and the non-controlling interests even if the negative balance of the non-controlling interests (deficit) arises.

The necessary adjustments are made to the financial statements of the Group companies whenever necessary, making their accounting policies consistent with the accounting policies applicable to other group companies.

All transactions, balances, income and expenses between the Group companies are eliminated on consolidation of the financial statements.

Non-controlling interests of consolidated subsidiaries are presented separately from the Group's equity therein. When the Group loses its ultimate or joint control of a subsidiary or joint venture and instead retains significant influence over it, it recognizes the remaining investment as an investment in an associate and measures it at its fair value at the date that the ultimate or joint control was lost. The fair value of the remaining investment at the date on which the joint or absolute control is lost is considered a cost on initial recognition of the investment in an associate.

3-2 Business combination

Business combinations (acquisitions) are accounted for using the acquisition method. The consideration transferred in a business combination transaction is measured at fair value, which is calculated on the basis of the total fair values at the acquisition date of the assets transferred from the Group and the liabilities incurred by the Group in favour of the former owners of the acquiree as well as the equity instruments issued by the Group in exchange for control of the acquiree.

Goodwill is measured on the basis that it represents an increase in (1) Total: the consideration transferred, and any rights to the owners of non-controlling interests in the acquired entity, and the fair value of the share, which the company acquired owned in the company's ownership rights acquired before the acquisition date (if any) for (2) Net values: Assets acquired and liabilities incurred at the date of acquisition. If, after reassessment shows that the net acquired assets by the values and obligations incurred over the total: the consideration transferred, and any rights to the owners of non-controlling interest in the acquired entity, and the fair value of the acquirers share in the acquired company's owners' equity before the date of acquisition (if any) then the increase would be recognized in the profit or loss for the period. (bargain purchase).

For non-controlling interests that represent current equity interests and entitle their holders to a proportionate share of the net assets of the entity in liquidation, they may be measured at initial recognition either at fair value or in the proportionate share of the non-controlling interests in the recognized values of the net assets of the acquired - The measurement basis for each acquisition transaction is selected separately.

In Group Entities under Common Control, the Group treats the differences between the cost of business combination and the Group's share in the carrying amount of the net assets and contingent consideration of the acquired entity as a reserve for the consolidation of a business in equity if the acquisition does not result in Change in the principle of absolute control of the Group over the enterprises or companies that have been assembled before and after the acquisition. The same policy is also applied if the Group acquires a proportion of the non-controlling interests' interest in the subsidiary or the Group dispossesses a percentage of its ownership in the subsidiary but retains control of the subsidiary.

In this case, the fair value of the net assets and contingent consideration of the acquired entity is not determined until the date of initial control, taking into account changes in equity items that occurred during the period from the date of initial control until the date of increasing the control share.

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

Orascom Financial Holding (the parent company) currently holds the following direct interests in its subsidiaries:

Entity name	Segment	Country	Direct and indirect interest in entity
DOT technologies and software development	Financial services	Egypt	79.90 %
Beltone Financial Holding "S.A.E"	Financial services	Egypt	58,15%
Beltone Investment Funds "S.A.E"	Financial services	Egypt	58,15%
Beltone Promotion and Underwriting "S.A.E"	Financial services	Egypt	58,15%
Beltone Investments Holding- free zone "S.A.E"	Financial services	Egypt	58,15%
Beltone Information Technology "S.A.E"	Financial services	Egypt	58,15%
Beltone Securities Holding "S.A.E"	Financial services	Egypt	58,15%
Beltone Securities Brokerage "S.A.E"	Financial services	Egypt	58,15%
Beltone Financial – Emirates	Financial services	UAE	58,15%
Beltone Securities Brokerage "S.A.E"	Financial services	Egypt	58,15%
New venture securities	Financial services	USA	58,15%
Beltone Market Maker "S.A.E"	Financial services	Egypt	58,15%
Beltone Property "S.A.E"	Financial services	Egypt	58,15%
Beltone Mortgage "S.A.E"	Financial services	Egypt	58,15%
Beltone Leasing "S.A.E"	Financial services	Egypt	58,15%
Beltone Consumer finance "S.A.E"	Financial services	Egypt	58,15%
Beltone Venture Capital	Financial services	Egypt	58,15%
Misr Beltone Investment Assets Management	Financial services	Egypt	58,15%

3-3 Equity accounted investees

Equity accounted investees consist of shares in associates and joint ventures. It has no rights to the assets and obligations associated with the arrangement.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

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

On acquisition of the investment, any difference between the cost of the investment and the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with EAS 29 Business Combination, Therefore:

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is excluded from the carrying amount of the investment and is instead recognized immediately in profit or loss in the determination of the group's share of the associate's profit or loss in the period in which the investment was acquired.

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

The following table provides a list of the Group's associates:

Company Name	Segment	Country	Direct and indirect interest in entity
Contact Financial Holding	Financial services	Egypt	29.79 %

3-4 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 retranslated into the functional currency at the exchange rate at the date of preparing the consolidated financial statements.
Assets & Liabilities that are measured using the fair value are translated in foreign currency using the exchange rate at the date when the fair value was determined.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are generally recognized in profit or loss. However, exchange differences arising from the translation of the following items are recognized in OCI:

- investments in equity instruments (except for 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.

The financial statements of foreign subsidiaries are translated into the presentation currency as follows:

- Assets and liabilities in the financial statements of foreign subsidiaries are translated at the rate of exchange at the reporting date.
- Income and expenses are translated at the average exchange rate during the financial year.
- Equity items are translated at the historical exchange rates at the date of the transaction.
- The resulting currency differences are recognized in the translation reserve of foreign entities in equity.
- For the purpose of preparing the consolidated statement of cash flows, cash flows of foreign subsidiaries are translated at the average exchange rate during the financial period.

3-5 Discontinued operations

Discontinued operations are part of the Group operations, their operations and cash flows can be isolated from operations of other groups.

