Translation of financial statements originally issued in Arabic

Beltone Financial Holding Company "S.A.E."

Subject to the provisions of law no .95 for the year 1992 and its executive regulations

The consolidated Financial Statements

For the year ended December 31, 2023

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Auditor's Report thereon

Translation of financial statements originally issued in Arabic

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Translation of financial statements originally issued in Arabic

Hazem Hassan
Public Accountants & Consultants

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AUDITOR'S REPORT

To shareholders of Beltone Financial Holding Company

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Beltone Financial Holding Company (Egyptian Joint Stock Company) which comprise the consolidated statement of financial position as of December 31, 2023, the statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Beltone Financial Holding Company as of December 31, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

KPMG Hazem Hassan
Public Accountants and Consultants
(10)

KPMG Hazem Hassan

KPMG Hazem Hassan

Public Accountants & Consultants

Cairo, 13 March 2024

Beltone Financial Holding Company S.A.E

Subject to the provisions of law no. 95 for the year 1992 and its executive regulations

Consolidated statement of financial position

(amounts in EGP)	Note no.	31 December 2023	31 December 2022
Assets			
Non-current assets			
Intangible assets & goodwill	(4)	405 492 405	87 317 632
Fixed assets	(5)	1 187 011 397	175 475 098
Investments in associates	(6)	1 143 742	965 845
Financial assets at fair value through OCI	(7)	196 727 643	80 838 974
Other assets	(8)	16 864 739	10 857 152
Receivables	(10)	7 335 534 376	556 759 711
Total non-current assets		**9 142 774 302**	**912 214 412**
Current assets			
Receivables	(10)	5 306 095 265	327 260 982
Inventory	(11)	93 053 958	-
Other assets	(8)	212 706 633	8 830 920
Investments at amortized cost - Treasury bills	(12)	63 804 225	238 663 570
Due from related parties	(13)	11 420	11 420
Financial assets measured at fair value through P&L	(14)	11 477 620	12 476 443
Cash and cash equivalents	(15)	3 342 531 566	1 844 443 226
MCDR settlement		69 120 089	31 799 661
Total current assets		**9 098 800 776**	**2 463 486 222**
Total assets		**18 241 575 078**	**3 375 700 634**
Shareholders' equity & Liabilities			
Shareholders' equity			
Capital	(16)	10 926 957 496	926 957 496
ESOP shares	(17)	(171 217 454)	(14 524 748)
Reserves	(18)	137 994 607	74 349 407
Retained losses		(527 624 442)	(861 660 832)
Equity attributable to shareholders of the parent company		**10 366 110 207**	**125 121 323**
Non-controlling interests	(19)	71 327 910	-
Total Shareholder's owners equity		**10 437 438 117**	**125 121 323**
Liabilities			
Non-Current liabilities			
Lease liability	(22)	20 442 438	11 305 769
Contractual Obligations - fixed Assets	(23)	466 083 112	
Credit facilities	(21)	3 953 489 972	512 943 284
Deferred tax liabilities	(9)	2 672 346	3 588 539
Total non-current liabilities		**4 442 687 868**	**527 837 592**
Current liabilities			
Subordinated Loans	(20)	-	1 343 460 000
Credit facilities	(21)	2 079 048 088	566 987 554
Trade payables	(24)	539 508 402	535 684 142
Provisions	(25)	18 147 510	27 853 296
Due to related parties	(26)	1 475 887	1 512 590
Current Income tax liability		133 729 496	5 429 739
Lease liability	(22)	5 511 984	5 135 758
Contractual Obligations - fixed Assets	(23)	86 568 833	
Other liabilities	(27)	497 458 893	236 678 640
Total current liabilities		**3 361 449 093**	**2 722 741 719**
Total liabilities		**7 804 136 961**	**3 250 579 311**
Total shareholders' equity & liabilities		**18 241 575 078**	**3 375 700 634**

The accompanying notes and policies from (1) to (41) are an integral part of the consolidated Financial Statements and to be read therewith.

Audit report "Attached"

Chief Financial Officer
Shahir Nashed

Managing Director
Dalia Khorshid

Beltone Financial Holding Company S.A.E

Subject to the provisions of law no. 95 for the year 1992 and its executive regulations

Consolidated income statement

(amounts in EGP)	Note no.	For the financial year ended 31 December	
		2023	**2022**
Fees and commission	(28)	362 494 925	169 931 352
Interest income	(29)	1 514 715 175	197 508 345
Total Operating Revenue		**1 877 210 100**	**367 439 697**
Share in profit of associates		11 712	(20 587)
Change in assets measured at fair value through P&L		834 947	(3 640 220)
Net dividends Received	(31)	12 926 423	7 287 258
Provisions no longer required	(25)	200 000	-
Total Revenue		**1 891 183 182**	**371 066 148**
charge (recover)Expected credit loss	(10)	(58 185 564)	(120 093 566)
Other (expenses) revenues	(30)	(20 200 525)	5 212 811
Wages, salaries and equivalents		(523 179 719)	(225 912 950)
Other Operating Expenses	(32)	(326 114 925)	(113 721 098)
Intangible Assets Amortization	(4)	(790 000)	(790 000)
Fixed Assets Depreciation	(5)	(17 890 692)	(14 118 230)
Impairment in due from related parties		-	(2 947)
Impairment in Other assets		-	(31 533)
Provisions formed	(25)	(4 026 093)	(37 458 497)
Foreign currency exchange		16 960 766	21 491 734
Interest expenses	(29)	(468 600 120)	(143 569 926)
Net profit (loss) for the year before tax		**489 156 310**	**(257 928 054)**
Income tax expense	(33)	(119 934 406)	(11 049 305)
Net profit (loss) for the year after tax		**369 221 904**	**(268 977 359)**
Earnings (Losses) per share	(34)	**0.14**	**(0.59)**

The accompanying notes and policies from (1) to (41) are an integral part of the consolidated Financial Statements and to be read th

Beltone Financial Holding Company S.A.E

Subject to the provisions of law no. 95 for the year 1992 and its executive regulations

Consolidated statement of other comprehensive income

(amounts in EGP)

	For the financial year ended 31 December	
	2023	**2022**
Net profit (loss) for the year after tax	369 221 904	(268 977 359)
Other comprehensive income items:		
Items that will be reclassified to the consolidated income statement in subsequent Years:		
Foregin currency translation of subsidiaries companies	14 176 432	18 494 566
Items that will not be reclassified to the consolidated income statement in subsequent Years:		
Revaluation of equity instruments measured at fair value through OCI	14 283 254	(2 717 398)
Total other comprehensive income items	**28 459 686**	**15 777 168**
Total other comprehensive income	**397 681 590**	**(253 200 191)**

The accompanying notes and policies from (1) to (41) are an integral part of the consolidated Financial Statements and to be read therewith.

Beltone Financial Holding Company S.A.E
Subject to the provisions of law no. 95 for the year 1992 and its executive regulations
Consolidated statement of changes in equity

(amounts in EGP)	Share Capital	ESOP shares	Reserves: Foreign currency translation reserve	Reserves: NBFIs risk Reserve	Reserves: Fair Value Reserve	Reserves: Legal reserve	Reserves: Surplus of shares issuance	Reserves: Total reserves	Retained losses	Equity attributable to shareholders of the parent company	Non-controlling interest	Total Shareholder's owners equity
As of 1 January 2022	**891 305 286**	**10 915 854**	**37 290 046**	**-**	**(6 165 082)**	**21 032 202**	**5 656 233**	**57 813 399**	**(578 372 420)**	**370 746 265**	**-**	**370 746 265**
Other Comperehensive income items											-	-
Net Loss for the year	-	-	-	-	-	-	-	-	**(268 977 359)**	(268 977 359)	-	**(268 977 359)**
Foreign currency translation of subsidiaries companies	-	-	18 494 566	-	-	-	-	18 494 566	**-**	18 494 566	-	**18 494 566**
Revaluation of Financial assets measured at fair value through OCI	-	-	-	-	(2 717 398)	-	-	(2 717 398)	**-**	(2 717 398)	-	**(2 717 398)**
Total comprehensive income	**-**		**18 494 566**	**-**	**(2 717 398)**	**-**	**-**	**15 777 168**	**(268 977 359)**	**(253 200 191)**	**-**	**117 546 074**
Transaction with shareholders												
Capital Increase	35 652 210								**(35 652 210)**	**-**	-	**-**
ESOP	-		**-**	**-**	**-**	**-**	(2 215 416)	**(2 215 416)**	**-**	**(2 215 416)**	-	**(2 215 416)**
ESOP - Shares	-	(10 915 854)	**-**	**-**	**-**	**-**	**-**	**-**	**20 706 519**	**9 790 665**	-	**9 790 665**
Total transactions with shareholders	**-**	**(10 915 854)**	**-**	**-**	**-**	**-**	**(2 215 416)**	**(2 215 416)**	**(14 945 691)**	**(2 215 416)**	**-**	**7 575 249**
NBFIs risk Reserve	**-**	**-**	**-**	2 974 256	**-**	**-**	**-**	**2 974 256**	(2 974 256)	-		-
Balance as of 31 December 2022	**926 957 496**	**-**	**55 784 612**	**2 974 256**	**(8 882 480)**	**21 032 202**	**3 440 817**	**74 349 407**	**(876 185 580)**	**125 121 323**	**-**	**125 121 323**
As of 1 January 2023 (Before adjustment)	**926 957 496**	**-**	**55 784 612**	**2 974 256**	**(8 882 480)**	**21 032 202**	**3 440 817**	**74 349 407**	**(876 185 580)**	**125 121 323**	**-**	**125 121 323**
ESOP - shares	-	(14 524 748)	-	-	-	-	-	-	14 524 748	-	-	-
As of 1 January 2023 (after adjustment)	**926 957 496**	**(14 524 748)**	**55 784 612**	**2 974 256**	**(8 882 480)**	**21 032 202**	**3 440 817**	**74 349 407**	**(861 660 832)**	**125 121 323**	**-**	**125 121 323**
Other Comprehensive income items												
Net loss for the year	-	-	-	-	-	-	-	**-**	**369 221 904**	**369 221 904**	-	**369 221 904**
Foreign currency translation of subsidiaries companies	-	-	14 176 432	-	-	-	-	**14 176 432**	**-**	**14 176 432**	-	**14 176 432**
Revaluation of Financial assets measured at fair value through OCI	-	-	-	-	14 283 254	-	-	**14 283 254**	**-**	**14 283 254**	-	**14 283 254**
Total comprehensive income	**-**	**-**	**14 176 432**	**-**	**14 283 254**	**-**	**-**	**28 459 686**	**369 221 904**	**397 681 590**	**-**	**397 681 590**
Transaction with shareholders												
Capital Increase	**10 000 000 000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10 000 000 000**	**-**	**10 000 000 000**
ESOP		(156 692 706)								**(156 692 706)**	**-**	**(156 692 706)**
Total transactions with shareholders	**10 000 000 000**	**(156 692 706)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9 843 307 294**	**-**	**9 843 307 294**
NBFIs risk Reserve	-	-	-	35 185 514	-	-	-	35 185 514	(35 185 514)	**-**		**-**
Business acquistion										-	71 327 910	**-**
Balance as of 31 December 2023	**10 926 957 496**	**(156 692 706)**	**69 961 044**	**38 159 770**	**5 400 774**	**21 032 202**	**3 440 817**	**137 994 607**	**(527 624 442)**	**10 366 110 207**	**71 327 910**	**10 366 110 207**

