RAYA

ANNUAL REPORT 2019

GREATER OPPORTUNITIES, BIGGER CHALLENGES

DEAR VALUED SHAREHOLDERS

Raya's Board of Directors is pleased to present you with our Annual Report, which has been prepared in compliance with the relevant requirements. The report reviews the company's achievements during the Fiscal Year 2019 in terms of financial performance and strategic overview; and highlights our most important developments and achievements in 2019. The report illustrates Raya's vision, and confirms our overall goal of gaining market share and contributing to national economic growth.

Our drive to increase growth and expansion in all Raya's business lines is undercut by our commitment to maintaining sustainable levels of growth.

EXECUTIVE SUMMARY

RAYA HOLDING FOR FINANCIAL INVESTMENT

Raya Holding for Financial Investments Headquartered in Cairo, Egypt, yet mandated to operate worldwide, Raya Holding is an ambitious investment conglomerate managing a dynamic and diversified investment portfolio. As the parent company of twelve lines of business, Raya Holding operates in the fields of information technology, data center outsourcing, contact centers, smart buildings, consumer electronics, food and beverage, trade, land transport, logistical solutions, PET re-manufacturing, light-mobility vehicles, e-payments and non-banking financial services. Raya Holding's shares have been listed in the Egyptian Stock Exchange (EGX) since 2005, empowering more than 12,000 dedicated employees, and accommodating a wide international customer base from offices based in Egypt, Nigeria, Poland, Saudi Arabia, Tanzania and the United Arab Emirates (UAE).

ADDRESS:

Headquarter

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Raya Holding Investor Relations Team:

Ahmed Nour Eldin Hassan

Director Head of Corporate Finance, Investments & Financial Planning I Corporate & BoD Secretary

Aser Mokhtar

Section Head, Investor Relations and Investments

Mohamed Nazir Azmirly

Associate, Investors Relations and Investments

ISIN Code:

EGS690C1C010

Reuters Code:

RAYA.CA

CHAIRMAN’S MESSAGE

In **2019**, Raya marked a very special milestone as we celebrated the 20th anniversary of our group’s founding. Throughout those 20 years, we continuously grew and diversified into new and exciting investment opportunities. Raya Holding prides itself as one of the few companies in the Egyptian market that continued to invest and deliver consistent profitability, despite a very challenging macro-environment throughout the past decade. We also pride ourselves in our commitment to empower every individual and every business unit across our organization to grow, innovate and achieve further.

Throughout the year, we dedicated an increased effort to focus on expanding the products and services profile across our existing investments in order to maximize efficiency and profitability. These efforts entailed an increase in capital expenditures that would ensure the sustainability of our investments moving forward. Despite the downward pressure from these efforts on our bottom line, we believe that our various investments are now in a better position to generate further value.

In spite of the challenges we faced in 2019, Raya Holding ended the year with revenues of nearly **EGP 9 billion** at the consolidated level, almost 11% higher than the prior year. Furthermore, we as a group took this as an opportunity for us to innovate solutions that would allow us to remain competitive while pressing forward with our investment plan.

In November of 2019, we successfully concluded the issuance of the first securitized bond offering in the history of Raya Holding, with a total value of nearly **EGP 550 million**. The highly rated bond offering, which was well covered by various institutional investors, allowed us to further grow our NBFS platform by monetizing assets without burdening our group’s leverage position. Through the said bond offering, Raya Holding would become the first company in the MENA region to securitize both consumer and micro-loans. Additionally, the group’s performance was highly supported by the stellar performance of Raya IT along with double digit growth across BariQ and Ostool’s bottom line.

In addition, we ended 2019 with a successful agreement with global electronics manufacturer, Haier, to establish an exclusive joint venture to produce air conditioners under Haier and General Electric brands in Egypt and to eventually export across other regional markets. This latter achievement is of particular significance as it serves as a testament to our market recognition with respect to our experience in the consumer electronics market as well as our growing industrial capacity.

Nevertheless, 2019 proved to be a fairly challenging year for Raya Holding. Several macroeconomic headwinds would eventually hinder the bottom-line growth we had originally aimed for across some of our subsidiaries. An unforeseen appreciation in the EGP took its toll on the revenues of our exporting businesses such as Raya Contact Center, BariQ, and Raya Foods. Raya Trade, one of our more established lines of business, was heavily impacted by an import ban on mobile phones during the first quarter of the year given the new registration process with the customs authority in addition to a market wide slowdown in electronics’ retail.

Raya Holding’s profitability was also subdued by the losses incurred within our more fresh investments across the Non-Bank Financial Services (NBFS), FMCG and light vehicles business units. Such losses were expected given these subsidiaries are in the early stages of their growth cycle which entails an aggressive investment in capital, both technical and human, as well as a rather prudent approach to the management of our available financial resources.

Going into 2020, our main focus will be directed towards ramping up the operations as well as further consolidating the market positioning across our newly established lines of business. In parallel, we will work towards enhancing the returns of our more established lines of business on both the financial and operational fronts. To that end, we reiterate our commitment to our various stakeholders that we will continue to uphold our core target of maintaining Raya as a market leader wherever we operate.

MEDHAT KHALIL
CHAIRMAN & CEO RAYA HOLDING
FOR FINANCIAL INVESTMENTS

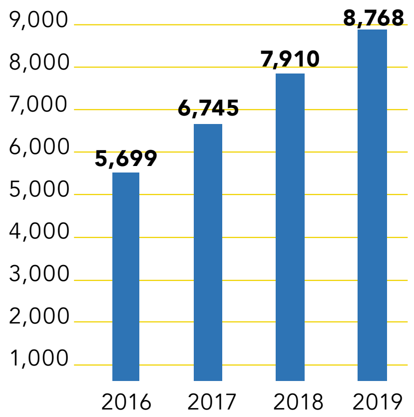
FINANCIAL HIGHLIGHTS

“2019, BIGGER CHALLENGES, GREATER OPPORTUNITIES”

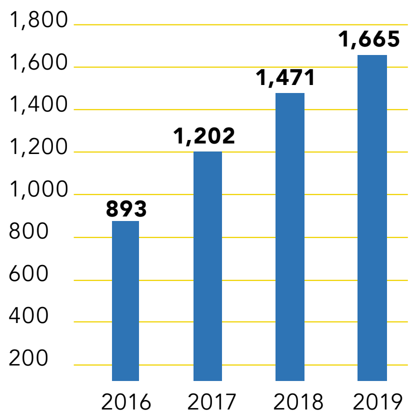
2019 was a highly challenging year for Raya in terms of profitability. We dedicated our focus to further enhance the growth of our more recent investments in Non-Bank Financial Services, FMCG and Light Mobility sectors. Furthermore, we took the opportunity to begin several initiatives such as the Securitized Bond Offering in order to further bolster our balance sheet.

FINANCIAL HIGHLIGHTS

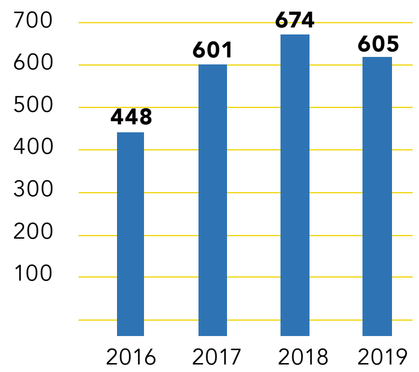
8,768
Revenue (EGP Millions)



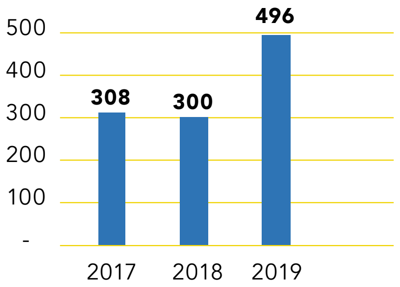
1,665
Gross Profit (EGP Millions)



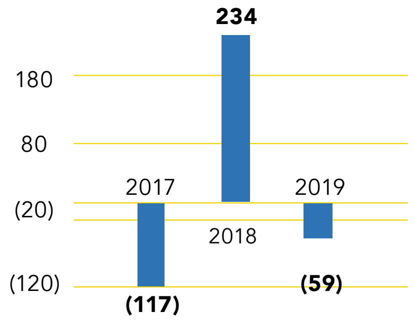
605
EBITDA (EGP Millions)