A discontinued operation is recognized as such when it is discontinued or when it is converted into an asset held for sale, whichever happens first.

After an operation is labelled as discontinued, it is removed from the income statement and the OCI and presented as if it had been removed from the beginning of the reporting period.

3-6 Financial instruments

The cumulative effect of applying the EAS No.47 was recognized on January 1, 2020 before the demerging process on January 1, 2021, before the demerger.

Starting from January 1, 2020, EAS No. (47), substantially changed accounting and financial reporting in three key areas: classification and measurement of financial assets, impairment and hedge accounting.

3.6.1 Business model, classification and measurement

Business Model

- The Group determines the nature of the business model by considering the way in which the financial assets are managed to achieve the business objective as determined by management.
- On initial recognition, financial assets are classified as measured at:
  - amortized cost (**"AC"**);
  - fair value through other comprehensive income (**"FVOCI"**); or
  - fair value through profit or loss (**"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 debt instrument is measured at amortized cost if it meets the following conditions:
  - it is held within a business model that has an objective to hold financial assets to collect contractual cash flows; and
  - the contractual terms of the financial asset result in cash flows at specified date that are solely payments of principal and interest on the principal amount outstanding (**"SPPI"**).
- A debt instrument is measured at FVOCI if it meets both of the following conditions:
  - it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - the contractual terms of the financial asset result in cash flows that are SPPI.
- 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 instrument-by-instrument 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.

Business model assessment

The Group assesses 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 flaws 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;
- 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 compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual 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 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 at FVTPL	These assets are subsequently measured at fair value. Net gains and losses from changes in fair value, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in 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 recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised 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 recognised in OCI and are never 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.

Derecognition

- **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 contingent liability) is recognized in profit or loss.

3.6.2 Impairment

As allowed by EAS No. (47), the Group applies two impairment models for financial assets measured at amortized cost and FVOCI:

- the **simplified approach model** for trade receivables related to fees and commission under the scope of EAS No. (48) "Revenues from Contracts with Customers"; and
- the **general approach model** for other financial assets, including financial assets under the scope of EAS No. (47).
- Impairment losses on financial assets are recognized in the Consolidated Income Statement within the credit losses expenses.

3.6.2.1 Simplified approach model

With regards to trade receivables related to fees and commission, the simplified approach model for determining the impairment is performed in two steps:

- any trade receivable in default is individually assessed for impairment; and
- a general reserve is recognized for all other trade receivables (including those not past due) based on the determined historical loss rates and carryforward losses expectations.

3.6.2.2 General approach model

- The general model impairment requirements of EAS No. (47) apply to all credit exposures that are measured at amortized cost or FVOCI, except the cases covered by simplified model as abovementioned.
- For purposes of the impairment policy below, these instruments are referred to as ("Financial Assets").
- The determination of impairment losses and allowance moves from an incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under previous accounting standard, to an expected credit loss model under EAS No. (47), where allowances are taken upon initial recognition of the Financial Asset, based on expectations of potential credit losses at the time of initial recognition.
- The Group uses three main components to measure ECL. These are Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD").
- The probability of tripping the corresponding parties is derived from internal group assessments. The Group allocates the probability of default for each exposure of the counterparty based on the economic environment in which the customer works, considering the relevant quantitative and qualitative information and quality available.
- Loss estimates when you stumble are independent of the client's probability of default. Loss models when tripping ensure that the main drivers of losses, including the quality of the warranty, are reflected in the loss factor when the specified stumble.
- Exposure when its stumbles is defined as the expected amount of credit risk to the counterparty at the time of its stumble. The exposure model is designed when you default on the life of the financial asset considering the expected payment files.

- EAS No. (47) Introduces a three-stage approach to impairment for Financial Assets that are not credit-impaired at the date of origination or purchase. This approach is summarized as follows:

- **Stage 1:** The Group recognizes a credit loss allowance at an amount equal to 12-month expected credit losses. This represents the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly after initial recognition.
- **Stage 2:** The Group recognizes a credit loss allowance at an amount equal to lifetime expected credit losses for those Financial Assets which are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on lifetime probability of default, lifetime loss given default and lifetime exposure at default that represents the probability of default occurring over the remaining lifetime of the Financial Asset. Allowance for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.
- **Stage 3:** The Group recognizes a loss allowance at an amount equal to lifetime expected credit losses, via the expected recoverable cash flows for the asset, for those Financial Assets that are credit impaired. For further detail see following paragraph "Credit-impaired Financial Assets in Stage 3".

- The Group calculates expected credit losses for each financial asset individually. Similarly, the determination of the need to transfer between stages is made on an individual asset basis.

3.6.2.3 *Significant Increase in Credit Risk*

- Under EAS No. (47), when determining whether the credit risk (i.e., risk of default) of a Financial Asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information based on the Group's historical experience, credit risk assessment and forward-looking information (including macro-economic factors). The assessment of significant credit deterioration is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs (i.e., transfer from Stage 1 to Stage 2).

3.6.2.4 *Credit-impaired Financial Assets*

- At each reporting date, the Group reviews the indicators for impairment of receivables balances, in order to take the necessary actions to account for impairment against the amounts that may not be collected from customers.
- The study is necessary to ensure that clients own and maintain a portfolio of shares to cover the debt owed to them - enabling the Group to take necessary measures to preserve the Group's right in case of any amounts due from customers and failure or delay in payment. The calculation using aging reports will not be applicable on brokerage receivables as there is no specified or expected time frame for clearing or collection, however a provision is to be formed for the difference between debit due balance and the value of owned shares (collateral).
- For Financial Assets considered to be credit-impaired, the ECL allowance covers the amount of loss the Group is expected to incur. The estimation of ECLs is done on a case-by-case basis for non-homogeneous portfolios, or by applying portfolio-based parameters to individual Financial Assets in these portfolios via the Group's ECL model for homogeneous portfolios.
- Forecasts of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability-weighted present value of the difference between the contractual cash flows that are due to the Group under the contract; and the cash flows that the Group expects to receive.