The accompanying notes and policies from (1) to (41) are an integral part of the consolidated Financial Statements and to be read therewith.

Beltone Financial Holding Company S.A.E
Subject to the provisions of law no. 95 for the year 1992 and its executive regulations
Consolidated Statement of cash flows

(Amounts in EGP)	Note No.	For the financial year ended 31 December	
		2023	**2022**
Net profit (loss) for the year before tax		**489 156 310**	**(257 928 054)**
Intangible Assets Amortization	(4)	790 000	790 000
Fixed Assets Depreciation	(5)	17 890 692	14 118 230
charge (recover)Expected credit loss	(10)	58 185 564	120 093 566
Interest on banks	(26)	(434 154 691)	(57 700 243)
Return on treasury bills	(26)	(21 182 376)	(819 423)
Financing costs - credit facilities	(26)	420 805 713	118 818 793
Interest from lease liability	(26)	1 969 065	2 145 725
Interest on credit facilities from S&LB	(26)	14 458 065	22 605 408
Dividends distribution	(28)	(12 926 423)	(7 287 258)
Share of loss of associates		(11 712)	20 587
Losses (Gain) on sale of fixed asset	(27)	1 956 175	(580 000)
Revaluation of financial assets at fair value through P&L		(834 947)	3 640 220
ESOP		-	5 457 927
Impairment on other assets		-	31 533
Impairment on due from related parties		-	2 947
Provision no longer required	(22)	(200 000)	-
		535 901 435	**(36 590 042)**
Change in:			
Receivables		(11 687 756 446)	(108 610 259)
Due from related parties		-	(100)
Due from companies working in securities		-	59 803
MCDR Settelment		(37 320 428)	(31 799 661)
Other Assets		(194 144 923)	(2 548 531)
Other Liabilities		252 644 260	19 834 138
Trade Payables		3 824 260	72 664 027
Due to related parties		(36 703)	(68 191)
Provision	(22)	(11 905 786)	13 717 919
Cash (used in) operating activities		**(11 138 794 331)**	**(73 340 897)**
Proceeds from Credit interest		434 154 691	57 700 243
Return on treasury Bills		21 182 376	819 423
Interest expenses paid		(420 805 713)	(114 845 222)
Payments for Income Tax		(3 257 237)	(17 029 257)
Net cash (used in) operating activities		**(11 107 520 214)**	**(146 695 710)**
Cash flows from Investing activities			
Payments for purchase of fixed Assets	(5)	(485 563 568)	(28 762 259)
Proceeds from sale of fixed assets		6 832 341	593 843
Proceeds from Dividends distribution		12 926 423	7 287 258
Proceeds from Investments at subsidaries		(318 423 198)	-
Proceeds from Investments at fair value through P&L		1 833 770	18 237 529
Payments under Investments		(250 000)	-
Payments to investments at fair value through OCI		(92 400 000)	(40 837 770)
Net cash used in investing activities		**(875 044 232)**	**(43 481 399)**
Cash flows from Financing activities			
Proceeds from capital increase - ESOP	(20)	-	2 112 376
Payments for lease liability		(12 883 350)	(6 584 915)
Payments for shareholder loan		(1 343 460 000)	1 343 460 000
Proceeds from capital increase		9 843 307 294	-
Proceeds from for credit facilities		4 804 653 065	56 539 922
Net cash generated from financing activities		**13 291 617 009**	**1 395 527 383**
Net change in cash and cash equivalents during the year		**1 309 052 563**	**1 205 350 274**
Foreign currency Translation differences		14 176 432	18 494 566
Cash and cash equivalents at the beginning of the year		2 083 106 796	859 261 956
Cash and cash equivalents at the end of the year	(15)	**3 406 335 791**	**2 083 106 796**

The accompanying notes and policies from (1) to (41) are an integral part of the consolidated Financial Statements and to be read therewitl

Beltone Financial Holding Company S.A.E
Subject to the provisions of law no. 95 for the year 1992 and its executive regulations
Notes to the Consolidated Financial Statements
For the Year ended 31 December 2023

1. General Information

Beltone Financial Holding S.A.E was established according to the provisions of Law No. 95 of 1992 and its executive regulations. The Company was registered at South Cairo Commercial Register on May 10, 2006, under No. 53504 and was subsequently transferred to the 6th of October Commercial Register under No. 13299, then it has been transferred to the South Cairo Commercial Register on March 5, 2013, under No. 63673, the year ending of the holding company and its subsidiaries on December 31 every year.
The Company's duration is for 25 years commencing from the registration date at the Commercial Register.
The group business operations are as follows.

- Brokerage
- Asset Management
- Investment Banking
- Leasing and factoring
- Mortgage
- Consumer finance
- Venture Capital
- Microfinance
- Agriculture

2. Basis for preparation of the consolidated financial statements

2.1 Basis for preparation of the consolidated financial statements

- These financial statements have been prepared in accordance with the current Egyptian Accounting standards (EAS) and its amendments and the relevant laws.
- The financial statements were approved for issuance by the company board of directors in 12 Marchs 2024.

2.2 Functional and Presentation currency

- These financial statements are presented in Egyptian Pound, which is the Group's functional currency.

2.3 Use of Estimates and Assumptions

- Preparation of these financial statements, in accordance with the Egyptian Accounting Standards, require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and its related assumptions are prepared considering the historical experience and other factors. Actual results may differ from these estimates.
- Estimates and underlying assumptions are reviewed on an ongoing basis.
- Changes in accounting estimates recognized in the period where the estimate was changed whether the change affects only that period, or in the period of change and the future periods if the change affects them both.

2.4 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, considering the prices of recent transactions, and

(All amounts are shown in EGP unless otherwise stated)

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.

2.5 Group Entities

The following table outlines the scope of these consolidated financial statements as of December 31, 2022.

Subordinate Companies	**Activity**	**Percentage of Rights**		
		Direct	**Indirect**	**Total**
Beltone Asset Management. S.A.E	Asset Management	97.5%	2.5%	100%
Beltone Investment Banking. S.A.E	Investment Banking	98.571%	1.429%	100%
Beltone Free Zone	Investment Banking & Asset Management	99%	1%	100%
Beltone Real state. S.A.E	Real Estate Investment	98.99%	1.01%	100%
Beltone Investment Management	Asset Management		100%	100%
New frontier securities(USA)*	Securities Brokerage	100%	-	100%
Beltone Information Technology. S.A.E	Information Technology	99.99%	0.01%	100%
Beltone Securities Holding. S.A.E	Participate in companies issuing shares	64%	36%	100%
Beltone Financial Holding	Securities Brokerage	-	100%	100%
Beltone Financial for shares (UAE)	Securities Brokerage	-	100%	100%
Beltone Fixed Income. S.A.E	Fixed Income Securities Brokerage	-	100%	100%
Beltone Libya	Securities Brokerage	-	49%	49%
Beltone Market Maker. S.A.E	Market Maker	90%	10%	100%
Beltone Mortgage. S.A.E	Mortgage	98%	2%	100%
Beltone Leasing. S.A.E	Leasing	99.8%	0.2%	100%
Beltone Consumer Finance. S.A.E	Consumer Finance	99.9%	0.1%	100%
Beltone Venture Capital.S.A.E	Venture Capital	99.99%	0.01%	100%
Beltone Venture Capital Mauratius	Venture Capital	100%	-	100%
Beltone Capital Mauratius	Private Equity	100%	-	100%
Nepit	Private Equity	-	100%	100%
Cash Microfinance	Microfinance	100%	-	100%
National seeds	Agriculture	-	51%	51%

*New frontier Securities (USA) was established on 28 July 2016 and no issued capital has been raised since.

3. Operating Segments

- The Group has five operating segments representing its strategic divisions which are reported, these divisions provide various services and are managed separately because either require special skills or have special kinds of customers.
- The group’s executive managers and division’s heads perform at least monthly review over internal management reports.
- The segments’ financial policies which have been used in reporting are the same applied as in the last annual financial statements.
- The segment profit represents all profits achieved by the segment as reported to the internal management which are reviewed regularly. Segments profits not including any of managers’ salaries or group’s share of associates results or income from associate’s disposal or income from investments or other income or expenses or finance costs or income tax. This measurement is the most relevant for resources allocation for segments and in evaluating their performance.