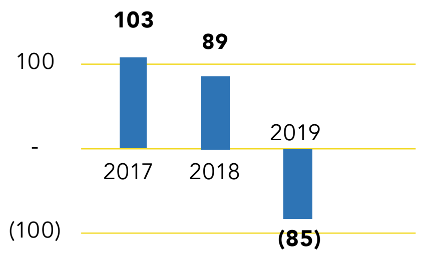
496
CAPEX



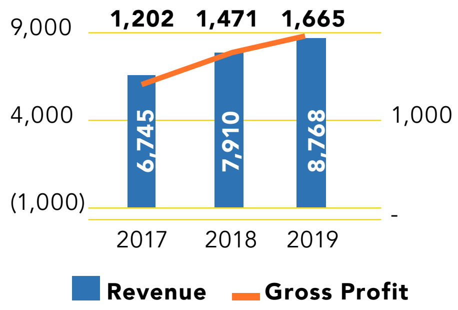
(59)
Net Cash Flow From Operations



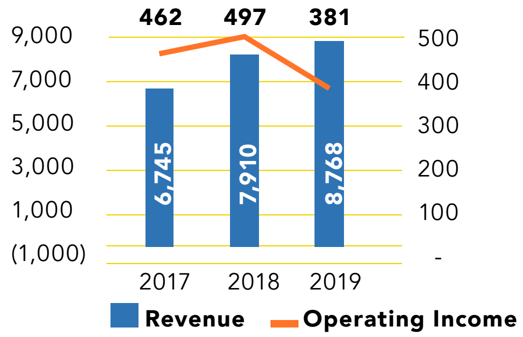
(85)
Net Income Before Minority



Revenue VS. **GP**



Revenue VS. **Operating Income**

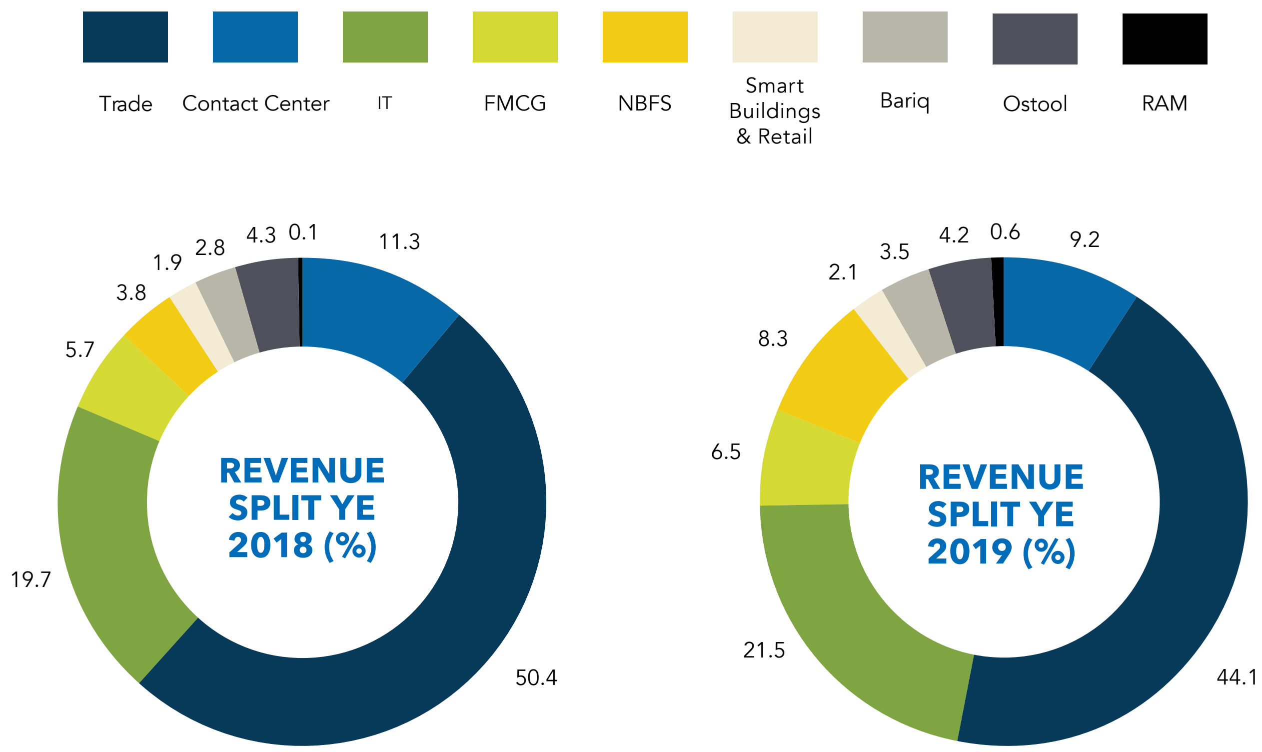


FINANCIAL HIGHLIGHTS

11% 4 Year Revenue CAGR

EGP 613 Mn Ending Cash Balance

13% Y-O-Y GP Growth



STRATEGIC OVERVIEW

Raya Holding continues its commitment to deliver best in class services while maintaining a leading market position across its diversified business portfolio. Throughout 2019, Raya Holding continued to support its various lines of business to accelerate their growth and maximize the delivered value to shareholders. In spite of the hindered growth across the Trade & Distribution and the Contact Center lines of business, all other business units were able to achieve an adequate growth in their respective revenue streams. Nonetheless, the group's profitability was subdued at the back of significantly increased interest expenses as well as impairments.

Raya Contact Center's revenue contraction came in at the back of an unexpected appreciation of the EGP against the USD that underpinned topline growth given the company secures more than 70% of its revenues from offshore sources. In addition, the slowdown in volumes from GCC operations due to a region wide economic slowdown was further exacerbated by a trend for in-country workforce nationalization policies across the region.

2019 proved to be challenging for **Raya IT** as the appreciation of the EGP was expected to impact the business unit's top line especially with regards to regional projects. However, management was successful in leveraging its expertise and market reputation in winning bids for several megaprojects across the governmental, banking and telecom sector.

The FMCG business unit achieved top line growth across its two operations: Raya Foods and Raya Food Trade with a combined revenue of EGP 579 million, a 25.8% y-o-y growth.

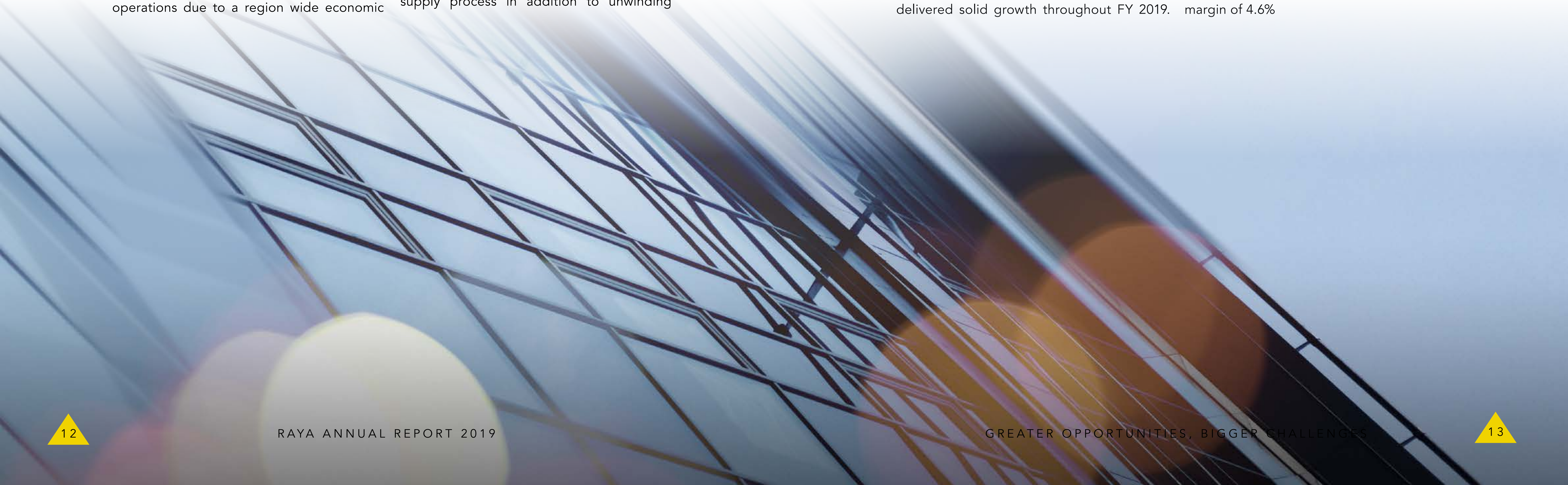
Raya Foods was also affected by the EGP's appreciation in addition to a stock mismatch and warehousing inefficiencies resulting in delayed deliveries to clients. The new management team was nonetheless successful in restructuring the storage and supply process in addition to unwinding the overstock of raw material albeit at lower profitability margins. Raya Food Trade profitability was hindered by the existence of high product stocks across the market due to weak purchasing power which attributed to a distribution slowdown in addition to margin dilutions across various product segments due to price dumping through discounts and promotions.

The Non-Banking Financial Services (NBFS) business unit expanded across all three portfolio companies: **AMAN Financial Services, AMAN for Microfinance and AMAN For E - Payments**. On consolidated terms, the business unit grew revenues by 1.4x y-o-y posting EGP 739.1 million. Gross Profit grew by 1.7x to post EGP 181.23 million during FY 2019 while gross profit margin grew by 2.9 percentage points to reach 24.5%. AMAN for Microfinance closed the year with a net profit of EGP 8.3 million with a 7.2% net profit margin, a remarkable achievement given the company had just completed its first year of operation.

The Smart Buildings & Retail business unit which includes Raya Smart Buildings and Raya Restaurants delivered solid growth throughout FY 2019. Consolidated revenues grew by 22.1% y-o-y recording a total of EGP 191.5 million. Gross profit for the period came in at nearly EGP 64 million at a consistent margin of 33.4% while EBITDA came in at EGP 44.6 million with a 23.3% margin. Raya Restaurants was able to achieve profitability during FY 2019 with a net profit of EGP 2.3 million and a net profit margin of 3.1%.

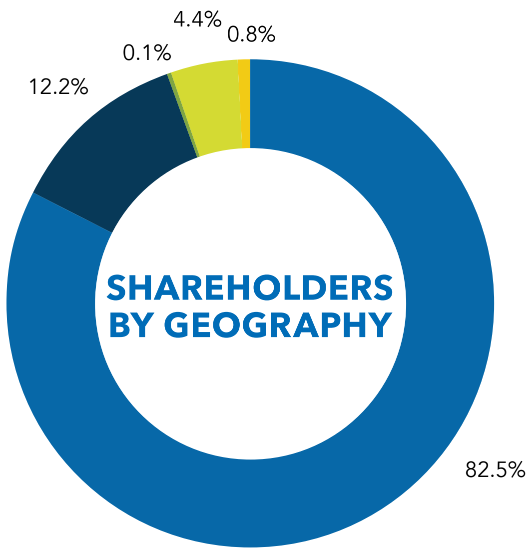
BariQ achieved remarkably during FY 2019 with annual revenues of EGP 312.2 million, increasing by 39.6% y-o-y. Gross profit increased by 47% y-o-y posting EGP 87.6 million at a margin of 28.1%. EBITDA increased by 69.1% y-o-y posting EGP 60.4 million with a margin of 19.3%. The net profit posted EGP 17.9 million, almost 11x the amount recorded in 2018.