3.6.2.5 Collateral for Financial Assets considered in the Impairment Analysis

EAS No. (47) requires cash flows expected from collateral and other credit enhancement to be reflected in the ECL calculation. The following are key aspects with respect to collateral and guarantees:

- Eligibility of collateral, i.e. which collateral should be considered in the ECL calculation;
- Collateral evaluation, i.e. what collateral (liquidation) value should be used; and
- Projection of the available collateral amount over the life of a transaction.

3.6.2.6 Critical Accounting Estimates

The accounting estimates and judgments related to the impairment of Financial Assets is a critical accounting estimate because the underlying assumptions used can change from period to period and may significantly affect the Group's results of operations.
In assessing assets for impairments, management judgment is required, particularly in projecting future economic information and scenarios where circumstances of economic and financial uncertainty, when developments and changes to expected cash flows can occur both with greater rapidity and less predictability. The actual amount of the future cash flows and their timing may differ from the estimates used by management and consequently may cause actual losses to differ from reported allowances.

3-7 Fixed assets and depreciation

A- Initial Recognition & measurement

Items of fixed assets are reported in the statement of financial position at historical cost, less any accumulated depreciation and impairment losses if any. If the essential components of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) within those fixed assets.
The components of an item of fixed assets that have different useful lives are accounted for as separate items within those fixed assets.
The gain or loss arising on the disposal fixed assets is recognized in the profit or loss statement.

B- Subsequent costs

Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity.

C- Depreciation

Depreciation of the depreciable assets which is reported as historical cost, less salvage value according to (Straight Line method) and is charged to income statement over the useful life of each group of assets. Lands are not depreciated.

The following are estimated useful lives for fixed assets that are used to calculate depreciation:

Asset	Years
Right of use assets	5 Years
Buildings	50 Years
Leasehold improvements	5 Years
Computer equipment & programs	3 Years
Telecommunication	5 Years
Transportation & vehicles	5 Years
Furniture	5 Years

The Company reviews the book values of depreciable fixed assets when events or changes in circumstances occur that indicate that the book value may not be recoverable, and the book value of the asset is reduced to the recoverable value if the book value exceeds the recoverable value, and the recoverable value represents the net selling value of the asset Or the value in use of the asset, whichever is higher. The profits or losses resulting from the exclusion of fixed assets are determined by comparing the net selling value with the book value, and those profits or (losses) are included in other operating income or (expenses) in the consolidated income statement.

3-8 Intangible assets and goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Intangible assets with a finite useful life that are acquired individually are stated at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis based on the useful life of the intangible asset on the income statement. The method of amortization for intangible assets is reviewed at the date of the financial statements, considering that the effect of any changes in those estimates is accounted for on a prospective basis.
Intangible assets acquired separately with an indefinite useful life are stated at cost, less any cumulative accumulated impairment losses.
Both the customer and brand contractual relationship are amortized over 20 years

Ending the exploiting and disposing of assets

Recognition of an intangible asset is excluded from the financial position when disposed of or when there is no expectation of future economic benefits will accrue from its use or disposal in the future.
Profits or losses resulting from the discontinuation of exploitation of the intangible asset or its disposal are determined on the basis of the difference between the net disposal proceeds and the book value of the asset, and such profits or losses are included in the consolidated statement of income when the asset is no longer recognized.

Goodwill

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

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

3-9 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 cost 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 rate 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 re-measurement 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.

3-10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories 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 the current value of 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 previous years.

3-11 Cash and cash equivalents

For the purpose of preparing cash flow statement, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits and short-term, that are readily convertible to known amounts of cash with a maturity date of three months or less from the acquisition date less overdraft accounts.

3-12 Statement of cash flows

The statement of cash flows has been prepared using the indirect method.

3-13 Revenue recognition

The EAS No. (48) Supersedes the following Egyptian Accounting Standards:

a) EAS No. (8) "Construction Contracts" as amended in 2015
b) EAS No. (11) "Revenue" as amended in 2015

More specifically, EAS No. (48) Sets out that the recognition of the revenue is based on the following five steps:

1) identify the contract with the customer;
2) identify the contractual obligation to transfer goods and/or services (known as performance obligations);
3) determine the transaction price;
4) allocate the transaction price to the performance obligations identified based on the stand-alone selling price of each good or service; and
5) Recognize revenue when the related performance obligation is met.

- The Group applies the EAS No. (48) five-step revenue recognition model to the recognition of fees and commissions income, under which income must be recognized when services are transferred, hence the contractual performance obligations to the customer has been satisfied.
- The Group adopted EAS No. (48) With reference to the three business units in which the Group operates at the date of adoption: Brokerage, Asset Management and Investment Banking.
- Accordingly, after a contract with a customer has been identified in the first step, the second step is to identify the performance obligation - or a series of distinct performance obligations - provided to the customer. The Group examines whether the service is capable of being distinct and is distinct within the context of the contract.

- A promised service is distinct if the customer can benefit from the service either on its own or together with other resources that are readily available to the customer, and the promise to transfer the service to the customer is separately identifiable from other promises in the contract.
- The amount of income is measured based on the contractually agreed transaction price for the performance obligation defined in the contract. If a contract includes variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer. Income is recognized in profit and loss when the identified performance obligation has been satisfied.
- Following the adoption of EAS No. (48), fee and commission income is presented in the income statement separately from fee and commission expense.
- The Group acts as the main source and Egyptian Accounting Standard No. 48 requires that the costs of implementing contracts be presented separately in the income statement within fees and commission expenditures.
- The Group provides Asset Management services that give rise to asset management and performance fees and constitute a single performance obligation. The asset management and performance fee components are variable considerations such that at each reporting date the Group estimates the fee amount to which it will be entitled in exchange for transferring the promised services to the customer. The benefits arising from the asset management services are simultaneously received and consumed by the customer over time. The Group recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation, subject to the removal of any uncertainty as to whether it is highly probable that a significant reversal in the cumulative amount of revenue recognized would occur or not. For the management fee component this is the end of the service period. For performance fees this date is when any uncertainty related to the performance component has been fully removed.
- Management has assessed the impact of application of the new standard on the Group's financial statements, analyzing each of its revenue streams by applying the five-step model, and concluded there was no impact.