- **Holding Operations**

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.

- **Investment banking services**

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 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 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**

The group provides non-banking financial activities represented in lease financing activities, installment sales services, and capital services, Real estate finance and risk, microfinance and Mortgage financing 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.

- **Production of seeds and seeds of agricultural crops**

The company aims to produce and distribute seeds and seeds of varieties that prove their excellence and suitability to the nature of the soil and climate in the Arab Republic of Egypt .

3.A. Segment Report

Services according to each activity

For management purposes the group performs five main operating activities which are investment banking, asset management, brokerage custodians and trading services, non-banking financing, holding operations and these activities are representing the following reportable segments.

Analysis of main activities

(amounts in EGP)	Holding		Investment Banking		Assets Management		Brokerage & Custody		NBFIs		Others		Total	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
Fees and commission	-	-	38 277 476	42 885 625	79 409 244	55 148 812	124 580 309	62 575 174	120 121 157	9 321 741	106 740	-	362 494 925	169 931 352
Interest income	328 788 180	18 914 920	56 318	55 553	60 413 126	242 784	148 736 040	93 817 418	974 939 205	84 477 670	1 782 306	-	1 514 715 175	197 508 345
Share in profits of associates	11 712	(20 587)	-	-	-	-	-	-	-	-	-	-	11 712	(20 587)
Change in assets measured at fair value through P&L	-	-	-	-	-	-	781 757	-	53 190	(3 640 220)	-	-	834 947	(3 640 220)
Net dividends Received	-	-	-	-	-	-	12 926 423	7 287 258	-	-	-	-	12 926 423	7 287 258
Expected credit loss recovery	-	-	(9 238 812)	3 398 687	(1 089 072)	(89 965)	11 864 542	(121 905 630)	(59 722 222)	(1 496 658)	-	-	(58 185 564)	(120 093 566)
Other (expenses) revenues	(32 698 881)	5 766	229 382	-	1 015 171	4 168 066	7 178 394	456 579	1 681 749	2 400	2 408 782	-	(20 185 403)	4 632 811
Provisions no longer required	-	-	-	-	-	-	200 000	-	-	-	-	-	200 000	-
Gain on sale of fixed assets	-	580 000	(8 835)	-		-	-	-	(6 287)	-	-	-	(15 122)	580 000
Total revenue	**296 101 011**	**19 480 099**	**29 315 529**	**46 339 865**	**139 748 469**	**59 469 697**	**306 267 465**	**42 230 799**	**1 037 066 792**	**88 664 933**	**4 297 828**	**-**	**1 812 797 092**	**256 185 393**
Wages, salaries and equivalents	(203 215 327)	(55 375 827)	(47 890 323)	(22 597 793)	(29 660 335)	(29 371 323)	(86 486 072)	(73 735 915)	(155 826 106)	(44 832 092)	(101 555)	-	(523 179 719)	(225 912 950)
Other Operating Expenses	(86 116 634)	(40 454 981)	(11 248 472)	(3 568 622)	(23 913 476)	(15 015 441)	(67 698 369)	(34 766 421)	(133 687 472)	(19 915 633)	(3 450 499)	-	(326 114 923)	(113 721 098)
Intangible Assets Amortization	(790 000)	(790 000)	-	-	-	-	-	-	-	-	-	-	(790 000)	(790 000)
Fixed Assets Depreciation	(8 867 760)	(8 588 939)	(832 035)	(593 576)	(642 701)	(1 124 871)	(706 157)	(2 604 464)	(6 275 063)	(1 206 380)	(566 976)	-	(17 890 692)	(14 118 230)
Impairment in Other assets	-	-		-		-	-	(31 533)		-	-	-	-	(31 533)
Impairment in due from related parties	-	-	-	-	-	(2 947)	-	-	-	-	-	-	-	(2 947)
Impairemnt of Goodwill	-	-		-		-		-		-	-	-	-	-
Provisions formed	-	(14 941 984)	-	(1 478 192)	(343 091)	(8 613 766)	(1 838 909)	(10 054 848)	(1 844 093)	(2 369 707)	-	-	(4 026 093)	(37 458 497)
Foreign currency translation differences	(2 943 309)	104 121	1 069 438	35 865	(2 681 897)	(1 004 264)	22 010 017	23 102 201	(163 262)	(746 189)	(330 222)	-	16 960 766	21 491 734
Interest expenses	(75 943 575)	(55 418 744)		(92 854)	438	(201 798)	(6 516 415)	(30 600 841)	(386 140 570)	(57 255 689)		-	(468 600 120)	(143 569 926)
Net (loss) profit before tax	**(81 775 594)**	**(155 986 255)**	**(29 585 863)**	**18 044 693**	**82 507 406**	**4 135 287**	**165 031 560**	**(86 461 022)**	**353 130 226**	**(37 660 757)**	**(151 424)**	**-**	**489 156 311**	**(257 928 054)**
Income tax	(51 313 044)	(5 583 827)	2 257	(7 039)	(1 604 484)	80 038	(13 868 796)	(5 253 202)	(53 490 413)	(285 275)	340 073	-	(119 934 407)	(11 049 305)
Net (loss) profit after tax	**(133 088 638)**	**(161 570 082)**	**(29 583 606)**	**18 037 654**	**80 902 922**	**4 215 325**	**151 162 764**	**(91 714 224)**	**299 639 813**	**(37 946 032)**	**188 649**	**-**	**369 221 904**	**(268 977 359)**

(All amounts are shown in EGP unless otherwise stated)

3-B Segment Assets and Liabilities

(amounts in EGP)	Holding		Investment Banking		Assets Management		Brokerage & Custody		NBFIs		Others		Consolidated adjustment entries		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2022	31 December 2022
Total assets	9 976 526 961	2 175 259 604	22 678 329	21 935 497	464 267 951	225 226 689	3 312 072 278	1 419 886 908	12 869 042 176	1 585 509 075	2 184 144 678	-	(10 587 157 295)	(2 052 117 139)	18 241 575 078	3 375 700 634
Total liabilities	175 775 996	2 629 814 035	66 537 943	9 726 103	186 578 994	22 228 233	3 081 278 509	1 222 240 733	9 744 115 847	701 937 679	2 076 867 164	-	(7 527 017 492)	(1 335 367 472)	7 804 136 961	3 250 579 311
Total shareholders' equity	9 800 750 968	(454 554 431)	(43 859 611)	12 209 394	277 688 961	202 998 456	230 793 786	197 646 175	3 124 926 338	883 571 396	107 277 510	-	(3 060 139 835)	(716 749 667)	10 437 438 117	125 121 323

(All amounts are shown in EGP unless otherwise stated)

4.Goodwill & Intangible Assets

	Trademarks	Clients Contractual relationships	Goodwill*	Total
A) Cost				
At 1 January 2022	3 500 000	12 300 000	78 185 002	93 985 002
At 31 December 2022	**3 500 000**	**12 300 000**	**78 185 002**	**93 985 002**
At 1 January 2023	3 500 000	12 300 000	78 185 002	93 985 002
Additions during the year	-	-	318 964 773	318 964 773
At 31 December 2023	**3 500 000**	**12 300 000**	**397 149 775**	**412 949 775**
B) Accumulated Amortization				
At 1 January 2022	1 071 875	3 766 875	-	4 838 750
Amortization during the year	175 000	615 000	-	790 000
At 31 December 2022	**1 246 875**	**4 381 875**	**-**	**5 628 750**
At 1 January 2023	1 246 875	4 381 875	-	5 628 750
Amortization during the year	175 000	615 000	-	790 000
At 31 December 2023	**1 421 875**	**4 996 875**	**-**	**6 418 750**
C) Impairment				
At 1 January 2022	-	-	1 038 620	1 038 620
At 31 December 2022	**-**	**-**	**1 038 620**	**1 038 620**
At 1 January 2023	-	-	1 038 620	1 038 620
At 31 December 2023	**-**	**-**	**1 038 620**	**1 038 620**
Net book value				
At 31 December 2023	**2 078 125**	**7 303 125**	**396 111 155**	**405 492 405**
At 31 December 2022	**2 253 125**	**7 918 125**	**77 146 382**	**87 317 632**

*Goodwill arose on acquisitions excuted by the group as follows:

Company Name	Acquisition Date	Group rights for related assets at fair value	Indirect & Direct cost of Acquisition	Goodwill at 31 December 2023	Goodwill at 31 December 2022
Beltone Asset Management	1/8/2006	8 828 093	12 360 367	3 532 274	3 532 274
Beltone Investment Banking	1/8/2006	12 807 168	12 947 341	140 173	140 173
Beltone Information Technology**	19/11/2015	33 496 990	106 970 925	73 473 935	73 473 935
Beltone Investment management*	1/1/2021	7 500 000	8 538 620	1 038 620	1 038 620
Cash Microfinance***	1/7/2023	33 510 844	120 000 000	86 489 156	-
National Seeds****	28/12/2023	74 239 253	306 714 870	232 475 617	-
Total Goodwill				**397 149 775**	**78 185 002**
Less :Impairment for Beltone Investment management's Goodwill*				(1 038 620)	(1 038 620)
Net Goodwill				**396 111 155**	**77 146 382**

** An impairment study was carried out for goodwill, and the weighted average method for the discounted cash flow methods and the book value multiplier were relied upon at 70% and 30%, respectively, and 5% was deducted because the company's shares were not traded

(All amounts are shown in EGP unless otherwise stated)

***On July 1, 2023, Beltone Financial Holding Company, acquired 100% of Cash Microfinance Company for an amount of EGP 120 million.
On September 25 2023, the company obtained the approval of the Financial Regulatory Authority to transfer the shares in full and complete the transaction.