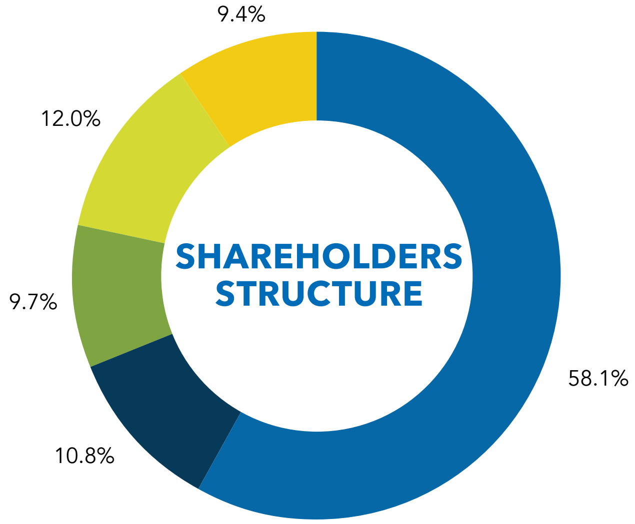
Ostool's 2019 revenues of EGP 377.2 million, a 10.1% increase y-o-y. The company delivered a gross profit of EGP 76.8 million, 11.5% higher y-o-y, yielding a gross profit margin of 20.4%. The company recorded an EBITDA of nearly EGP 80 million at an EBITDA margin of 22.3%. The company closed FY 2019 with a net profit of EGP 17.3 million, an increase of 16.9% y-o-y, and with a net profit margin of 4.6%



SHAREHOLDER INFORMATION

Price 31/12/2019	EGP 4.59
52 week high	EGP 5.41
52 week low	EGP 4.00
Number of shares	214,399,519
Mkt. Cap EGP Mn	984.09
Mkt. Cap USD Mn	61.09





- Egypt
- UK
- EU
- Arab
- Others

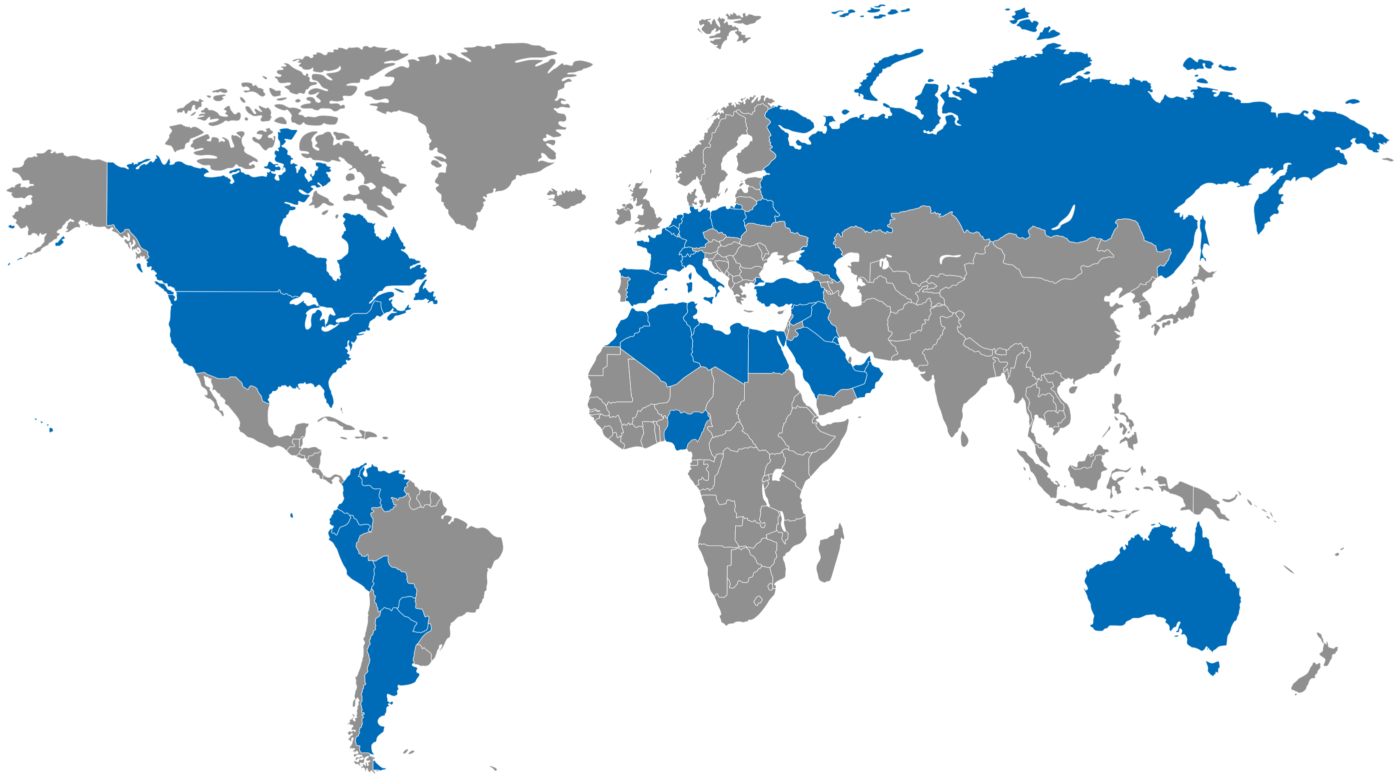
- Medhat Khalil & Family
- Ashraf Kheir El Din
- Al Taweel Family
- Financial Holding
- Free Float

Cash Dividends

Ex. Date	Payment Date	Dividend Amount	Coupon No.
12/12/19	15/01/2020	EGP0.19	14
15/07/2019	18/07/2019	EGP0.24	13
13/06/2019	18/06/2019	EGP0.15	12
25/05/2017	29/05/2017	EGP0.25	11
21/01/2016	26/01/2016	EGP0.20	10
26/05/2015	28/05/2015	EGP0.25	9
4/6/13	6/6/13	EGP0.25	8
7/10/12	9/10/12	EGP0.20	7
17/01/2012	19/01/2012	EGP0.20	6
19/05/2010	23/05/2010	EGP0.25	5
19/05/2009	21/05/2009	EGP0.21	4
24/12/2007	26/12/2007	EGP0.48	3
10/9/07	12/9/07	EGP0.75	2
10/5/07	14/05/2007	EGP0.40	1

CORPORATE OVERVIEW

RAYA AT A GLANCE



Raya Holding is a well-established business conglomerate of diversified investment portfolios headquartered in Cairo, as the parent company of twelve subsidiaries and lines of business. Raya Holding operates in the fields of information technology, data center outsourcing, contact centers, smart buildings, consumer electronics, food and beverage, land transport, PET re-manufacturing, E-payments and non-banking financial services. Our success is realized by the vision, direction, and teamwork of our young and dynamic management team and workforce of more than 11,000 employees, accommodating a wide international customer base from offices based in Egypt, Saudi Arabia, UAE, Poland, Tanzania and Nigeria; working around the clock to ensure meeting their needs through our four core values of customer focus, excellence, teamwork, and respect for people.

Operating Across **4** Different **Countries**

12,000+ EMPLOYEES

12 **LINES** OF BUSINESS

Clients Spanning **5** DIFFERENT **CONTINENTS**

20+ **Years** In The Market

EGP 1.07 B Issued & Paid **Capital**

20% Allied Arab Assurance Brokerage

3.39% Egyptian Company for Development & Management of Smart Villages

OUR VISION

A MARKET LEADER NO MATTER WHERE WE ARE

With a vision to be a market leader no matter where we are, we are constantly seeking to seize every business opportunity to expand our scope of operations and maximize our shareholders' return on investment, through a strong commitment to quality and an unmatched dedication to development.

OUR MISSION

WE PROVIDE OUR WORLD-CLASS SERVICE THROUGH:

- Focusing on Client and end user satisfaction.
- Recruiting and retaining competent and motivated people.
- Deploying of state-of-the-art technology.
- Employing streamlined processes; and continuously improving the quality management system.
- Adopting industry best practices.
- Ensuring cost-effective operations.
- Maximizing the value for our shareholders.

RAYA HOLDING FOR FINANCIAL INVESTMENTS | GROUP OF COMPANIES

TRADE & DISTRIBUTION	INFORMATION TECHNOLOGY	CALL CENTER OUTSOURCING	SMART BUILDINGS / RESTAURANTS	FMCG	INDUSTRIAL / LOGISTICS	NON-BANKING FINANCIAL SERVICES	OTHER INVESTMENTS
RAYA DISTRIBUTION	RAYA INTEGRATION	RAYA CONTACT CENTER	RAYA SMART BUILDINGS	RAYA FOOD TRADING	BARIQ	AMAN FINANCIAL SERVICES	AAA (INSURANCE) 20%
RAYA ELECTRONICS	RAYA NETWORKS	RAYA BUILDING MANAGEMENT	RAYA MAINT. & BUILD. OPERATIONS	RAYA FOODS	RAYA ADVANCED MANUFACTURING	AMAN E-PAYMENTS	SMART VILLAGE 3.39%
RAYA TECH DISTRIBUTION	RAYA INTERNATIONAL SERVICES	C3	EL BOYOOT EL ARABIA	MAKARONI POLSKIE (POLAND) 20%	OSTOOL LOGISTICS 66.7%	AMAN MICROFINANCE	
BEST SERVICE NIGERIA	RAYA GULF	RAYA VENTURE INVESTMENTS	RAYA RESTAURANTS				
RAYA SOCIAL MEDIA	RAYA SAUDI						
	RAYA DATA CENTER						

Since our inception, we have maintained our commitment to a specific set of core values that have guided our development and continue to lead our success: respecting people; pursuing excellence; maintaining a customer-focus; and operating as a cohesive, strong, and reliable team. We have always believed that diversity is essential; it keeps us relevant and encourages growth and progress. We continue to be guided by our mission to empower every person and every line of business in our organization to grow, advance, and achieve more.