Promotion and coverage fees

The revenue of the activity, which is represented by the guarantee and promotion fees and coverage of the companies' subscription, is recognized when the service is completed.

Management fees for securities portfolios and investment funds

Management fees are calculated based on the terms of the contract for each portfolio or investment fund and are recognized on an accrual basis. Performance incentives are recognized based on the agreed rates calculated based on the annualized yield of the portfolio to be recognized only if there is an appropriate assurance of revenue recognition and the possibility of collection.

Brokerage commissions

Sale commissions

Commissions received from customers for the sale of shares made in their favor on the Egyptian or international stock exchange and represent a percentage of the sale is agreed with the client.

Purchase commissions

Commissions collected from clients for share purchases made in their favor on the Egyptian or international stock exchange and represent a percentage of the purchase that is agreed upon with the client.

Records management commissions

Central maintenance commissions are established based on the contracts concluded with the customers and brokering companies on the date of completion of transactions in the sale and purchase of shares.

Deposit commissions, commissions for the acquisition of customer shares and share transfer commissions are established based on the contracts concluded with customers according to the accrual principle.

Collecting commissions for collection of coupons when performing the service to the customer is the collection of these coupons on behalf of customers.

Interest income

Interest income is recognized on an accrual basis based on the proportionate time distribution taking into account the principal outstanding and the effective interest rate applied over the period to maturity.

Dividends income

Dividend income from investments - other than investments in associates and joint ventures - is recognized when the right to share the dividends is established.

Other income

Other income is recognized for other services provided by the Group on an accrual basis.

3-14 Legal reserves

In accordance with the articles of association, 5% of the annual net income is required to be transferred to a legal reserve until its balance reaches 50% of issued capital. The company is required to resume transfer of net profit to the legal reserve once its balance falls below this percentage. This reserve can be used for covering the incurred losses and for the increase of the Company capital subject to the approval of the shareholders in general assembly.

3-15 Dividends to shareholders

The Parent Group's dividends are recognized on its shareholders and in the non-controlling interests' share of the profits declared by the Group's subsidiaries as a liability to the financial statements in the period in which the dividends are approved by the shareholders of each group. This also applies to the remuneration of the Board of Directors and the share of the profit holders.

3-16 Employee benefit

Short-term employee benefits are recognized as an expense when the related service is provided. The amount expected to be paid as a liability is recognized when the Group has a legal or constructive obligation to pay the amount as a result of the employee providing a previous service and the obligation can be estimated to a reliable extent.

a) **Insurance and pensions**

The Group shall pay its contributions to the General Authority for Social Insurance on a compulsory basis in accordance with the rules stipulated in the Social Insurance Law. The Group has no other obligations as soon as it pays its obligations. Regular contributions are recognized as a periodic cost in the year of maturity and are included in the cost of labor.

b) **Employee profit share**

The Group shall pay a profit share of 10% of the profits after deducting the legal reserve deducted from such profits to be distributed to the shareholders not exceeding the total annual remuneration of the employees and recognizing the share of profit employees in the income statement items and liabilities when approved by the general assembly of the shareholders of the group. No liability is recognized for the share of employees in undistributed profits.

3-17 Earnings per share

The basic share of profit or loss is disclosed. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

3-18 Borrowings

Borrowings are recognized initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method.

3-19 Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, considering the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized in the financial profit or loss as finance costs.

3-20 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except for income tax relating to items of equity that are recognized in OCI or directly in equity or business combination.

i. **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

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

ii. 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 not recognized for:

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. 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 will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, 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 way 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.

3-21 Share capital

i. 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 Egyptian Accounting Standards 24 "income tax".

ii. Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as (issued capital) 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.

3-22 Lease contracts

At incorporation of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in EAS 49. This policy is applied to contract entered since company incorporation or after.

3.22.1 Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is premeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6.3 As a lessor

At incorporation or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Group acts as a lessor, it determines at lease incorporation whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-o fuse asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies EAS 11 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in EAS 47 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other revenue.

3-23 Fair values measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of Issuance of the financial statements without deducting any estimated future selling costs. The values of financial assets are determined at the current purchase prices of those assets, while the value of financial liabilities is determined at the current prices at which those liabilities can be settled.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using different valuation methods, taking into account the prices of recent transactions, and being guided by the current fair value of other instruments that are fundamentally similar - the discounted cash flow method - or any other method. Values result in reliable values.
- When using the discounted cash flows techniques as a valuation model the future cash flows are estimated, used in the managements best estimate and the discount rate used is determined in the light of prevailing market price, and the date of the financial statements which are identical to the financial instruments in nature and conditions.

3-24 Operating Segments

Investment banking services

As a subsidiary to Beltone Holding and as an investment link, the Group assists companies in mergers and acquisitions and provides additional services such as market making, derivatives and securities trading.
The Group works with leading regional and international investment banks in emerging and developed markets, with an unparalleled understanding of the market in the MENA region, where it has developed strong expertise in various sectors and productive areas. The Group provides high level attention at every stage of engagement, affirming the client's total commitment.
With respect to the IPO promotion and coverage activity, the Group receives profits mainly through success and agency fees.

- **Asset management**

  As a subsidiary to Beltone Holding and as part of its asset management activities, the Group prides itself on the customer-focused approach, to pursue a long-term relationship with clients by offering customized products commensurate with return and risk.
  The Group aims to provide clients with easy access to diversified investment opportunities across the markets by providing an experienced asset manager and providing a wide range of products and services that meet the needs of local and international institutional investors (such as insurance companies, retirement funds, social security, banks, mail, sovereign wealth funds, offices. Family, institutions and endowments).
  In the asset management business, the Group receives profits mainly through management and performance fees.