Consideration transferred	120 000 000
Net Acquired Assets	(33 510 844)
Goodwill	**86 489 156**

The company has also determined the accounting to consolidate the business related to the acquisition of Cash Microfinance Company on July 1, 2023, until the completion of the fair value study of the acquired assets and liabilities, including intangible assets at the acquisition date, if any, provided that the adjustments related to the fair value are recognized within 12 months from the date of acquisition in accordance with Egyptian Accounting Standard No. (29) "Business Combinations"

Net Acquired Assets	
Non-current assets	
Fixed assets	10,776,863
Receivables	7,908,404
Total non-current assets	**18,685,267**
Current assets	
Receivables	102,825,831
Cash and cash equivalents	24,646,176
Other assets	1,907,926
Total current assets	**129,379,933**
Total assets	**148,065,200**
Liabilities	
Non-Current liabilities	
Lease liability	6,972,118
Deferred tax liabilities	99,135
Total non-current liabilities	**7,071,253**
Current liabilities	
Lease liability	1,743,030
Credit facilities	102,893,524
Other liabilities	2,846,549
Total current liabilities	**107,483,103**
Total liabilities	**114,554,356**
Total shareholders' equity & liabilities	**33,510,844**

****Beltone Financial Holding Company, acquired 51% of National Seeds Company for an amount of EGP 306.7 million, on December 28, 2023, the company obtained the approval of EGX to transfer the shares in full and complete the transaction.

Consideration transferred	306 714 870
Net Acquired Assets	(74,239,253)
Goodwill	**232 475 617**

The company has also determined the accounting to consolidate the business related to the acquisition of National Seeds Company on December 18, 2023, until the completion of the fair value study of the acquired assets and liabilities, including intangible assets at the acquisition date, if any, provided that the adjustments related to the fair value are recognized. recognized assets and liabilities within 12 months from the date of acquisition in accordance with Egyptian Accounting Standard No. (29) "Business Combinations"

Net Acquired Assets	
Non-current assets	
Fixed assets	4,582,663
Total non-current assets	**4,582,663**
Current assets	
Receivables	17,303,831
Inventory	93,053,958
Investmenst	66,334,929
Other assets	13,832,759
Cash and cash equivalents	17,310,567
Total current assets	**207,836,044**
Total assets	**212,418,707**
Liabilities	
Non-Current liabilities	
Deferred tax liabilities	234,451
Total non-current liabilities	**234,451**
Current liabilities	
Credit facilities	43,186,228
Other liabilities	7,220,182
Income Taxes	16,210,683
Total current liabilities	**66,617,093**
Total liabilities	**66,851,544**
Total shareholders' equity & liabilities	**145,567,163**
Controlling interest	**74,239,253**
Non - Controlling interest	**71,327,910**

(All amounts are shown in EGP unless otherwise stated)

5.Fixed Assets

(amounts in EGP)	Lands & Buildings*	Leasehold improvements	Furniture	Computers	Communication equipment	Vehicles	Projects under construction***	Right Of Use**	Total
As of 1 January 2022	**125 994 900**	**10 605 686**	**9 234 601**	**12 878 212**	**8 262 361**	**3 450 000**	**13 283 100**	**30 994 225**	**214 703 085**
Additions during the year	-	-	98 789	642 301	2 185 638	-	25 835 531	-	28 762 259
Disposals during the year	-	-	-	(15 574)	-	(700 000)	-	-	(715 574)
As of 31 December 2022	**125 994 900**	**10 605 686**	**9 333 390**	**13 504 939**	**10 447 999**	**2 750 000**	**39 118 631**	**30 994 225**	**242 749 770**
As of 1 January 2023 as previously issued	**125 994 900**	**10 605 686**	**9 333 390**	**13 504 939**	**10 447 999**	**2 750 000**	**39 118 631**	**30 994 225**	**242 749 770**
Previous years' adjustments	-	-	-	-	-	5 435 709	-	(5 435 709)	-
As of 1 January 2023 adjusted	**125 994 900**	**10 605 686**	**9 333 390**	**13 504 939**	**10 447 999**	**8 185 709**	**39 118 631**	**25 558 516**	**242 749 770**
Additions during the year	-	2 159 390	10 708 553	7 988 535	17 209 890	91 216 960	913 346 470	10 530 372	1 053 160 170
Foreign curreny translation differences	-	-	-			-	156 428	-	156 428
Transferred from Projects under construction	-	-	-	-	11 712 251	-	(11 712 251)	-	-
Disposals during the year		(239 535)	(2 839 042)	(7 370 357)	(6 053 734)	-	(21 818 287)	(25 468 197)	(63 789 152)
Acquisition of subsidiaries	2 287 848	-	2 550 022	1 356 435	6 418 250	5 590 792	-	9 996 095	28 199 442
As of 31 December 2023	**128 282 748**	**12 525 541**	**19 752 923**	**15 479 552**	**39 734 656**	**104 993 461**	**919 090 991**	**20 616 786**	**1 260 476 658**
B) Accumulated depreciation									
As of 1 January 2022	**9 772 507**	**8 530 061**	**7 219 837**	**10 707 057**	**5 717 845**	**2 447 503**	**-**	**8 789 996**	**53 184 806**
Impairment on 1 January 2022	-	673 367	-	-	-	-	-	-	673 367
Accumulated impairment as of 1 January 2022	**9 772 507**	**9 203 428**	**7 219 837**	**10 707 057**	**5 717 845**	**2 447 503**	**-**	**8 789 996**	**53 858 173**
Depreciation during the year	2 267 908	1 300 597	1 274 357	1 234 946	1 286 624	550 000	-	6 203 798	14 118 230
Disposals during the year	-	-	-	(1 731)	-	(700 000)	-	-	(701 731)
As of 31 December 2022	**12 040 415**	**10 504 025**	**8 494 194**	**11 940 272**	**7 004 469**	**2 297 503**	**-**	**14 993 794**	**67 274 672**
Depreciation as of 1 January 2023 as previously issued	**12 040 415**	**10 504 025**	**8 494 194**	**11 940 272**	**7 004 469**	**2 297 503**	**-**	**14 993 794**	**67 274 672**
Previous years' adjustments	-	-	-	-	-	2 174 284	-	(2 174 284)	-
Depreciation as of 1 January 2023 adjusted	**12 040 415**	**10 504 025**	**8 494 194**	**11 940 272**	**7 004 469**	**4 471 787**	**-**	**12 819 510**	**67 274 672**
Depreciation during the period	2 267 909	1 654 738	1 550 950	2 173 795	3 904 515	6 037 551		301 234	17 890 692
Disposals during the period	-	-	(2 646 172)	(7 100 576)	(2 022 701)	-	-	(13 185 433)	(24 954 882)
Acquisition of subsidiaries	1 566 895	-	698 306	768 907	3 582 265	4 039 582	-	2 598 824	13 254 779
As of 31 December 2023	**15 875 219**	**12 158 763**	**8 097 278**	**7 782 398**	**12 468 548**	**14 548 920**	**-**	**2 534 135**	**73 465 261**
Net Book Value									
As of 31 December 2023	**112 407 529**	**366 778**	**11 655 645**	**7 697 154**	**27 266 108**	**90 444 541**	**919 090 991**	**18 082 651**	**1 187 011 397**
As of 31 December 2022	**113 954 485**	**101 661**	**839 196**	**1 564 667**	**3 443 530**	**452 497**	**39 118 631**	**16 000 431**	**175 475 098**

* During 2021, the company signed a sale and leaseback contract for the two floors with Global Corp. During 2023, the company terminated the contract and signed a new sale and leaseback contract with Beltone Leasing Company. Note (21)

**The right of use is represented in the Lease Financing for the administrative units of the Cash Micro Finance Company in the amount of 10 086 414 And printing machine with 345 001 for five years.

***The projects under construction represents the value of computer programs (Oracle) that are applied to the group's companies.

(All amounts are shown in EGP unless otherwise stated)

6. Investments in Associates

	Contribution %	As of 31 December 2023	As of 31 December 2022
Electronic Asset Management Services for Investment Funds	20%	289 748	289 748
International Administration Services for Investment Funds*	20%	853 994	676 097
Axes Holding company**	33.9%	19 269 096	15 446 558
Total Investments in Associates		**20 412 838**	**16 412 403**
Less: Impairment in investments (Axes Holding company) **		(19 269 096)	(15 446 558)
Net Investments in Associates		**1 143 742**	**965 845**

* The group's share of the net profit of the International Administration Services for Investment Funds amounts to 11 712 EGP.