Our strategic plan aims at maintaining our growth margin at each category level across all geographies.

Our mission is to create more employment opportunities and to positively impact the development and sustainability of our community.

OUR VALUES

Despite our extraordinary ability to adapt to change, we have kept our core values fixed and untouched. Our ability to consistently seize opportunities and aggressively penetrate new markets is only possible because of our dedication to the four values upon which we base all operations. These core values represent the foundation that has sustained us against the battering of often tempestuous economic forces. Our values guide our dreams, drive our progress, and empower us to carve out our abiding legacy.

Today, we are looking forward to raya holding growing into the largest publicly listed egyptian conglomerate, in terms of employees, revenue, profit, and subsidiaries.

EXCELLENCE

Striving for excellence in every aspect of our various lines of business is how we maintain our position as "a market leader, no matter where we are". Raya encourages excellence by rewarding skill and performance. With an unyielding desire to triumph and an unbending will to succeed, Raya is committed to continually developing the quality of services it currently offers; and benchmarks itself according to international quality standards.

CUSTOMER FOCUS

Raya is committed to offering its customers an exceptional experience with an unparalleled quality of service. Every task, from sales pitch to after-sales support, is customized to suit customer needs. It is this customer-focus that consistently guides us to higher levels of achievement and success.

RESPECT FOR PEOPLE

Respect for people is a deeply entrenched value in our culture. Our people are devoted employees, trusting shareholders, and essentially each and every customer. Respect for people is the value we uphold daily, and upon which we build all connections and relationships, whether within or outside of the company.

TEAMWORK

Raya realizes the significance of teamwork on many levels. We are diligent in continually promoting this concept and seeking to bring together personnel with a diversity of backgrounds, skill levels, and varied areas of expertise. We believe that working in teams guarantees fresh perspectives and provides more efficient outcomes, ensuring a more comprehensive delivery of results.

RAYA MILESTONES

1999
MERGER
A merger of seven national IT companies establishes Raya Holding, addressing a gap between multinational market players and local companies.

2000
STREAMLINING
Raya's operations entailed merging smaller companies with similar operations. Raya Holding launched three lines of business: Information Technology, Telecom, and Retail & Distribution.

2001
DIVERSIFICATION
the Company's initial strategy was to diversify into more IT and IT-related activities, acquiring 3 subsidiaries and founding 7 others.

2003
GOING INTERNATIONAL
Expanding into the global sphere, Raya started seizing international opportunities, establishing Raya Gulf, Raya Saudi, Raya USA and Raya Algeria.

2005
GOING PUBLIC
In May 2005, an IPO worth EGP 400 million was launched to list Raya Holding shares in the Egyptian Stock Exchange.

2006
REALIGNING RESOURCES
Recognizing the need to maximize operational efficiency, three CEOs were appointed to lead Raya's three lines of business, taking the group's operations to higher levels.

2008
EXPANSION
In May 2005, an IPO worth EGP 400 million was launched to list Raya Holding shares in the Egyptian Stock Exchange.

2010
PORTFOLIO DIVERSIFICATION
With a strong commitment to a portfolio diversification strategy, Raya Holding launched two new subsidiaries, penetrating markets that add to Raya's diversified portfolio. By 2010/2011, BariQ and Ostool were Raya's newest subsidiaries.

2013
DEVELOPING MARKET RESILIENCE
Despite the post-revolution damage to Egypt's economy, compounded by volatile political conditions, Raya Holding managed to solidify strategies and explore new realms of business, carrying out its vigorous expansion plans.

2015
UNLOCKING NEW MARKETS
Raya signed a contract with Makarony Polskie, a leading Polish Pasta manufacturer, to import Makarony Polskie and Sorenti pasta brands. Furthermore, Raya's premium SARY tablet, launched in November 2015, was the first in Egypt to run on Windows10.

2016
GROUNDWORK FOR FUTURE SUCCESS
Raya Holding launched 4 new lines of business in 2016; Raya Foods; Raya Manufacturing & Exports (food trade); AMAN E-Payment; and AMAN for Financial Services.

2017
CONQUERING NEW INDUSTRIES
Raya Auto was launched to invest in modern vehicle manufacturing in 2017; and Raya Contact Center shares began trading on the EGX after the completion of the IPO. Furthermore, Raya Foods was established through the acquisition of a 100 percent stake in International Union for Integrated Food Industries.

2018
EXPANSION IN FINANCIAL SERVICES SECTOR
AMAN Microfinance is the first new company to obtain the license for microfinance projects in the Egyptian market. Raya Advanced Manufacturing commenced operations.

2019
RAYA HOLDING
Completed First Securitized Bond Offering worth EGP 500 million

GROWING THE INDUSTRIAL CAPACITY
Concluded a Joint Venture Agreement with Chinese electronics giant Haier to build an EGP 200 Mn Air conditioners Factory in the 6th of October City

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE FRAMEWORK

1. INTRODUCTION

The Board of Directors of Raya Holding for Financial Investments ("**Company**") is responsible for the Company's corporate governance framework, as set out in this Corporate Governance Framework. This Corporate Governance Statement has been approved by the Directors and is current as at February 7th, 2019. This Corporate Governance Framework discloses the extent to which the Company enacts various corporate governance practices & policies. The Company will follow each policy where the Board considers the policy to be appropriate for its corporate governance practices.

With a sound system of governance in place, Raya Holding's business can harness growth opportunities with greater confidence. According to the Organization for Economic Cooperation and Development (OECD), Corporate Governance is the system by which companies are directed and controlled, in the interest of shareholders and other stakeholders, to sustain and enhance value. Good corporate governance is about doing the right things for the shareholders. It extends far beyond compliance to regulations and needs to penetrate deep within the Company to be effective.

2. RAYA HOLDING'S CORPORATE GOVERNANCE FRAMEWORK

2.1 Raya Holding's Corporate Governance Framework revolves around the following elements:

2.1.1 An Effective, independent Board of Directors

2.1.1.1 Refer to Board of Directors Charter

2.1.2 A Proactive Audit committee

2.1.2.1 Refer to Audit Committee Charter

2.1.3 A Remuneration committee aligning executive compensation to shareholder value

2.1.3.1 Refer to Remuneration Committee Charter

2.1.4 A Nomination committee ensuring effective governance of the board

2.1.4.1 Refer to Nomination Committee Charter

2.1.5 A relevant Code of ethical behavior

2.1.5.1 Refer to Code of Business Conduct and Ethics

2.1.6 Clear, enforced policies and procedures

2.1.6.1 Refer to Raya Holding documented Policies and Procedures manuals

2.1.7 An objective, well-resourced internal audit function

2.1.7.1 Refer to Internal Audit Charter and documented Policies and Procedures

2.1.8 Independent, effective External Audit

2.1.8.1 Raya Holding has one of the big 4 public accountancy and external audit firms (Ernest & Young) appointed as the External Auditor to express an opinion on the fairness, with which Raya Contact Center presents, in all material respects, its financial position and results of operations.

2.1.9 Transparent disclosure, effective communication and systems that ensure effective measurement and accountability

2.1.9.1 Refer to Disclosure Policy

2.1.10 Corporate Citizenship

2.1.10.1 Refer to the Corporate Citizenship Policy

2.2 Each of the above elements is an essential component of Raya Holding's governance model, but none is sufficient independently. Raya Holding's governance relies on the independence of the above elements.

BOARD OF DIRECTORS' CHARTER

INTRODUCTION

- The Board of Directors (the "Board") of Raya Holding for Financial Investments ("Raya" or the "Company") is responsible for overseeing the Company's operational and financial performance, as well as its conduct and corporate governance practices, and making all major policy decisions of the Company.
- The Board has adopted this Corporate Governance Charter, which together with Raya's Articles and Memorandum of Association and the charters of certain Board committees, provides the authority and practices for governance of the Company.
- In order to guide and monitor the organization and effectively discharge their responsibilities, the Board relies upon accurate, appropriate, and timely information. This information is usually prepared by management in the form of a Board Report that is distributed prior to each Board meeting.
- Raya's Board of Directors is subject to and must be in compliance with all the pertinent laws and regulations of the Egyptian Financial Regulatory Authority (FRA).

1. CORPORATE GOVERNANCE MISSION

1.1 **Corporate governance** establishes how the shareholders, Board of Directors, and management interact in determining the direction and performance of the Company. Good governance holds management accountable to the Board and the Board accountable to the owners and other stakeholders.

1.2 **Raya Holding** aspires to the highest standards of ethical conduct: doing what it says; reporting results with accuracy and transparency; and maintaining full compliance with the laws, rules, and regulations that govern the Company's business.

1.3 **Incorporating a sound corporate governance framework** is one of Raya's key doctrines. The Company is committed not only to meeting legal and regulatory governance requirements, but to having leading-practice governance. The Company is however aware that good corporate governance is not an end in itself, but that it facilitates the Company's capacity to define and achieve its purposes.

1.4 **Raya Holding** regards the guiding principles of good corporate governance to be:

1.4.1 Fairness: Minority shareholders, investors and other stakeholders are treated fairly and their interests are taken into account.

1.4.2 Transparency: Disclosure of information (financial, organizational, governance and related transactions) is adequate and timely for stakeholders to assess the performance of the Company.

1.4.3 Accountability: Senior management is accountable to the Board of Directors for achieving plans and implementing approved policies that ensure the safeguarding of assets and the financial viability of the Company. In turn, the Board of Directors is accountable to the shareholders and other stakeholders.

1.4.4 Responsibility: Clear lines of responsibility need to exist in terms of delegations of authority and which actions or decisions require Board approval or shareholder approval. Responsibility must be attributed in order to have accountability for results.