- **Brokerage and custody**

  As a subsidiary to Beltone Holding and as a brokerage and custody services company, the Group works on linking buyers and sellers to facilitate investment transactions in the stock markets, especially in relation to the Egyptian Stock Exchange.
  The Group provides market research and market data using advanced tools and resources to reach the largest possible base of buyers and sellers, as well as screening potential buyers or sellers for the best match.
  As for the services rendered, the Group receives profits mainly through commissions and fees that are collected once the transaction is completed, and interest income if the Group also provides financial support for the client's investment.

- **Non-banking financial activities**
  As a subsidiary to Beltone Holding, the Group provides non-banking financial activities represented in lease financing activities, installment sales services, and capital services, Real estate finance and risk. The Group receives profits mainly through interest income or through commissions and fees that are made Collected once the transaction is completed and over the course of the contract.

- **Other**
  The holding company may participate in establishing companies that issue securities or increase their capital and provide technical support and the administration of the subsidiary companies, for the activity of the sector that receives profits mainly through management fees.

4. **Segment Reports**

Services according to each segment activity

For management purposes the group performs three main operating activities which are investment banking, asset management, brokerage custodians and trading services and these operating activities are representing the following reportable segments.

4.A. **Analysis of main operating activities**

The results of the operations and net assets of the group are as follows:

For the period from the date of incorporation till September 30, 2021

(In thousands of EGP)	Investment banking September 30, 2021	Assets management September 30, 2021	Brokerage custody and trading services September 30, 2021	Non-banking financial services September 30, 2021	Transactions of the holding company and others September 30, 2021	Total September 30, 2021
Fees and commissions income	9,256	35,158	82,912	2,536	-	129,862
Interest income	38	279	108,876	20,979	8,877	139,049
Share of profit of equity accounted investees	-	-	-	-	83,269	83,269
Dividends income-bonds	-	-	9,020	-	-	9,020
Other income	6,818	6,661	6,412	121	989	21,001
Revaluation of financial assets measured at fair value through profit or loss	-	-	(759)	1,380	-	621
Reversal of expected credit losses	(176)	(63)	4,058	(2,372)	-	1,445
Provisions no-longer required	-	2,800	7,462	-	1,024	11,286
Gains from fixed assets sale	-	237	-	-	782	1,019
Total revenues	15,934	45,092	217,981	22,644	94,941	396,592
Wages, salaries and equivalents	(9,319)	(15,702)	(65,254)	(21,988)	(62,688)	(174,951)
Incorporation expenses and subscriptions	-	-	-	-	(7,886)	(7,886)
Other operating expenses	(2,490)	(9,951)	(24,159)	(8,195)	(11,165)	(55,960)
Amortization of intangible assets	-	-	-	-	(3,867)	(3,867)
Depreciation of fixed assets and right of use assets	(413)	(799)	(2,091)	(734)	(7,030)	(11,067)
Provisions formed	(44)	(314)	(4,549)	(247)	(459)	(5,613)
Net differences from foreign currencies translation	-	(29)	(54)	(6)	(318)	(407)
Interest expenses	(70)	(158)	(35,694)	(11,831)	(15,216)	(62,969)
Net profit for the period before income tax	3,598	18,139	86,180	(20,357)	(13,708)	73,852
Income tax expense	-	-	(14,693)	-	(4,573)	(19,266)
Net profit for the period	3,598	18,139	71,487	(20,357)	(18,281)	54,586

For the three months ended in September 30, 2021:

(In thousands of EGP)	Investment banking September 30, 2021	Assets management September 30, 2021	Brokerage custody and trading services September 30, 2021	Non-banking financial services September 30, 2021	Transactions of the holding company and others September 30, 2021	Total September 30, 2021
Fee and commission income	4,924	11,299	32,906	1,066	-	50,195
Interest income	18	87	39,992	10,245	7,102	57,444
Share of profit of equity accounted investees	-	-	-	-	30,577	30,577
Dividends income-bonds	-	-	7,654	-	-	7,654
Other income	(1)	-	622	15	-	636
Revaluation of financial assets measured at fair value thro	-	-	222	900	-	1,122
Provisions no-longer required	-	-	(202)	-	(1)	(203)
Refund of expected credit losses	(183)	106	791	(476)	-	238
Gains from fixed assets sale	-	237	-	-	780	1,017
Total revenues	4,758	11,729	81,985	11,750	38,458	148,680
Wages, salaries and equivalents	(3,340)	(5,870)	(25,350)	(8,412)	(26,259)	(69,231)
Incorporation expenses and subscriptions	-	-	-	-	-	-
Other operating expenses	(1,320)	(4,107)	(10,985)	(5,022)	170	(21,264)
Amortization of intangible assets	-	-	-	-	(1,289)	(1,289)
Depreciation of fixed assets and right of use assets	(138)	(266)	(628)	(260)	(2,343)	(3,635)
Provisions formed	(44)	(73)	(1,658)	(66)	(63)	(1,904)
Net differences from foreign currencies translation	(2)	(15)	120	(6)	(160)	(63)
Interest expenses	(22)	(11)	(13,356)	(6,047)	(7,528)	(26,964)
Net profit for the period before income tax	(108)	1,387	30,128	(8,063)	986	24,330
Income tax expense	-	-	(4,782)	-	(1,621)	(6,403)
Net profit for the period	(108)	1,387	25,346	(8,063)	(635)	17,927

4.B **Segment assets and liabilities**

(In thousands of EGP)	Investment banking September 30, 2021	Assets management September 30, 2021	Brokerage custody and trading services September 30, 2021	Non-banking financial services September 30, 2021	Transactions of the holding company and others September 30, 2021	Consolidation adjustments September 30, 2021	Total September 30, 2021
Total assets	140 740	33 363	1 610 332	432 220	3 437 426	(914 795)	4,748,286
Total liabilities	19 516	17 648	1 710 695	326 195	482 972	(756 154)	1,809,872
Total equity	121 224	15 715	(100 363)	106 025	2 954 454	(158 641)	2,938,414