****Change in Impairment in investments in associates**

	As of 31 December 2022	Formed during the period	Forex	As of 31 December 2023
Impairment in investments in associates	(15 446 558)	-	(3 822 538)	(19 269 096)

7. Financial assets at fair value through other comprehensive income

	As of 31 December 2023	As of 31 December 2022
EGX 30 Index ETF	14 957 634	8 734 419
Egyptian Opportunities Fund SP	9 043 189	9 688 826
B-Secure Fund	6 001 582	5 098 824
Zahraa El Maadi investments	55 624 945	40 211 723
Arika B.V.	30 800 000	-
SehaTech PTE LTD	7 700 000	-
Bosta INC.	15 400 000	-
WayUp HoldCo B.V.	7 700 000	-
Lychee Holdings Limited	30 800 000	
Total financial investments (at fair value)	**178 027 350**	**63 733 792**
Misr for Central Clearing, Depository and Registry*	11 029 300	11 029 300
Guarantee Settlement Fund	4 377 493	2 782 382
Commodities Exchange	3 000 000	3 000 000
MENA Capital**	5 119 638	4 101 021
El Arabi for Investment	193 500	193 500
BMG company S.A. E	100 000	100 000
Total	**23 819 931**	**21 206 203**
Less: Impairment in investments**	(5 119 638)	(4 101 021)
Total financial assets	**18 700 293**	**17 105 182**
Total financial assets at fair value through OCI	**196 727 643**	**80 838 974**

* The above financial investments are recorded at cost, as the current value represent best estimate for the fair value

** The above financial investments are recorded at cost as they are under construction.

(All amounts are shown in EGP unless otherwise stated)

****Change in Impairment in financial assets at fair value through OCI**

	As of 31 December 2022	Formed during the formed	Forex	As of 31 December 2023
Impairment in financial assets at fair value through OCI	(4 101 021)	-	(1 018 617)	(5 119 638)

8. Other assets

	As of 31 December 2023	As of 31 December 2022
Other assets - non-current		
Deposits with others	15 987 999	10 857 152
Prepayments	876 850	-
Total other assets - non-current	**16 864 739**	**10 857 152**
Other assets – current		
Employee receivables	4 059 472	64 099
Deposits with others	2 003 088	286 800
Return on financial assets at fair value through P&L	291 667	419 250
Payments Under Investments	250 000	-
Withholding tax	1 283 840	988 871
Prepaid expenses	21 822 841	6 338 556
Suppliers – Advances	155 907 526	-
Other assets*	37 512 450	9 069 212
Total	**222 130 884**	**17 166 788**
Less: Impairment in other assets*	(10 424 251)	(8 335 868)
Total other assets - current	**212 706 633**	**8 830 920**
Total other assets	**229 571 372**	**19 688 072**

***Change in Impairment in other assets**

	As of 31 December 2022	Formed during the period	Forex	As of 31 December 2023
Impairment in other assets	(8 335 868)	-	(2 088 383)	(10 424 251)

9. Deferred tax (liability) Asset

Deferred income taxes are calculated on the deferred tax differences according to the liability method using a tax rate of 22.5%. Tax liabilities arose with the company on the differences resulting from the difference in the accounting basis from the tax basis of the assets and liabilities, and they are explained as follows:

	As of 31 December 2023	As of 31 December 2022
Depreciation and Amortization	(2 672 346)	(3 588 539)
Total	**(2 672 346)**	**(3 588 539)**

(All amounts are shown in EGP unless otherwise stated)

10. Receivables

	As of 31 December 2023	As of 31 December 2022
Receivables-Leasing & Factoring	6 891 344 156	623 328 932
Receivables-Consumer Finance	2 142 869 406	90 706 471
Receivables-Micro finance	169 526 899	-
Receivables-Brokerage	1 450 177 503	460 815 131
Receivables- Agriculture	17 794 877	-
Receivables -Mortgage	764 022 179	-
Receivables - Others	1 574 453 604	18 017 211
Less: Expected credit loss	(368 558 983)	(308 847 052)
Net Receivables	**12 641 629 641**	**884 020 693**

The following table shows the analysis of the movement of the relevant expected credit loss allowance in the date of preparing the financial statements:

	As of 31 December 2023	As of 31 December 2022
Expected credit loss at beginning of the year	(308 847 052)	(188 753 486)
Acquisition of subsidiaries during the year	(1 526 367)	-
Expected credit loss during the year	(58 185 564)	(120 093 566)
Balance	**(368 558 983)**	**(308 847 052)**

Receivables represent the following:

	As of 31 December 2023	As of 31 December 2022
Non-current Receivables	7 381 982 883	559 992 530
Less: Expected credit loss – non-current	(46 448 507)	(3 232 819)
Total Non-current Receivables	**7 335 534 376**	**556 759 711**
Current Receivables	5 628 205 741	632 875 215
Less: Expected credit loss – Current	(322 110 476)	(305 614 233)
Total Current Receivables	**5 306 095 265**	**327 260 982**
Net Receivables	**12 641 629 641**	**884 020 693**

11. Inventory

	As of 31 December 2023	As of 31 December 2022
Raw Materials	6 638 050	-
Unfinished Goods	58 994 497	-
Finished Goods	27 421 411	-
Blanace	**93 053 958**	**-**

The company prices its inventory ending period of raw materials and spare parts according to the cost or market basis, whichever is lower.
The company prices its finished and unfinished production inventory according to the cost or market basis, whichever is lower, and the cost includes the average actual purchase prices plus its operating expenses.

(All amounts are shown in EGP unless otherwise stated)

12. Investment at Amortized Cost – Treasury bills

	As of 31 December 2023	As of 31 December 2022
Treasury bills at Amortized Cost (less than 3 months)	63 804 225	238 663 570
balance	**63 804 225**	**238 663 570**

13. Due From related parties

	Account Nature	As of 31 December 2023	As of 31 December 2022
Beltone Mena Equity Fund*	Current Account	439 756	439 756
EGX 30 Index ETF	Current Account	11 420	11 420
Total		**451 176**	**451 176**
Less: Impairment of due from Related Parties*		(439 756)	(439 756)
Total due from related parties		**11 420**	**11 420**

14. Financial assets at fair value through profit or loss

	As of 31 December 2023	As of 31 December 2022
Investments in index fund	207 650	563 841
Investments in Nasdaq	6 368 863	4 531 603
Financial investments – Rush cosmetics	500 000	2 238 954
Financial investments – Delta oil	4 401 107	5 142 045
Total financial assets at fair value through profit or loss	**11 477 620**	**12 476 443**

15. Cash & cash equivalents

	As of 31 December 2023	As of 31 December 2022
Cash at Banks - Local Currencies	1 693 999 095	1 303 612 371
Cash at Banks - Foreign Currencies	705 810 124	407 305 179
Investments funds in EGP*	942 722 347	133 525 676
Total Cash & cash at banks	**3 342 531 566**	**1 844 443 226**

* The company invests 942 722 347 EGP in the "B-Secure" fund affiliated with Beltone Securities of fixed-return with a cumulative return such as Financial Instruments.

For the preparation of the statement of cash flows:

	For the year ended 31 December 2023	2022
Cash & cash equivalents	3 342 531 566	1 844 443 226
Treasury Bills less than 3 months	63 804 225	238 663 570
Total Cash & cash equivalents	**3 406 335 791**	**2 083 106 796**

(All amounts are shown in EGP unless otherwise stated)

16. Capital

- On October 27, 2021, The Ordinary General Assembly, held and in accordance with the decision of the Board of Directors, held on July 13, 2021, and the second resolution of the Extraordinary General Assembly, held on April 4, 2021 and approved on May 5, 2021 by the Financial Regulatory Authority, decided to increase the capital in nominal value by issuing The number of 17 826 105 shares represents 4% of the company's shares, the value of each share is 2 EGP, with a total value of 35 652 210 EGP Self-financing from the company's resources for the benefit of the system for rewarding and motivating workers, managers, and executive board members. The capital increase has been marked in the commercial register on May 16, 2022, bringing the capital to 926 957 496 Egyptian pounds distributed over 463 478 748 shares with a nominal value of 2 Egyptian pounds each.
- On July 25, 2022, the members of the Board of Directors of Orascom Financial Holding Company unanimously approved the compulsory purchase offer submitted by Chimera Investment Company (Tow point Zero group LLC - ultimate parent) or through any of its subsidiaries to acquire the shares of Beltone Financial Holding Company in return for a price offer of 1.485 Egyptian pounds per share, with a full sale or some of the 259 121 683 shares owned by Orascom Financial Holding Company in Beltone Financial Holding Company. The sale was executed on August 4, 2022.
- On November 22, 2022, the Board of Directors approved the submission of a proposal to the Extraordinary General Assembly to increase the authorized capital of the company from 1 000 000 000 Egyptian pounds to an amount of 11 000 000 000 Egyptian pounds The Extraordinary General Assembly was invited to convene on February 28, 2023, to approve the proposal to increase the capital and start procedures to support the activities of the subsidiaries.
- On July 19, 2023, the issued and fully paid-up capital of EGP was increased to 10 926 957 496 EGP distributed over 5 463 478 748 shares with a nominal value of EGP 2 per share.
- The following table shows shareholder's ownership:

Shareholder name	Number of shares	Value	Ownership %
CHIMPE Investments (UAE)	3 054 523 143	6 109 046 286	55.9%
ESOP – Unvested shares	85 608 727	171 217 454	1.5%
Others	2 323 346 878	4 646 693 756	42.6%
Total	**5 463 478 748**	**10 926 957 496**	**100%**

17. Share Based Payments.

The company has activated the employee stock option plan by granting shares equivalent to 4% of the company's shares, and the company has made a promise to allocate shares on special terms to some of the company's employees according to a share-based payment option, including the terms of the reward and incentive program during the grant years 2020, 2021 and 2022. Equity instruments for payments based on shares are recorded at fair value on the date of grant and charged to the company's income statement according to the accrual principle during the promise period in exchange for the increase in equity.

According to the ESOP system, if the main shareholder of the company fully or partially with less than 51% of the company's capital shares through selling in the market or by accepting participation in a purchase offer to the company or any material events that are immediately resolved; the unvested ESOP shares will be vested on the date of transfer of ownership from the main shareholder to the new shareholder.

Noting that on the date of the main shareholder's exit, the unvested ESOP shares amounted to 7 262 374, with a value of EGP 14 524 748 out of the total shares issued for ESOP system.

On July 19, 2023, the issued and fully paid-up capital was increased to 10 926 957 496 EGP distributed over 5 463 478 748 shares with a nominal value of EGP 2 per share. This increase includes 75,044,996 shares in favor of the reward and incentive system.