2. BOARD OF DIRECTORS AND MANAGEMENT

2.1 **The Board of Directors** manages its responsibilities based on the authorization delegated by the Raya's General Assembly.

2.2 **The Board of Directors'** primary responsibilities are to provide central leadership to Raya Holding, establish its objectives, and approve the strategies that direct the ongoing activities of the Company to achieve these objectives.

2.3 **The Board** will provide effective governance over the Company's affairs for the benefit of its shareholders, and balance the interests of its diverse constituencies, including its clients, employees, suppliers, and local communities.

2.4 **In all actions taken by the Board**, the Directors are expected to exercise their business judgment in what they reasonably believe to be the best interests of the Company.

2.5 **In discharging that obligation**, Directors may rely on the honesty and professional integrity of the Company's senior executives and its outside advisors and auditors.

2.6 **Management** is concerned with implementing the decisions taken by the Board through day-to-day operations. Too much involvement by the Board in management can undermine the Board's responsibility and management's accountability.

2.7 **The Board's** principal channel of communication to management shall be through the Chief Executive Officer (CEO), who shall have primary responsibility to the Board for implementing its decisions.

3.1 **The Board** will approve and oversee the implementation of Raya's strategies and will review and approve the Company's strategic plan.

3.2 **In its strategy document**, the Board will identify the significant risks that the Company faces in achieving its business objectives through its business strategies and plans.

3.3 **A high-level overview** of the strategies will be communicated throughout the Company and will be disclosed publicly.

3.4 **The Board** shall have an annual strategy review process in which the Board shall:

3.4.1 Review and approve Raya's business plans and the inherent levels of risks in these plans;

3.4.2 Assess the adequacy of capital to support the business risks of the Company;

3.4.3 Set performance objectives;

3.4.4 Review the performance of executive management; and

3.4.5 Review major capital expenditures, divestitures, and acquisitions.

3.5 **The Board** is also responsible for ensuring that the systems and controls framework, including the Board structure and organizational structure of the Company, is appropriate for the Company's business and associated risks.

3.6 **The Board** must ensure that collectively it has sufficient expertise to identify, understand, and measure the significant risks to which the Company is exposed in its business activities.

3.7 **Board members** will have complete access to the CEO, and through the CEO to management.

3.8 **The Board** must independently assess and question the policies, processes, and procedures of the Company, with the intent to identify and initiate management action on issues requiring improvement.

3.9 **The Board,** through its different Committees, will ensure that the Company meets its objectives and ensures integrity in the accounting and financial reporting systems.

4. BOARD COMPOSITION:

4.1 **Good governance principles** require independence, transparency, and flexibility. The Board acknowledges the importance of Board structure and, as a consequence, the Board seeks to recommend the following when implementing an effective governance structure in the Company.

4.2 **Criteria for Composition** of the Board

4.3 **One of the Board's most important responsibilities** is identifying, evaluating, and selecting candidates for the Board of Directors. This responsibility is delegated to the Nomination Committee.

4.4 **The Committee** will seek members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity.

4.5 **Directors** should have had experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon the contributions they can make to the Board.

4.6 **The factors to be considered** by the Committee in its review of potential candidates are exemplified in details in Raya's Nomination Committee Charter.

4.7 **The application** of these factors involves the exercise of judgment and cannot be measured in any mathematical or routine way.

5. ATTENDANCE AT MEETINGS:

5.1 **Directors** are expected to attend the Company's General Assembly, Board meetings, and meetings of committees and subcommittees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

5.2 **Information** and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should be distributed to the Directors prior to the meeting, in order to provide time for review.

5.3 **The Chairman** should establish a calendar of standard agenda items to be discussed at each meeting scheduled to be held over the course of the ensuing year, and shall also establish the agenda for each Board meeting. Each Board member is free to suggest items for inclusion on the agenda or to raise subjects that are not on the agenda for that meeting, subject to the provisions of the memorandum and articles covering Board of Directors' meetings.

5.4 **All Board members** are encouraged to attend all Board meetings within a calendar year.

6. CONDUCT OF MEETING:

6.1 **The Chairman** will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. The following general rules will apply:

6.2 **The Chairman** will ensure that all members are heard;

6.3 **The Chairman** will retain sufficient control to ensure that the authority of the Chair is recognized so that a degree of formality can be reintroduced when it is required to make progress;

6.4 **The Chairman** will ensure that decisions are properly understood and well recorded; and

6.5 **The Chairman** will ensure that the decisions and debate are completed with a reasonably formal resolution recording the conclusions reached.

7. QUORUM OF THE BOARD:

7.1 **A meeting of the Board** will not be valid unless attended by a minimum number of three Directors including the Chairman to be present.

7.2 **Frequency of Meetings:**

7.2.1 The Board will meet at least four times each financial year and upon invitation of the Chairman or at least one third of the Board members. The Board may also meet for an urgent matter.

7.3 **Board Committees:**

7.3.1 The standing committees of the Board are the Audit Committee, Nomination Committee, and the Remuneration Committee. The Board shall appoint committee members after consultation with the individual Directors.

7.3.2 Each Committee shall have its own documented charter, which shall comply with the applicable corporate governance rules, and other applicable laws, rules and regulations. The charters shall set forth the mission and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and reporting to the Board.

7.3.3 The Chair of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and senior management, shall develop the committee's agenda. At the beginning of the year, each committee shall establish a schedule of major topics to be discussed during the year (to the degree these can be foreseen). The agenda for each committee meeting shall be furnished to all committee members in advance of the meeting.

7.3.4 The Board and each Committee shall have the power to hire independent legal, financial, or other advisors, as they may deem necessary to serve the committee. They must however consult with senior management of the Company in advance.

7.3.5 The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

7.3.6 A Committee appointed by the Board of Directors may meet and adjourn as it considers proper. Questions arising at any meeting shall be determined by a majority of votes of the committee members present. In case of an equality of votes, the Chairman shall not have a second or casting vote and the matter will be referred to the full Board.

7.4 Board Operations:

7.4.1 The standing committees of the Board are the Audit Committee, Nomination Committee, and the Remuneration Committee. The Board shall appoint committee members after consultation with the individual Directors.

7.4.2 Role of the Chairman

7.4.2.1 The Chairman of the Board is expected to fulfill the following responsibilities:

7.4.2.1.1 Ensure that the Board provides leadership and vision to the Company;

7.4.2.1.2 Ensure that the Board is participating in setting the aims, strategies and policies of the Company;

7.4.2.1.3 Ensure that there is adequate monitoring of the pursuit and attainment of the goals and aims of the Company;

7.4.2.1.4 Direct the Board discussions to effectively use time to address the critical issues facing the Company;

7.4.2.1.5 Ensure that Directors are enabled and encouraged to play their due role in the meetings;

7.4.2.1.6 Ensure that Directors have adequate opportunities to express their views;

7.4.2.1. Ensure that Directors are provided with sufficient and timely information;

7.4.2.1.8 Ensure that minutes properly reflect decisions; and

7.4.2.1.9 Uphold this Board of Directors Charter.

7.4.2.2 The Chairman shall not be entitled to vote or participate in the deliberations on any matter in which he/she has a personal interest, or be counted in the quorum, unless he/she has obtained the prior approval of the General Assemble thereof.

7.5 Evaluation of Board Performance:

7.5.1 The Nomination Committee shall conduct an annual review of Board performance, in accordance with guidelines recommended by the Committee and approved by the Board. This review shall include an overview of the talent base of the Board as a whole as well as an individual assessment of each Director's qualification under corporate governance rules and all other applicable laws, rules and regulations regarding Directors; consideration of any changes in a Director's responsibilities that may have occurred since the Director was first elected to the Board; and such other factors as may be determined by the Committee to be appropriate for review.

7.5.2 Each Committee shall conduct an annual evaluation of its own performance as provided in its charter. The results of the Board and Committee evaluations shall be summarized and presented to the Board.

7.6 Board's Responsibility for Disclosure:

7.6.1 The Board shall oversee the process of financial and business disclosure and communications with external stakeholders. The Board shall ensure that disclosures made by the Company are fair, transparent, comprehensive, and timely and reflect the Company's nature, complexity and risks inherent in the Company's business activities.

8. DIRECTORSHIP

8.1 Selection of Directors:

8.1.1 For every term (3 years), the Nominations Committee is responsible for identifying individuals qualified to become Board members and recommending to the Board the Director nominees for the General Assembly Meeting of the shareholders.

8.1.2 For selection criteria, please refer to the Nomination Committee Charter.

8.2 Number of Directors:

8.2.1 A Board of Directors, consisting of a minimum of five members, shall administer the Company in accordance with the Articles of Association.

8.3 Term for Directorship:

8.3.1 Members of the Board of Directors shall be elected for a three-year renewable term. An elected member of the Board may be re-elected upon the expiry of his term of office.

8.4 Directors' Responsibilities:

8.4.1 Directors shall determine the future of the Company and shall protect its assets and reputation. They will consider how their decisions relate to stakeholders and the regulatory framework.

8.4.2 Directors will apply skill and care in exercising their duties to the Company and are subject to fiduciary duties.

8.4.3 Directors shall be accountable to the shareholders of the Company for Raya's performance and can be removed from office by them.

8.4.4 Each person serving as Director must devote the time and attention necessary to fulfill the obligations of a Director. Key obligations include appropriate attendance at the Board and an adequate review of preparatory material.

8.4.5 Directors are also expected to attend the General Assembly of the shareholders.

8.4.6 Board members must obtain permission from the Board of Directors before accepting being on the Board of any other Company. The number of public company Boards on which a Director may serve shall be subject to a case-by-case review by the Nomination Committee, in order to ensure that each Director is able to devote sufficient time to perform his or her duties as a Director

8.5 Directors' Independence:

8.5.1 The Board of Directors should include independent, non-executive members. At least half of the Directors on the Board will be independent Directors.