6. **Fixed assets**

(in thousands of EGP)	Lands and Buildings *	Leasehold improvements	Furniture	Computers and Software	Communication equipment	Vehicles	Asset under construction ***	Right of use assets **	Total
A) Cost									
Cost resulting from the demerger	125,995	10,605	9,010	11,936	6,898	6,235	4,117	5,011	179,807
Additions during the period	-	-	611	1,380	690	-	3,198	25,983	31,862
Disposals during the period	-	-	-	(11)	(55)	(2,785)	(174)	-	(3,025)
As of September 30, 2021	125,995	10,605	9,621	13,305	7,533	3,450	7,141	30,994	208,644
B) Accumulated depreciation									
Accumulated depreciation and impairment resulting from the den	7,509	7,521	5,675	9,688	4,715	3,821	-	2,642	41,571
Depreciation for the period	1,699	1,261	1,190	838	792	682	-	4,605	11,067
Disposals during the period	-	-	-	(11)	(12)	(2,199)	-		(2,222)
As of September 30, 2021	9,208	8,782	6,865	10,515	5,495	2,304	-	7,247	50,416
Net book value									
As of September 30, 2021	116,787	1,823	2,756	2,790	2,038	1,146	7,141	23,747	158,228

* This amount include and amount of EGP 12,599 thousand, related to the share of the group in the land of the 2 floors in the Nile City tower.

** The right of use assets is represented in the finance lease contract Group's administration floor in El Sheikh Zayed city, the duration of the contract is five years, with a value of EGP 25,213 thousand, in addition to financing lease contracts for eight cars, the period of the these contract is five years with value of EGP 5,436 thousand.

*** The assets under construction represent in the value of computer software (Oracle) that is applied by the companies of the Group.

14- Cash and cash equivalents

(In thousands of EGP)	September 30, 2021
Cash on hand	125
Cash at banks-local currency	546,650
Cash at banks-foreign currencies	211,031
Bank deposits (less than 3 months)	131,200
Investment Funds EGP *	86,965
Settlement balances at the clearance bank	51,916
Cash and cash equivilents	**1,027,887**

* The Group invests in the Daily fund at the Arab International Banking Company, and the fund invests in a variety of short-term fixed-income debt instruments such as short-term bank deposits and treasury bills. The number of instruments acquired by the Group in the fund has reached 3,968,120 instruments on September 30, 2021, and the value of the instruments on September 30, 2021, is amounting to EGP 21.916.

15- Issued and paid-up capital

The authorized capital was at EGP 8,130,820,461, and the issued and paid-up capital amounted to EGP 1,626,164,092.20, distributed over 5,245,690,620 shares with a nominal value of 31 piasters / share, in accordance with the decision of the General Investment Authority, and the approval of the extraordinary general assembly of Orascom Investment Holding (the demergimg company). As detailed in note no. 1-C.

The following table lists the largest shareholders in the Company, in addition to the remaining other shares as of September 30, 2021:

Shareholders	Ordinary shares	The percentage of ordinary shares that have the voting right
Orascom Acquisition SARL	2,709,989	51.7%
Orascom TMT Investment SARL	33,486	0.6%
Other	2,502,216	47.7%
Total available ordinary shares	**5,245,691**	**100%**

16- Un-distributable profits

The retained earnings balances as of September 30, 2021, includes an amount of EGP 21 million, that is undistributable, which represents the balance of legal reserves that the subsidiaries set aside from their profits.

17- Credit facilities

(In thousands of EGP)	September 30, 2021
Credit facilities *	887,406
Credit facilities- Sale and lease-back contracts**	145,125
Total credit facilities	**1,032,531**

* The item represents the bank facilities granted to the group companies to finance the delivery operations in exchange for payment for the activity of trading securities and these facilities without guarantee at the average market interest rate.

** During 2021, Beltone executed a sale and lease-back contract for the 33th and 34th administrative floors, located in building No. 2005 C, Nile City Towers, owned by Beltone Financial Holding, with Global Corp for Fianancial Services (a related party). Under the terms of the contract, the company leases the building for a period of 7 years, starting from May 20, 2021 and ended on May 19,2028 .

The lessee has the right to purchase the leased asset according to the following conditions:

- To pay an additional amount of EGP 1 after paying all amounts due under this contract.
- The accelerated payment, whereby the lessee pays the present value of the total unpaid rental value in addition to an accelerated payment commission of 3% of the total principal amount remaining for the unpaid rents on the date of the accelerated payment.

The credit facilities are as follows:

(In thousands of EGP)	**September 30, 2021**
Current balances	678,843
Non-current balances	353,688
Total balance	**1,032,531**

18- Customers – credit balances

(In thousands of EGP)	**September 30, 2021**
Brokerage customers	567,708
Total brokerage customers	**567,708**

Customers- credit balances are represented by advances made by the customers to buy shares in the activity of securities trading, in addition to coupons collected for the benefit of the customers that are also being transferred to these customers.

19- Provisions

(In thousands of EGP)	**September 30, 2021**
Provision balance transferred from demerger	53,262
Provisions formed during the period	5,613
Provisions no-longer required during the period	(11,286)
Provisions used during the period	(4,501)
Provisions ending balance	**43,088**

Provisions are made according to the best estimate of the expected value of the obligations at the date of the consolidated financial statements arising from the Group's exercise of its activities and its contractual relationships with third parties. The management annually reviews and settles these provisions according to the latest developments, discussions and agreements with the concerned parties. The usual published information about provisions in accordance with Egyptian accounting standards was not disclosed, because the Group's management believes that doing so may severely affect the results of negotiations with those parties.