	Number of shares	Value as of 31 December 2023
ESOP shares – Vested shares	10 563 731	21 127 462
ESOP shares – Unvested shares	85 608 727	171 217 454
Total shares previously issued for ESOP	**96 172 458**	**192 344 916**

(All amounts are shown in EGP unless otherwise stated)

The unvested ESOP shares are now in a separate item in Equity and the comparative figures have been adjusted accordingly.

18. Reserves

A- Legal Reserve

- In accordance with Articles of Law 159 of 1981 articles of association of the holding company, 5% of the net profit is avoided to form a statutory reserve. This reserve is discontinued if the reserve equals 50% of the issued share capital which is not available for distribution, and the company must return to deducting the legal reserve whenever its balance falls below 50% of the capital.
- The retained earnings include a legal reserve for the subsidiary companies, amounting to 21 032 202 EGP, which has been classified within the carried forward profits for the purposes of preparing the consolidated financial statements, and it is not permissible to distribute it.

B- Consumer finance risk reserve

	As of 31 December 2023	As of 31 December 2022
1-Provision balance according to FRA on consumer finance clients	22 684 600	894 614
2-Provision balance according to ECL model on consumer finance clients	18 804 010	1 245 022
Surplus of 1 over 2	**3 880 589**	**-**

C- Financial leasing & Factoring risk reserve

	As of 31 December 2023	As of 31 December 2022
1-Provision balance according to FRA on leasing clients	67 827 216	6 216 739
2-Provision balance according to ECL model on leasing clients	40 507 034	3 242 483
Surplus of 1 over 2	**27 320 182**	**2 974 256**

D- Financial microfinance risk reserve

	As of 31 December 2023	As of 31 December 2022
1-Provision balance according to FRA on microfinance clients	4 455 143	-
2-Provision balance according to ECL model on microfinance clients	2 625 370	-
Surplus of 1 over 2	**1 829 773**	**-**

E- Financial Mortgage risk reserve

	As of 31 December 2023	As of 31 December 2022
1-Provision balance according to FRA on microfinance clients	7 640 222	-
2-Provision balance according to ECL model on microfinance clients	2 510 996	-
Surplus of 1 over 2	**5 129 226**	**-**

(All amounts are shown in EGP unless otherwise stated)

19. Non-Controlling Interest

On 28th of December Beltone Holding Acquired 51% of National Seeds Company

	As of 31 December 2023
Capital	70 000 000
Legal reserve	10 107 949
Other reserve	548 105
Retained Earnings	64 911 109
Total Equity	**145 567 163**
Non-controlling Interest	49%
Total non controlling Interest	**71 327 910**

20. Subordinated Loans

The Board of Directors, convened on November 7, 2022, approved obtaining a subordinated from Chimera Investment Company (or one of its subsidiaries) with the amount of 1 343 460 000 EGP (one billion three hundred forty-three million four hundred and sixty thousand Egyptian pounds and the loan period is 12 months. It starts from the date of receipt of the loan at zero percent interest. The loan was settled on July 9, 2023.

	Currency	Loan Date	Due Date	Loan Principal at 31 December 2023	Loan Principal at 31 December 2022
Chimera Investments	EGP	7 November 2022	8 November 2023	-	**1 343 460 000**

21. Credit facilities.

	As of 31 December 2023	As of 31 December 2022
Credit facilities*	6 032 538 060	928 469 471
Credit facilities from sale and lease-back contracts (Global Corp) **	-	151 461 367
Total credit facilities	**6 032 538 060**	**1 079 930 838**

*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, leasing, consumer finance and holding operations and these facilities without guarantee at the average market interest rate.

**During 2021, the company signed a sale and leaseback contract for the 33rd and 34th administrative floors located in the property No. 2005 C, Nile City Building, owned by Beltone Financial Holding Company, who are based in the Nile City Tower, with Global Corp for Financial Services. According to the contract, the building is leased for a period of 7 years starting on May 20, 2021, and ending on May 19, 2028, On May 15, 2023, the company terminated the contract and settled all the dues.

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

- To own the leased asset at the end of the period for a value of 1 Egyptian pound after paying all the amounts due under this contract.

- Expedited payment, whereby the lessee pays the present value of the total unpaid rental value in addition to an expedited payment commission of 3% of the total principal amount remaining for the unpaid rents on the date of the expedited payment.

On 15th of May 2023, this was fully paid by the company with an Early settlement fee.

(All amounts are shown in EGP unless otherwise stated)

Credit facilities are as follows: -

	As of 31 December 2023	As of 31 December 2022
Current	2 079 048 088	566 987 554
Non-current	3 953 489 972	512 943 284
Balance	**6 032 538 060**	**1 079 930 838**

22. Lease liabilities.

	As of 31 December 2023	As of 31 December 2022
Balances at the beginning of year	16 441 527	20 880 717
Additions during the year	15 721 512	-
Disposals during the year*	(16 334 943)	-
Rental payments during the year	(2 365 525)	(6 584 915)
Acquisition of subsidiaries during the year	10 522 708	-
Interest on lease during the year (Note 29)	1 969 142	2 145 725
Balance	**25 954 421**	**16 441 527**

*The operating lease contract concluded for the company's administrative headquarters was terminated and gains were recognized from the disposals of the right of use assets of EGP 996 542 (Note 30)

Lease liabilities are as follows:

	As of 31 December 2023	As of 31 December 2022
Current	5 511 984	5 135 758
Non-current	20 442 438	11 305 769
Balance	**25 954 421**	**16 441 527**

23. Contractual Obligations-Fixed Assets

	As of 31 December 2023	As of 31 December 2022
Contractual Obligations – Sodic Administrative Building	552 651 945	-
Total Contractual Obligations	**552 651 945**	**-**

The purchase of an administrative building for the company from the Sixth of October Company for Development and Real Estate Projects "Sorell", one of the Sixth of October Development and Investment Companies "SODIC", to buy a building in the Eastown project in New Cairo for the benefit and name of Beltone Financial Holding Company or one of its subsidiaries.

Contractual Obligations are as follows:

	As of 31 December 2023	As of 31 December 2022
Current	86 568 833	-
Non-current	466 083 112	-
Balance	**552 651 945**	**-**

(All amounts are shown in EGP unless otherwise stated)

24. Trade payables

	As of 31 December 2023	As of 31 December 2022
Brokerage clients	539 508 402	535 684 142
Total brokerage clients	**539 508 402**	**535 684 142**

Trade payables balances are represented in the advances made by clients to buy shares in the activity of securities trading. Coupons collected for the benefit of clients are also being transferred to these clients.

25. Provisions

	As of 31 December 2023	As of 31 December 2022
Balance at the beginning of the year	27 853 296	14 135 377
Acquisition on Subsidiaries	2 000 000	
Formed during the year	4 026 093	37 458 497
Used during the year	(15 531 879)	(23 740 578)
Provisions no longer required during the year	(200 000)	-
Balance	**18 147 510**	**27 853 296**

26. Due to related parties

	Relation	Account Nature	As of 31 December 2023	As of 31 December 2022
International Company for Management Services in the field of investment funds	Associate	Current Account	776 991	813 694
The electronic company for management services in the field of investment funds	Associate	Current Account	698 896	698 896
Total due to related parties			**1 475 887**	**1 512 590**

27. Other liabilities

	As of 31 December 2023	As of 31 December 2022
Accrued expenses	130 630 160	45 329 927
National Authority for social insurance	3 881 612	701 572
Financial regulatory authority "FRA"	310 440	475 872
Misr for Central Clearing, Depository and Registry	8 188 085	5 067 622
Payables to banks & companies for bookkeeping	1 286 703	1 455 979
Suppliers - Credit	203 431 957	155 893 608
Accrued interest – Credit facilities	88 579 950	5 948 541
Insurance customer deposits	20 772 750	-
Other liabilities	40 377 236	21 805 519
Total other liabilities	**497 458 893**	**236 678 640**

(All amounts are shown in EGP unless otherwise stated)

28. Fees and commission

	For the year ended 31 December	
	2023	**2022**
Brokerage commission	99 999 339	52 791 699
Investment banking fees	35 742 476	42 885 625
Asset management fees	79 409 243	55 148 812
Lease and Factoring receivables	80 939 578	3 360 557
Consumer finance fees	20 236 456	5 961 184
Custodian fees	24 580 970	9 783 475
Microfinance fees	5 982 435	-
Mortgage fees	12 524 988	-
Venture Capital fees	3 079 440	-
Total Fees and commission	**362 494 925**	**169 931 352**

29. Interest income and interest expenses

	For the year ended 31 December	
	2023	**2022**
Interest on margin	91 155 836	53 220 429
Interest on banks	434 154 691	57 700 242
Interest on lease and factoring	636 943 100	71 572 468
Interest on consumer finance	181 522 528	7 950 280
Interest on money market fund	93 897 571	2 537 699
Interest on microfinance facilitites	39 577 232	-
Interest on mortgage	6 683 243	-
Return on treasury bills	21 182 376	4 527 227
Interest from venture capital	9 598 598	-
Total Interest income	**1 514 715 175**	**197 508 345**
Interest expenses from financial liabilities		
Interests on credit facilities*	(420 805 713)	(118 818 793)
Interest on sale and lease back	(14 458 065)	(22 605 408)
Interest on lease liability (note no.20)	(1 969 142)	(2 145 725)
Cost to obtain credit facilities	(31 367 200)	-
Total Interest expenses	**(468 600 120)**	**(143 569 926)**
Net Interest Income & interest Expenses	**1 046 115 055**	**53 938 419**

*This illustrates the interest on the credit facilities for leasing, consumer finance and the securities trading activity to finance the delivery against payment DVP and the margin purchase on the security exchange.