8.6 Directors' Appointment and Succession Planning:

8.6.1 The Nomination Committee must periodically assess the Board of Directors' composition and size and, where appropriate, reconstitute itself and other committees by selecting new Directors to replace long-standing members or those members whose contribution to the Company or its committees is not adequate.

8.6.2 The Nomination Committee shall consider succession planning.

8.7 Directors' Orientation:

8.7.1 The Company shall provide an orientation program for new Directors which shall include presentations by senior management on the Company's strategic plans, its significant financial, investment and risk management issues, compliance programs, operations, Code of Business Conduct and Ethics, management structure and executive officers, and internal and external auditors.

8.8 Directors' Compensation:

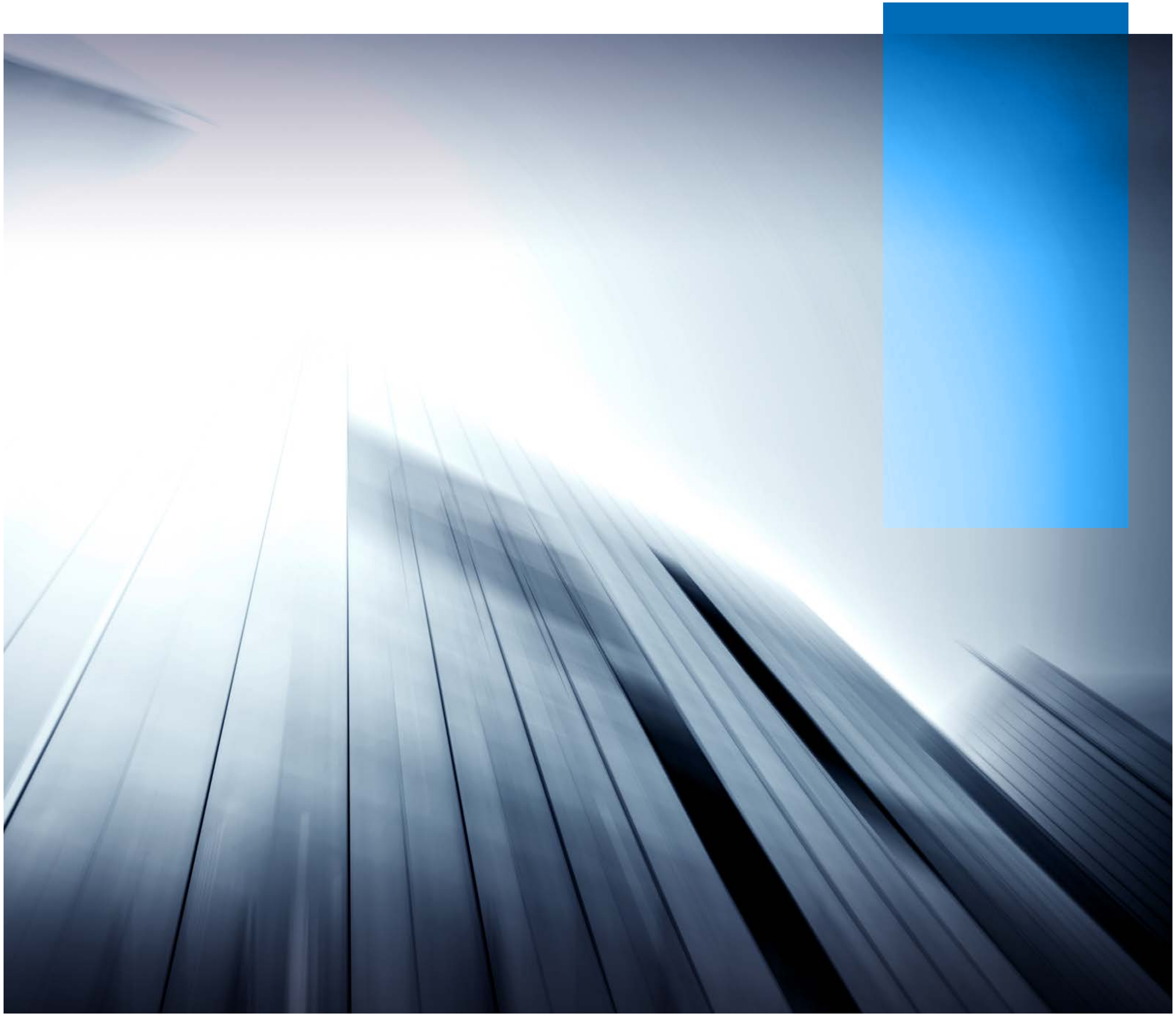
8.8.1 The Board, based upon the recommendation of the Remuneration Committee and subject to the laws and regulations, determines the form and amount of Director's compensation.

8.8.2 The Remuneration Committee shall conduct an annual review of Director's compensation.

8.8.3 Directors who are employees of the Company shall not receive any compensation for their services as Directors.

8.8.4 Directors who are not employees of the Company may not enter into any consulting arrangements with Raya Holding without the prior approval of the Board.

8.8.5 Directors who serve on the Audit Committee shall not directly or indirectly provide or receive compensation for providing accounting, consulting, legal, investment or financial advisory services to the Company.



BOARD OF DIRECTORS STRUCTURE

Subject to the disclosure and listing rules set by the Egyptian Stock Exchange (EGX) and approved by the Egyptian Capital Market Authority (CMA) under license number 273 dated 16/06/1999, Raya Holding complies with the code of best practices in corporate governance, financial reporting, disclosure regulations and listing rules.

Abiding by the highest standards of corporate governance, the Board of Directors (the "Board") is committed to identifying and implementing appropriate corporate governance practices to ensure transparency, accountability and effective internal controls. Raya's Board routinely meets at least four times per year to align and discuss the group's business performance and strategy. The Board reserves the right to discuss major strategic and financial decisions related to new investments, divestment decisions, approval of significant alliances, major capital investment transactions and the compensation of the executive management of the company.

Under Raya's Articles of Association, all directors of the board are required to run for re-election every three years. With a board performance evaluation, the elected board of directors' biographical background and their expertise are disclosed in the explanatory notes of the notice during the annual general meeting.

Firmly rooted in sound corporate governance practices, Raya's Board fulfills its responsibilities in accordance to the essential foundation of Raya's corporate governance guidelines, and is fully committed to compliance with the mandates of the Capital Markets Authority ('CMA') in Egypt.

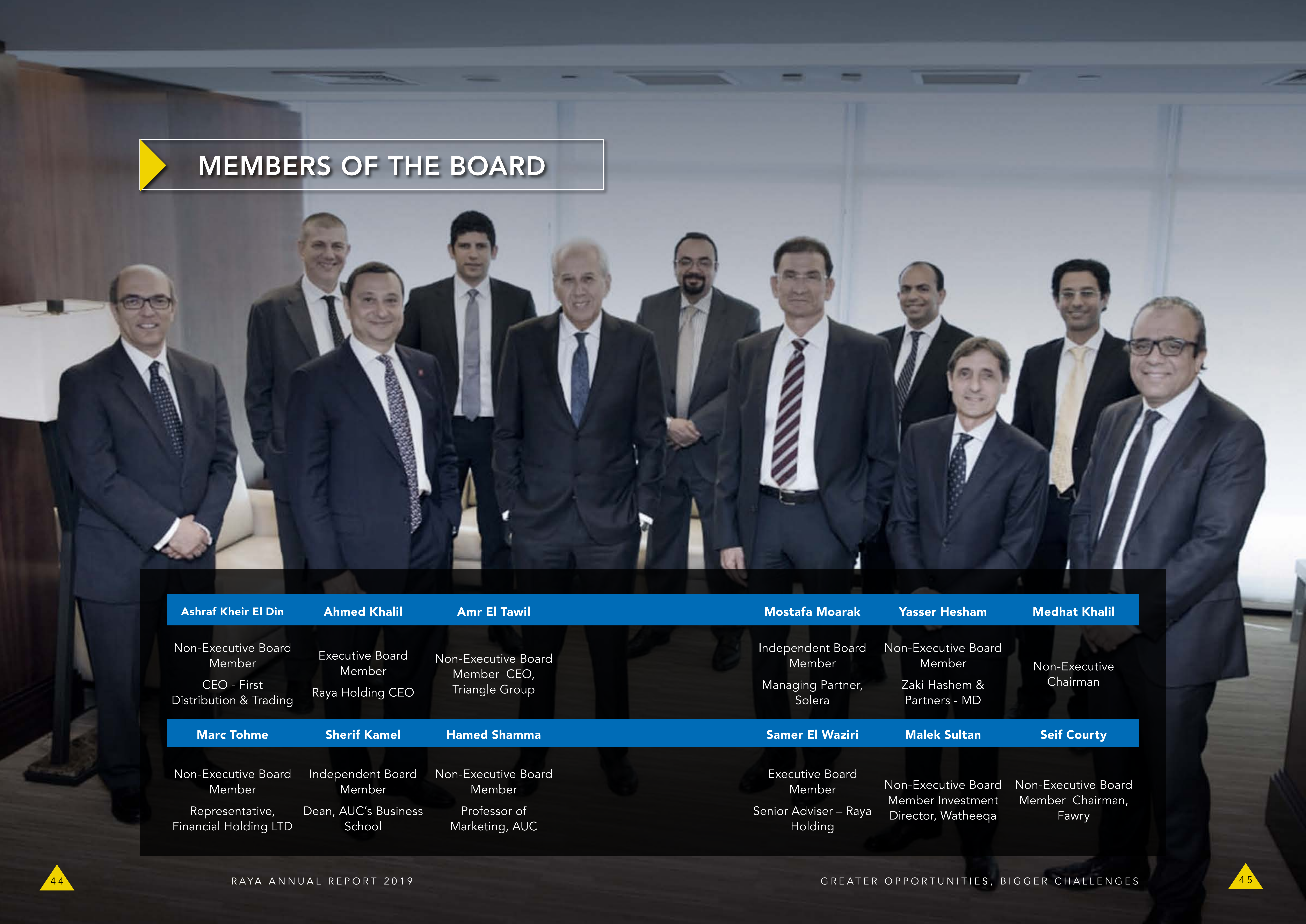
The Corporate Governance Committee periodically reviews the guidelines and proposes modifications to the Board for consideration as appropriate. Board meetings are held at the company headquarters upon the call of the Board Chair or the demand of one third of the board members. Under no circumstances, should there be less than one meeting every quarter.