20- Other liabilities

(In thousands of EGP)	September 30, 2021
Employee benefits payable	5,447
Accrued expenses	46,398
National Authority for Social Insurance	1,183
Financial Regulatory Authority "FRA" fees	1,855
Misr for Central Clearing, Depository and Registry	410
Payables to banks & companies for bookkeeping	3,193
Suppliers	17,384
Insurance deposits-Leasing contracts	3,244
Accrued interest -credit facilities	1,873
Accrued Commissions	847
Other credit balances	15,628
Total other liabilities	**97,462**

21- Fee and commission income

(In thousands of EGP)	Financial period from the date of incorporation till September 30, 2021	For the three month-period ended September 30, 2021
Investment banking commission	9,256	3,826
Asset management commission	35,158	12,397
Finance lease commission	2,100	685
Consumer finance commissions	436	380
Brokerage commission	76,071	31,096
Custodian fees	6,841	1,811
Total fee and commission income	**129,862**	**50,195**

22- Interest income / (expenses)

(In thousands of EGP)	Financial period from the date of incorporation till September 30, 2021	For the three month-period ended September 30, 2021
Interest income from financial assets		
Interest from purchase margin	94,583	33,477
Interest from banks	14,686	9,465
Interest from customers – credit balances	10,320	5,060
Interest from finance lease	19,460	9,442
Interest income from financial instruments	**139,049**	**57,444**
interest expense on financial liabilities at amortized cost		
Interest on the credit facilities*	(55,362)	(22,023)
Interest on the credit facilities related to transactions of financial lease	(5,829)	(4,382)
Interest on lease liabilities	(1,778)	(559)
Interest expense from financial instruments	**(62,969)**	**(26,964)**
Net interest income/ (expense)	**76,080**	**30,480**

* The financing interests represent the interest on credit facilities related to the activity of trading securities to finance the operations of delivery versus payment (DVP) and buying on margin in the securities stock exchange.

23- Other operating expenses

(In thousands of EGP)	Financial period from the date of incorporation till September 30, 2021	For the three - month-period ended September 30, 2021
Headquarters' expenses	6,292	2,128
Linking lines and information	18,735	7,391
Technical services and consultations expenses	6,615	3,223
Telephones and Blumberg reports	1,247	393
Training expenses	780	358
Travelling and accomodation expenses	30	11
Printing and advertising expenses	1,824	654
Govermental and other expenses	20,457	7,106
Total other operating expenses	**55,980**	**21,264**

24- Income tax expense

(In thousands of EGP)	Financial period from the date of incorporation till September 30, 2021	For the three - month-period ended September 30, 2021
Current income tax	(16,643)	(4,780)
Deferred income tax	(2,623)	(1,623)
Total income tax expense	**(19,266)**	**(6,403)**

25- Earnings per share

(In thousands of EGP)	Financial period from the date of incorporation till September 30, 2021	For the three - month-period ended September 30, 2021
Net profit for the period (in thousands of EGP)	54,690	18,989
Weighted average shares during the period (in thousands of EGP)	5,245,691	5,245,691
Earning per share (EGP/share)	**0.0104**	**0.0036**

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

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all convertible financial instruments and share options. The net profit is adjusted by omission of the cost of convertible debt instruments taking tax effect into consideration. As for share option the average potential shares to be issued by options is added to the average ordinary shares and deducting from that the average potential shares weighted by the relation between the exercise price and average fair value of the share during period. As there are no debt instruments that are convertible to bonds, so diluted and basic earnings per share are equal.

26- Subsidiaries with significant non-controlling interests

(In thousands of EGP)	Country of operations	Contribution of NCI % September 30, 2021	Book value of NCI September 30, 2021
Beltone Financial Holding company	Egypt	41.85%	208,127
DOT technologies and software development	Egypt	20.10%	2,064

- All commitment of subsidiaries are included in the consolidated financial statements. The proportion of voting rights in the subsidiaries directly owned by the company is not different from the proportion of ordinary shares held. The company does not have any interest in preferred shares in the subsidiaries included in the Group.

The following tables summarise the financial information of subsidiaries with significant non-controlling interestes.

Summarized statemnet of financial position :

(In thousands of EGP)	September 30, 2021
Current assets	1,723,954
Current liabilities	(1,380,576)
Net current assets	**343,378**
Non-current assets	575,439
Non-current liabilities	(369,478)
Net non-current liabilities	**205,961**
Net Assets	**549,339**
NCI before consolidation adjustments	229,898
Consolidation adjustments	**(21,771)**
Non-controlling interests balance	**208,127**

Summarized income statement and statement of comprehensive income:

(In thousands of EGP)	September 30, 2021
Total revenues	308,489
Total expenses	(282,815)
Profit before income tax	**25,674**
Income tax	(15,216)
Profits for the period after tax from continuing operations	10,458
Total other comprehensive (loss)	(1,171)
Total comprehensive income	**9,287**
NCI's share before consolidation adjustments	**3,887**
Consolidation adjustments	(1,544)
NCI's Share	**2,343**

Summarized statement of cash flows:

(In thousands of EGP)	Before consolidation adjustments	September 30, 2021	After consolidation adjustments
Net cash flows (used in) operating activities	(120,811)	(18,143)	(138,954)
Net cash flows generated by investing activities	1,724	-	1,724
Net cash flows generated by financing activities	534,719	18,143	552,862
Net change in cash and cash equivalent during the period	**415,632**	-	**415,632**
Effect of exchange rate fluctuation on cash and cash equivalents	7	-	7
Cash and cash equivalent at the beginning period	336,562	-	336,562
Cash and cash equivalents at the end of the period	**752,201**	-	**752,201**

27- Joint arrangements (joint operations)