30. Other (Expenses) / Revenues

	For the year ended 31 December	
	2023	**2022**
Gain on disposal of ROU - Galleria	3 998 583	-
Settlement of rent contracts - Galleria	(3 002 041)	-
(Loss) Gain on disposal of fixed assets	(5 954 758)	580 000
Fines on termination of Palm Hills contract	(21 355 961)	-
Early settlement fees (Sale and Lease back Global Corp.)	(3 578 778)	-
Gain on sale of money market fund	74 486	-
Others	6 392 652	4 632 811
Total Other (Expense) / Revenue	**(20 200 525)**	**5 212 811**

(All amounts are shown in EGP unless otherwise stated)

31. Net dividends Received

	For the year ended 31 December	
	2023	**2022**
Dividends Received	14 362 692	8 096 953
Less: Taxes on dividends Received	(1 436 269)	(809 695)
Total	**12 926 423**	**7 287 258**

32. Other administrative and operating expenses

	For the year ended 31 December	
	2023	**2022**
Occupancy expense of premises	38 707 402	8 427 902
IT Costs	64 216 680	34 189 425
Professional service fees	33 709 093	35 291 221
Non-compensation staff related	9 585 873	1 921 954
Travel Expenses	23 896 911	1 903 855
Marketing and sales expense	46 728 280	1 794 480
Other operating expenses	109 270 682	30 192 261
Total	**326 114 925**	**113 721 098**

33. Income tax expense

	For the year ended 31 December	
	2023	**2022**
Current income tax	(116 852 615)	(5 393 597)
Deffered tax	1 155 200	(4 750 265)
Tax on treasury bills	(4 236 991)	(905 443)
Total	**(119 934 406)**	**(11 049 305)**

34. Earnings (Losses) per share

Earnings (Losses) per share have been calculated based on net gain (loss) for Shareholder of parent company divided by the weighted average number of shares outstanding during the period as shown below.

	For the Year ended 31 December	
	2023	**2022**
Net profit (losses) for the parent company	369 221 904	(268 977 359)
Weighted average shares during the Year	2 723 752 721	158 696 642
Earnings (Losses) per share	**0.14**	**(0.59)**

Diluted earnings/ (losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group does not have any categories of dilutive potential ordinary shares on 31 December 2023 and 31 December 2022, hence the diluted earnings/(losses) per share is the same as the basic earnings (losses) per share.

(All amounts are shown in EGP unless otherwise stated)

35. Transactions with related parties

Transactions with related parties are as follows:

Balances due from and to related parties that were disclosed in Note No. (13) and (26) Which also includes the nature of the relationship with each company as well as the nature of the account.

Subordinated Loans in Note No. (20) Which also includes the Loan Date, Due Date, and the Loan principle.

Client balances with related parties presented as follows:

	Relation	Account Nature	Balance as of 31 December 2023	Balance as of 31 December 2022
Chimpe 1 Investment SPV RSC LTD	Parent Company	Client balances	1 082 254	246 438 115

36. Tax status

A) Corporate

The company is subject to Tax Law No. 91 of 2005 and its regulations.
The company sent the tax returns to tax authority on legal due date according to tax law no. 91 FY 2005.

- **Years from 2009 to 2012:**

The company has been inspected and paid tax differences.

- **Years from 2013 to 2014:**

The company has been inspected and the company sent objection to tax authority on legal due date.

- **The years from 2015 to 2016**

The company has been inspected and the company sent objection to tax authority on legal due date, the tax disputes has been transferred to internal committee.

- **2017:**

The file was not included in the sample.

- **Years from 2018 to 2022**

The company was notified of Form 19 and was appealed.

B) Payroll tax

The company deduct the payroll tax and send it monthly on the legal due date.

- **Years from 2006 to 2020:**

The company has been inspected and paid tax differences.

- **Years from 2021 to 2023:**

The company submitted the tax returns on legal due date and not requested to inspection.

C) Stamp tax

The company supplies the tax on the legal due date.

- **Years from the starting of the activity until 2019:**

The company has been inspected and paid tax differences from the beginning till 2015

- **Years from 2020 to 2023:**

Stamp tax has been paid and the company has not received any Inspection request forms .

37. Significant accounting policies applied.

37-1 Business combination

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.
- Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately.
- Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

  The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not premeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. non-controlling interests

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

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

iii. Loss of control

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

iv. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. And it does not have rights in assets or obligations related to the arrangement.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

v. Transactions eliminated on consolidation.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

37-2 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

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

- available-for-sale equity investments except on impairment, in which case foreign currency differences that have been recognized in OCI.
- 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 year.

37-3 Discontinued Operations

Discontinued operations are part of grouped operations, their operations and cash flows can be isolated from grouped operations.

A discontinued operation is recognized as such when it is discontinued or when it is converted in to 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.

37-4 Financial instruments

37-4.1 Business model, classification, and measurement

<u>Business model</u>

- 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 after 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 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.

Financial assets – 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 outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the Group's management.
- 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 par 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, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

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 liabilities assumed) is recognized in profit or loss.

37-4.2 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.

37-4.2.1 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.

37-4.2.2 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 positions covered by simplified model as mentioned above.
- 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, taking into account 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 it 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.

37-4.2.3 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).

37-4.2.4 Credit-impaired Financial Assets in Stage 3

- At each reporting date , the group reviews the indicators for impairment of receivables balances, 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 suffer. 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.

37-4.2.5 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.

37-4.2.6 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.

37-5 Clearance between financial instruments

A financial asset and a financial liability are offset, and a net offset is presented in the balance sheet only when, at the balance sheet date, the group has the enforceable legal right to set-off the recognized amounts and the group has the intention either to settle on a net basis or to recognize the asset and settle the obligation simultaneously.

37-6 Cash and equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances and short-term deposits with maturities of three months or less from the date of acquisition less overdraft accounts.

37-7 Property, Plant & Equipment

a) Recognition and measurement

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss .

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.All other repairs and maintenance are charged to other Operating expenses during the financial period in which they are incurred.

c) Depreciation

Depreciation is calculated to write off the cost of items of fixed assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Land is not depreciated.

The estimated useful lives of fixed assets for current and comparative periods are as follows:

	Estimated useful life
Right of use – Administrative floor	5 years
Right of use - Cars	5 years
Right of use – Photocopy machine	5 years
Buildings	50 years
Leasehold improvements	5 years
Computers	3 years
Telecomunications Devices	5 years
Vehicles	5 years
Furniture	5 years

The carrying amount of the asset is reduced to its recoverable amount if the carrying amount exceeds its recoverable amount. The recoverable amount represents the net realizable value of the asset or the carrying amount of the asset, whichever is higher, and the gain or loss on disposal of the fixed assets is determined by comparing the net realizable value with the book value. Such gains or losses are included in other operating income or expenses consolidated income statement.

37-8 Intangible assets and goodwill

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Intangible assets with finite useful lives acquired individually are presented at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method based on the useful life of the intangible asset in the income statement. The amortization method for intangible assets is reviewed on the date of the financial statements, considering that the effect of any changes in those estimates is accounted for on a future basis.
Both the contractual relationships with customers and the trademark are amortized over 20 to 25 years.
Both the license and computer technology are amortized over a year.
The Global broker network is amortized over 25 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.
Gains or losses arising from the discontinuation or disposition of an intangible asset are determined on the basis of the difference between the net selling price and the net book value of the asset. Such gain or loss is recognized in the consolidated income statement when the asset's recognition is stopped.

37-9 Assets Held For Purpose of 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.

37-10 Impairment

a) Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for Expected Credit Loss (ECLs) on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI;
- Contract assets.
- The Group also recognizes loss allowances for ECLs on loans receivables.
- The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.
- The Group considers a financial asset to be in default when:
- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due unless it can be rebutted.
- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.
- 12 months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
- The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

b) 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 based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

37-11 Revenue recognition

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

a. identify the contract with the customer.
b. identify the contractual obligation to transfer goods and/or services (known as performance obligations);
c. determine the transaction price.
d. allocate the transaction price to the performance obligations identified based on the stand-alone selling price of each good or service; and
e. 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 given the nature of and the accounting policy adopted for the Group's revenues.

- **Financial Leasing revenues**

  Revenues generated from finance lease contracts are recognized on the basis of the rate of return specified in each finance lease contract.

  The manufacturer or trader must, at the beginning of the lease contract, recognize the following for each finance lease contract:

  A- Revenue as the fair value of the asset subject of the contract, or the current value of the lease payments due to the lessor discounted using the market interest rate, whichever is lower.

B- The selling cost as the cost, or the book amount if different, of the subject matter asset less the present value of the unsecured residual value.

C- The profit or loss of the sale (considering the difference between the revenue and the cost of the sale) in accordance with its direct sales policy to which the Egyptian Accounting Standard No. (48) applies. The lessor, the manufacturer or the trader, must recognize the profit or loss of the sale on the finance lease contract at the beginning of the lease contract, regardless of whether the lessor transfers the asset in place of the contract as indicated in Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers." ".

Other rental income

Other lease income is represented in the value of what the lessee pays immediately after signing the contract in exchange for services rendered as stipulated in the finance lease contract.

Interest income

Interest income is recognized by using the effective rate of return method, and interest income is included in the income statement within the item of credit interest. When customers are classified in the third stage, the returns are marginalized outside the financial statements.