Following the end of each fiscal year, the Board conducts an annual performance evaluation to assess the Board's performance effectiveness overseen by the Corporate Governance Committee.

The Nomination and Governance Committee is responsible for establishing evaluation criteria and implementing the process for such evaluation, as well as considering other corporate governance principles subject to consideration by the Board.

BOARD COMMITTEES

AUDIT COMMITTEE	Responsibilities include Monitoring the integrity of the Company's financial statements prior to their submission to the Board and any formal announcements relating to the Company's financial performance.
INVESTMENT COMMITTEE	Responsibilities include setting the overall investment guidelines in line with the Board's strategy, as well as Preparing investment cases and reporting to the Board
CORPORATE GOVERNANCE COMMITTEE	Responsibilities include overseeing the implementation of the corporate governance code as a whole and recommending qualified directors and committee nominees to the Board.
REMUNERAT-ION COMMITTEE	Establishing the Company policy on remuneration for the executive directors, executive management, Chairman, and CEOs of the different lines of business.



MEMBERS OF THE BOARD

Ashraf Kheir El Din	Ahmed Khalil	Amr El Tawil	Mostafa Moarak	Yasser Hesham	Medhat Khalil
Non-Executive Board Member CEO - First Distribution & Trading	Executive Board Member Raya Holding CEO	Non-Executive Board Member CEO, Triangle Group	Independent Board Member Managing Partner, Solera	Non-Executive Board Member Zaki Hashem & Partners - MD	Non-Executive Chairman

Marc Tohme	Sherif Kamel	Hamed Shamma	Samer El Waziri	Malek Sultan	Seif Courty
Non-Executive Board Member Representative, Financial Holding LTD	Independent Board Member Dean, AUC's Business School	Non-Executive Board Member Professor of Marketing, AUC	Executive Board Member Senior Adviser – Raya Holding	Non-Executive Board Member Investment Director, Watheeqa	Non-Executive Board Member Chairman, Fawry

COMMITTEE MEMBERSHIP

Audit Committee

Name	Role
Mr. Seif Coutry	Committee Chairman, Non-Executive Board Member
Mr. Ahmed Khalil	Committee Member, Executive Board Member
Mr. Yasser Hashem	Committee Member, Non-Executive Board Member
Dr. Sherif Kamel	Committee Member, Independent Board Member
Mr. Malek Sultan	Committee Member, Non-Executive Board Member
Mr. Mostafa Mobarak	Committee Member, Independent Board Member

Remuneration Committee

Name	Role
Mr. Amr El Tawil	Committee Chairman, Non-Executive Board Member
Mr. Yasser Hashem	Committee Member, Non-Executive Board Member
Mr. Mostafa Mobarak	Committee Member, Independent Board Member

EXECUTIVE MANAGEMENT

Ahmed Khalil
Executive Board Member
Raya Holding CEO

Hossam Hussein
Chief Financial Officer - Raya Holding

Hazem Abdel Hady
Chief HR Officer - Raya Holding

Mohamed Wahby
CEO - AMAN e-payments

Hazem Moghazy
CEO - AMAN Consumer & Micro-finance

Usama Zaki
CEO - Bariq

Tamer Badrawi
CEO - Ostool

Ahmed Refky
CEO Raya Contact Center

Omar Abdel Aziz
CEO - Raya Foods

Hisham Abdel Rassoul
CEO - Raya Information Technology

Gamal Hussien
CEO- Raya Food Trading

Karim Khalife
CEO - Raya Restaurants

Ahmed Ibrahim
CEO – Raya Smart Buildings

Bassem Megahed
CEO - Raya Trade

Mohamed El Naggar
CEO - Raya Advanced Manufacturing

CORPORATE SOCIAL RESPONSIBILITY

At Raya, we prioritize the interests and well-being of our different stakeholders, and especially surrounding communities. We work towards addressing key challenges through our own operations, and through a highly selective social investments portfolio, which primarily focuses on investing in Egypt's human capital. We also implement several humanitarian and emergency response projects to address critical and urgent needs within remote and underserved communities. We seek through our social investment portfolio to contribute to the Sustainability Development Goals (SDGs). Our social investments contribute to SDG 10, as we work towards promoting the social and economic inclusion of marginalized groups, as well as SDG 4, as we work towards accessible quality education, and especially, and equipping youth with relevant skills for decent employment and entrepreneurship. In parallel, our partnerships with pioneering social enterprises and civil society organizations contribute to SDG 17.

EMPOWERING YOUTH

VOCATIONAL SANE3TY PROGRAM

With a mandate to empower youth with the needed skills and capabilities, Raya holding has decided to support Injaz vocational work readiness initiative "Sane3ty". Sane3ty prepares technical college graduates with the soft and technical skills required by potential employers. The participants pass through three phases to complete the program, namely work readiness training, technical skills training and finally employment support. Participants were offered different technical tracks: automotive, natural gas, electrical systems and air conditioning.

Key Facts & Statistics

- **161** graduates in the work readiness training
- **120** graduates in the technical training tracks
- **81%** employment rates

ROBOTICS COMPETITION

Raya Holding has sponsored a team of 4 young innovators, aged 14 years, after qualifying at the national and regional level, to represent Egypt in the International Finals of RoboCup 2019 in Sydney, Australia.

ENGAGED & CONNECTED WITH OUR COMMUNITY

The real impact lies in being connected and engaged in the community. For that reason, Raya's CSR department is focusing on corporate volunteering and engaging employees in the company's CSR initiatives. Believing in the potential of community volunteering to bring about wellness for our employees and positive societal impact, we have organized several volunteering activities over the year, partnering with reputable local NGOs. In 2019, over 125 employees across Raya Lines of Business invested over 1500 hours in 8 community engagement activities; educating youth in public schools, restoring houses in unprivileged villages and clean-up initiatives in the Nile and Wadi Degla protectorate.

Key Facts & Statistics:

- **125** Raya Corporate Volunteers
- **1500** volunteering hours (est.)
- Areas: education, philanthropy and environmental stewardship

BUSINESS REVIEW

RAYA HOLDING FOR FINANCIAL INVESTMENTS

RAYA HOLDING manages a highly-established diversified investment portfolio from its headquarters in Cairo. As the parent company of twelve lines of business with growing operations, Raya was originally established as an IT company with a strong and integrated IT service platform. Over the years, through steady growth and diversification, it has transformed into an investment conglomerate with a sustained strategy of establishing new companies in high growth industries.

Raya Holding develops innovative and timely responses to growth in middle class consumption through its subsidiaries the parent company of three mature lines of business, and nine up-and coming lines of business, Raya Holding operates in the fields of information technology (IT), consumer electronics & home appliances trading, contact center outsourcing services (CCO), data center outsourcing services (DCO), smart buildings, food and beverage manufacturing and trading, land transport, logistical solutions, PET re-manufacturing, light-mobility vehicles, E-payments and Non-banking financial services. Raya Holding empowers more than 12,00 proficient employees, accommodating a wide international customer base from on-ground operations spanning Egypt, Saudi Arabia, UAE, Poland, Tanzania and Nigeria.

Raya Holding's shares have been listed in the Egyptian Stock Exchange (EGX) since 2005, and a consistent net income growth since its inception, despite considerable (and unforeseen) social, political and economic challenges over the past few years.

Our success is realized through the vision, commitment, and teamwork of our young and dynamic management team, and our dedicated workforce of more than 12,000 employees, working around the clock to serve a wide international customer base from our offices in Egypt, Nigeria, Poland, the Kingdom of Saudi Arabia, Tanzania, and the United Arab Emirates. We ensure our customer needs are met by strictly adhering to our four core values: customer focus, excellence, teamwork, and respect for people.

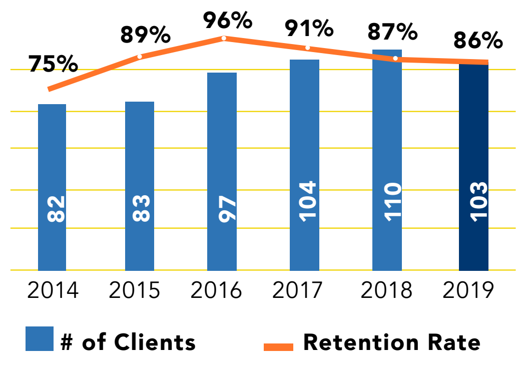
RAYA CONTACT CENTER

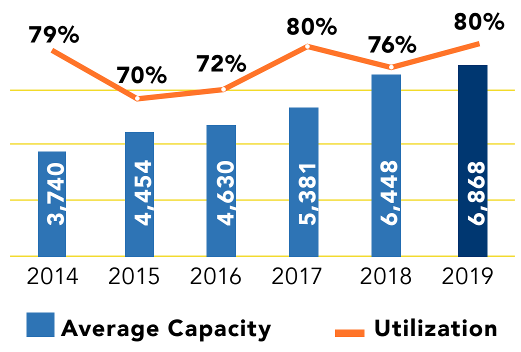
RAYA CONTACT CENTER provides next-generation customer support on behalf of clients across various verticals and industries. Our end-to-end customer experience journey is supported by the latest technology and the most skilled and passionate people. Raya Contact Center has been the most preferred partner of customer service, technical support, and global services for fortune 1000 companies across North America, Europe, the Middle East, and Africa since 2001. Delivering from the most competitive and highly skilled labor markets, Raya Contact Center provides an array of integrated business process outsourcing solutions supported by robust strategies, continuous improvement, and innovation. Raya Contact Center serves its clients from ten contact center facilities across three continents from Egypt, Poland, and UAE, with over 8,500 seat capacity supported by a talent pool of over 6,500 Advisors.