- The Group owns 50% of Misr Beltone Investment Funds Management Company, a "joint operation". During the year 2020, the Group recognized its share in the assets, liabilities, revenues and expenses of the joint operation with the items represented in the Group's consolidated financial statements.
- when the Group deals with the joint operation, the profits and losses are excluded within the limits of the Group's share in this project.
- With reference to the correspondences received from Banque Misr on December 4, 2019, not to renew the contract concluded between the bank and Misr Beltone Company to manage Banque Misr investment funds in pounds, euros and dollars, which expires on December 31, 2019.
- With reference to the invitation that was addressed to the document holders of the Banque Misr Insurance Fund and the Banque du Cairo Fund on February 25, 2020, by changing the fund manager, Misr Beltone Fund Management Company to Beltone Investment Fund Management Company, which was approved and approved by the Financial regulatory Authority on April 7, 2020.
- Based on the above, there will be no funds under the management of Misr Beltone Company to manage investment funds during the next periods.
- On September 30, 2020, it was approved to suspend the company's activity temporarily for one year from the date of the extraordinary general assembly meeting.
- On January 1, 2021, the Group acquired the remaining 50% of Misr Beltone Company through Beltone Financial Holding Company and its subsidiaries for EGP 3,800,000.

28- Tax status

First: tax status of the Holding Company

Corporate tax

The Company is subject to the provisions of Tax Law No. 91 of 2005, and its amendments and its executive regulations and its amendments.
The company will submit the first tax return which will cover the financial period from the date of incorporation on December 10, 2020, till December 31, 2021.

Payroll taxes

The Company pays the payroll tax, on the legal time frame.

Withholding Tax

The Company is subject to the provisions of Law 91 of 2005, and its amendments and its executive regulations and amendments regarding withholding tax retaining and collection under the tax account, and the Company pays the withholding tax on the legal time frame.

Second: tax status for the significant subsidiary (Beltone Financial Holding)

Corporate tax

The company is subject to the provisions of the Tax Law No. 91 of 2005 and it's executive regulations.
The company's tax returns for the years from the date of incorporation until December 31, 2016, were submitted in accordance with the provisions of the Income Tax Law No. 91 of 2005.

Years from inception till 2009

Years from inception till 2009 have been inspected and paid .

Years from 2015 till 2016

These years have been inspected and inspection results still under approval from the tax authority.

Years from 2010 till 2014

These years have been inspected, and the company was notified with the inspection result, the company appealed on the inspection results, and the appeal is transfsrred to the appeal committee.

Year 2017

Excluded from the inspection sample.

Year 2018

The Company prepared for the inspection for this year in the light of the inspection sample.

Year 2019

The Company prepared for the inspection till the year 2019.

Payroll taxes

The company withholds the payroll tax and submits it in a monthly basis in the legal time fram accordimg to the tax law.

Years from inception till 2017

Years from inception till 2017 have been inspected and paid .

Years from 2018 till 2019

The Company prepared for the inspection till the year 2019, after submitting the 2021 payroll settlement.

Stamp duty tax

The company deducts and pay the the stamp tax on the legal time fram accordimg to the tax law.

Years from inception till 2012

Years from inception till 2012 have been inspected and paid .

Years from 2013 till 2018

The Company prepared for the inspection and analysis are delivered to the inspectors of the tax authority.

Year 2019

The Company prepared for the inspection till the year 2019.

29- Significant events during this financial period and subsequent periods

The impact of the recent spread of the virus (Covid-19) on the economy and global markets continues. And the consequent negative impact on several aspects, including supplies, manpower, operations, demand for our products and the company's available liquidity. Accordingly, the company's management has formed a working group to develop and implement emergency plans to meet these exceptional circumstances, and we are currently closely following up and continuously evaluating all updates related to the spread of the emerging virus. All necessary actions are taken to maintain our operations and, most importantly, to protect our employees, suppliers, Company's customers and all stakeholders associated with the Group.

In light of our current knowledge and available information, we do not expect the emerging (Covid-19) virus to have an impact on the Group's ability to continue for the foreseen future.

On December 27, 2020, the Board of Directors of the Financial regulatory Authority issued Resolution No. (200) for the year 2020, to form a risk reserve for the application of Egyptian Accounting Standard No. (47) "financial instruments", equivalent to (1%) of total assets, from the net profit after tax for the financial year ended December 31, 2020, provided that it is included in equity and is used only after the approval of the Financial regulatory Authority.

On February 1, 2021, the Financial regulatory Authority issued Periodic Book No. (3) of 2021 regarding the controls for implementing the Authority's Board of Directors Resolution No. 200 of 2020 and in the context of implementing the provisions of the resolution referred to, companies are committed to the following:

1- The risk reserve for the effects of the application of Egyptian Accounting Standard No. (47) "Financial Instruments" is formed, equivalent to 1% of the risk-weighted assets in accordance with the provisions of the decisions issued by the Authority's Board of Directors regarding the solvency standards.
2- The value of the reserve formed from the net profit for the year ending December 31, 2020, is deducted, after tax.
3- The value of the reserve is included in the shareholders' equity item "provided that it appears as a separate item in the notes accompanying the financial position."
4- The effects of the implementation appear in the first quarter of the year ended December 31, 2020
5- The above referred reserve is used to offset the effects of applying Egyptian Accounting Standard No. 47 "Financial Instruments" after obtaining a pre-approval from the Authority.
6- The reserve balance shall not be used after the application of Standard No. 47 except after obtaining a pre-approval from the Authority.
7- Companies that have early adopted the Egyptian Accounting Standard No. 47, are not required to form the reserve.

30- Subsequent events

According to Beltone's (subsidiary) BOD approval on July 13, 2021 and the EOGM approval on April 4, 2021, to increase its share capital by 17.8 million share (approx. 4%) and the increase will be allocated to the Employee Stock Ownership Plan (ESOP) through promise to sale (Knowing that the transaction is approved by the FRA on May 5, 2021), Beltone's OGM (subsidiary) has approved the plan on October 27, 2021.

31- Comparative figures

As mentioned in detail in note no.1, the parent company of the Group was legally incorporated on December 10, 2020, accordingly, no comparative figures were presented in the interim consolidated financial statements, as the current financial period is the first period for the Group.