- **Consumer finance revenues:**

a- Interest income

Interest income is recognized in the income statement on an accrual basis using the effective interest method.

b- b- The effective interest method

It is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and distributing interest expense or interest income over the life of the asset or financial liability using the effective interest rate.

c- c- Effective interest rate

The exact rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (and a shorter period, if appropriate) to determine the present value of the financial asset or financial liability

- **Microfinance Revenues**

The value of revenue is measured at the fair value of the consideration received or due to the entity accurately, and the revenue is recognized in accordance with the accrual principle, after fulfilling all the following conditions:

- The value of revenue can be measured reliably :
- When the flow of economic benefits related to the transaction to the enterprise is the reference of occurrence
- When the extent to which the transaction was executed at the end of the financial period can be measured to a reliable degree
- When the costs resulting from the transaction and the costs necessary to complete it can be recorded to a reliable degree

Interest income

The Interest income is recognized according to the accrual principle based on a relative time distribution considering the principal of the outstanding amount and the interest rate applied over the period to maturity

- **Agriculture Revenues**

Revenue Recognition

The revenues resulting from seeds of agricultural crops are realized and proven as revenues with income upon completion of the delivery of the goods sold to customers and the release of the sales invoice, and thus the transfer of control and all risks and basic returns of the ownership of the product to the buyer and the revenue is recognized as all the following conditions have been met:

- Define a contract with a client
- Determine the performance obligations in the contract
- Determine the price of the coefficient
- Allocation and distribution of the transaction price on performance commitments
- Recognition of revenue when fulfilling obligations to deliver goods or perform service to the customer

Investment returns held to maturity

The revenues resulting from investments in treasury bills and certificates of deposit are realized and recorded in the income statement with the value of depreciation, and the income from investment in investment funds documents is achieved by proving the difference between the book cost of the document and the selling value of the investment at the date of preparing the financial statements, and the revenues are included in the income statement.

37-12 Legal reserve

In accordance with the Articles of Association of the Group, 5% of the net profit is avoided to form a statutory reserve. This reserve is discontinued if the reserve equals 50% of the issued share capital. And when the reserve falls below his limit shall be necessary to resume.

37-13 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.

37-14 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 because of the employee providing a previous service and the obligation can be estimated to a reliable extent.

a) <u>Insurance and pensions</u>

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) <u>Employee profit share</u>

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.

c) Equity settled transactions:

For equity-settled share-based payment transactions, the company measure the services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognized for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition.

The company recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On the vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

37-15 Basic earnings per share

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

37-16 Borrowings

Loans are initially recognized in the amount of receipts received less the cost of obtaining the loan. The loan is subsequently stated at amortized cost using the effective yield method. The income statement is carried at the difference between the proceeds (less the cost of obtaining the loan) and the value to be met over the loan period

37-17 Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past events and the settlement of that obligation is expected to result in an outflow of resources in the form of resources that include economic benefits and the estimated costs to meet those liabilities are probable and the obligation can be estimated Reliably.

The value recognized as a provision is the best estimate available for the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation.

When an allowance is measured using the estimated cash flows to settle the present liability, the carrying amount of the provision represents the present value of those flows. If the cash flows are discounted, the carrying amount of the provision increases in each period to reflect the time value of the cash generated from the period. Within financing expenses in the statement of income.

37-18 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 directly in equity.

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:

•temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

•temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

•taxable temporary differences arising on the initial recognition of goodwill.

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. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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 manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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

37-19 Share capital

i. <u>Ordinary shares</u>

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.

ii. <u>Repurchase and reissue of ordinary shares (treasury shares)</u>

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

37-20 Lease contracts.

At inception 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 in to, or after 1 Jan 2020.

37-20.1 As a 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 Fair Value 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.

37-20.2 As a lessor

At inception 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 inception 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'.

(All amounts are shown in EGP unless otherwise stated)

37-21 Treasury bills

Treasury bills, recognized at its nominal value, and the related discount is included under "credit balances". Treasury bills appear on the balance sheet at its nominal value net of unearned interest income

38 Financial instruments and management of related risks

The financial instruments of the Group consist of financial assets and liabilities. Financial assets include cash balances of banks and funds, due from related parties, financial investments at fair value through profit or loss, available for sale financial investments and account receivables, settlement balances with the clearance bank and balances due to third parties or related parties, financial liabilities Credit facilities, creditors, purchase and credit balances and balances due to related parties.
The Group is exposed to a few risks arising from the exercise of its activities that affect the values of these assets and financial liabilities as well as the related revenues and expenses. The following are the main risks, fundamentals, and policies of the group in managing these risks:

38-1 Capital Risk Management

The group's management aims from its capital management to maintain the group's ability to continue as a going concern in a manner that realizes returns for the shareholders and provides benefits to the other stakeholders who use the financial statements as well as making available and maintaining the best capital structure for the purpose of reducing the cost of capital.

38-2 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange rates risk, price risk, cash flows and fair value interest rate risk), credit risk and liquidity risk. The financial risk management generally considers inability to anticipate the financial market and decreasing the probability of negative effect on the financial performance.

The Group's efforts are addressed to minimize potential adverse effects of such risks on the Group's financial performance. The group don't use financial instruments derivatives to hedge a specific risk.

38-2.1 Market Risk

a- Foreign currency risk

The Group is exposed to foreign exchange rate risk arising from various currency exposures, which affects the payments and receivables in foreign currency and the valuation of assets and liabilities in foreign currency. Foreign exchange rate risk arises from future commercial transactions, assets and liabilities in foreign currency outstanding at the financial position.

The below table shows the exposures of foreign currencies at the financial position date, presented in L.E, as follows:

Foreign Currency	Surplus
	EGP
US Dollar	660 690 777
Euro	26 903 575
Others	18 215 771
	705 812 123

b- Risk of other rates

The risk of change in the value of financial instruments because of market rate fluctuations (except for the resulted from the interest rate risk and currency rate risk) whether these fluctuations related to specific currency, or the issuer or factors generally affect the trading securities in market. The Group limits the risk of other prices by maintaining a diversified portfolio and actively following the key factors affecting the movement of the stock and bond market.

(All amounts are shown in EGP unless otherwise stated)

c- Interest rate risk

The Group faces interest risk as it gets credit facilities as it tries to get finance from others with fixed and variable rates. The group manages the interest rate risk through merging the financial resources with fixed and variable rates, it does the same for investment in debt instruments.

38-2.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

31 December 2023	Less than a year	More than year till five years	Total
Financial liabilities			
Due to related parties	1 427 464	-	1 427 464
Customers – credit balance	593 508 402	-	593 508 402
Current income tax liabilities	133 729 496	-	133 729 496
Credit facilities	2 050 087 939	3 982 450 121	6 032 538 060
Lease liability	13 930 454	20 442 438	35 372 892
Contractual Obligations	86 568 833	466 083 112	552 651 945
Provisions	18 147 510	-	18 147 510
Other liabilities	497 458 893	-	497 458 893
Deferred tax liabilities	-	2 672 346	2 672 346
Total liabilities	**3 394 858 991**	**4 471 648 017**	**7 867 507 008**

31 December 2022	Less than a year	More than year till five years	Total
Financial liabilities			
Due to related parties	1 512 590	--	1 512 590
Customers – credit balance	535 684 142	--	535 684 142
Current income tax liabilities	5 429 739	--	5 429 739
Credit facilities	566 987 554	512 943 284	1 079 930 838
Lease liability	5 135 758	11 305 769	16 441 527
Provisions	27 853 296	--	27 853 296
Other liabilities	236 678 640	--	236 678 640
Total liabilities	--	3 588 539	3 588 539
Subordinated Loans	1 343 460 000	--	1 343 460 000
	2 722 471 719	**527 7 592**	**3 250 309 311**

(All amounts are shown in EGP unless otherwise stated)

38-2.3 Credit Risk

Credit risk is the inability of customers, related parties or other parties who are credited to pay their due. The Group examines the credit situation prior to giving the credit. The Group reviews the balances due, and the loans given to the related parties in a periodic manner.

	31 December 2023 EGP	31 December 2022 EGP
Investments in associates	1 143 742	965 845
Investments at FV through OCI	196 727 650	80 838 974
Investment at Amortized Cost – Treasury bills	63 804 225	238 663 570
Investments with fair value through P&L	11 477 620	12 476 443
Payments under Investments	250 000	-
Cash & cash at banks	3 411 651 655	1 876 242 887
Due from related parties	11 420	11 420
Due from financial securities companies	-	-
Trade receivables	12 641 629 641	884 020 693
Other assets	229 571 372	19 688 072
	16 556 017 318	**3 112 907 904**

39 Fair value measurement

The fair value for assets and liabilities is measured as follows:

First level	The announced prices of financial instruments at fair value in active markets.
Second level	Announced prices in an active market for financial instruments or announced prices of fund managers invested in them or other valuation methods in which all significant inputs are based on comparative market information, either directly or indirectly.
Third level	Evaluation methods in which no significant inputs are based on comparative market information.

(All amounts are shown in EGP unless otherwise stated)

The following are the values of the financial instruments for the group which will be measured in fair value on periodic basis:

Financial assets	Fair value at 31 December 2023 EGP	Fair value at 31 December 2022 EGP	Fair value level	Valuation techniques and main inputs
Investments with fair value through profit or loss	6 576 513	5 095 444	Second	Announced prices from mangers of funds
Investments with fair value through profit or loss	4 901 107	14 182 154	Second	Other valuation techniques
Investments with fair value through OCI	177 785 899	63 733 792	First	Announced prices in active market
Receivables	12,641,629,641	884,020,693	third	Other valuation techniques
Investments at amortized cost - Treasury bills	63 804 225	238 663 570	Second	Other valuation techniques
Cash and cash equivalents	3 342 531 566	1 844 443 226	Second	Other valuation techniques
Lesae Liablity	25 954 422	16 441 527	third	Other valuation techniques
Contractual Obligations - fixed Assets	552 651 945	--	third	Other valuation techniques
Credit facilities	6 032 538 060	1 079 930 838	third	Other valuation techniques
Trade payables	539 508 402	535 684 142	third	Other valuation techniques

40 Subsequent Events

On February 1, 2024, the Ordinary General Assembly of Beltone Financial Holding Company decided to amend the name of the company to Beltone Holding.

41 Translation

These financial statements are a translation into English from the original Arabic statements.

The original Arabic statements are the official financial statements.