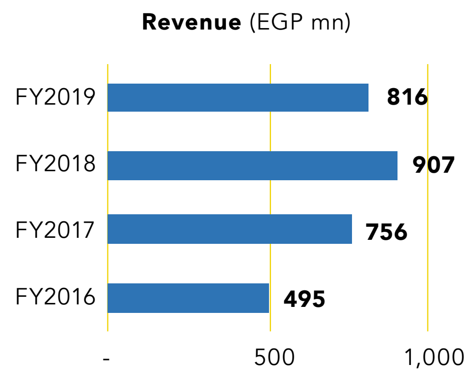
Raya Contact Center is an Egyptian joint stock company listed on the Egyptian Stock Exchange (EGX) under the ticker RACC.CA, and holds a diversified roster of sophisticated institutional shareholders from Egypt, GCC, Europe, USA and the UK.

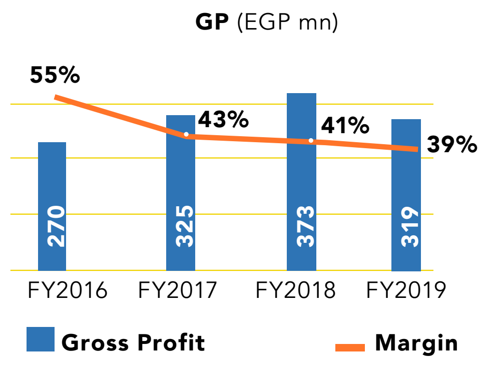
Raya Contact Center operations are supported by our robust approach of continuous improvement, leveraging best practices in Lean, Innovation, 6-Sigma, Problem Solving, Data Analytics as well as world class standards such as COPC, GDPR, PCI and ISO certifications.

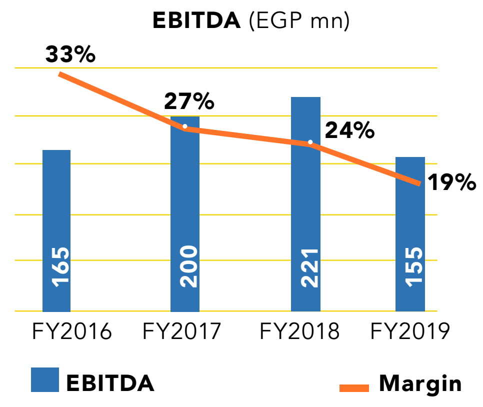
KEY OPERATIONAL METRICS

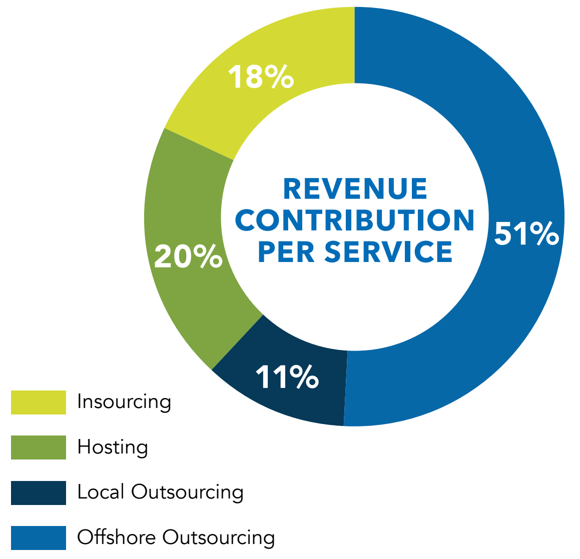












RAYA INFORMATION TECHNOLOGY

RAYA INFORMATION TECHNOLOGY (RAYA IT) is the leading system integrator, established in 1998 with a vision to lead the information technology market through its dynamic services portfolio. Raya IT has assisted over 500 customers in all market sectors to adopt new technologies and achieve enhanced levels of business performance.

Raya IT's portfolio of services includes data center services, enterprise infrastructure solutions /services, ATM and self-services solutions, and enterprise resources planning implementation services. Raya IT is the exclusive partner of Diebold, Nixdorf, the second biggest manufacturer of ATMs in the world; and gold partner of Cisco and Microsoft, and a Platinum partner of Hewlett Packard (HP) and Oracle.

The company has a presence across the MEA region, through 4 regional offices in Egypt, Saudi Arabia, Gulf and East Africa, under the umbrella of Raya IT through Raya Integration, Raya International Services, Raya Data Center and Raya Network Services.

Raya IT covers the following sectors: financial services (FSI); telecommunications; public services; oil and gas; hospitality; commercial and retail. Raya IT also leads the market in the implementation of new technology trends including financial inclusion solutions; mobile wallets; Omni channel; Blockchain; analytics and big data; cyber security; customer experience (CX) and robotic process automation (RPA) through our pool of over 500 certified and experienced staff and our unique portfolio of class A technology vendors.

Raya IT continues to expand its services and solution offerings with a special focus on banking and telecom sector applications, by leveraging its extensive market presence and highly experienced human capital in accordance with best-in-class global standards.

In 2019, Raya Information Technology organized The Egypt Energy Hub 2019 Conference. The conference was attended by ambassadors, representatives of companies operating in the oil and gas sector, and industry leaders. The conference highlighted a great opportunity to transform Egypt into a regional energy hub, benefiting from its strategic location and the recent discoveries in the oil sector.

During the year 2019, Raya Information Technology had numerous successes across market segments through winning mega projects and implementing cutting edges solutions / services which entitled Raya IT to win many prestigious awards including:

1. "Cisco Best Service Provider of the Year 2019 in Middle East & Africa" award during "Cisco Partners Summit" held in Las Vegas-Nevada. The award was granted to Raya IT for its high performance in the Telco sector.

2. In addition, Raya Information Technology has also been awarded the ''HPE Egypt Growth Partner Of The Year 2019'' during HPE Middle East Channel Awards 2019 ceremonies held at Caesars Palace Bluewaters Dubai.

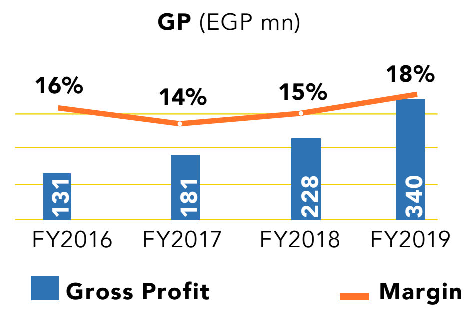
3. Raya IT also won two prestigious awards from Diebold Nixdorf the world leader in connected commerce during the ceremonies of DN Partner Summit held at the Shangri-La hotel- Dubai where it was honored with "The Best Market Share Growth partner in the Middle East 2019" award and "The Absolut Best Performance Partner in the Middle East for 2019".

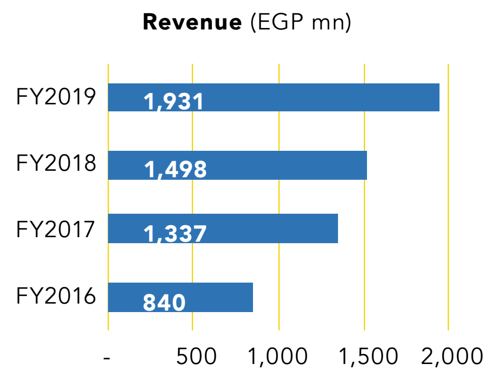
4. Furthermore, F5 Networks granted Raya Information Technology two key awards: Innovation Partner of the Year 2019 and the Superhero Award for 2019.

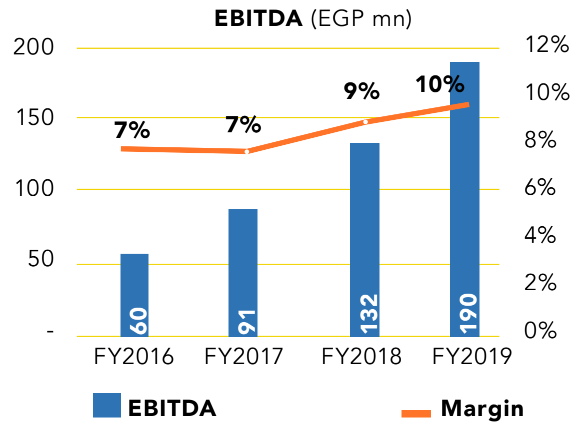
Additionally, Raya Information Technology attained a key milestone during 2019 through achieving Palo Alto Diamond level to become the first and only Diamond partner in Egypt and among very few diamond partners in the MEA region.

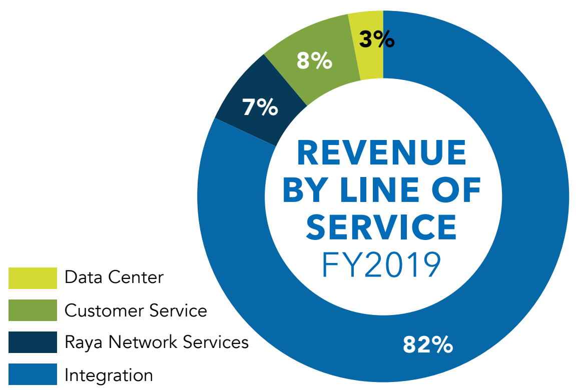
FULL SUITE OF SOLUTIONS

Telecom Solutions	Voice & Multimedia	Internet of Things & Digitization
Low Current Solutions	Security Solutions	ATM & Self Services
Data Centre Hosting	Enterprise Management Solutions	Oracle ERP Solutions







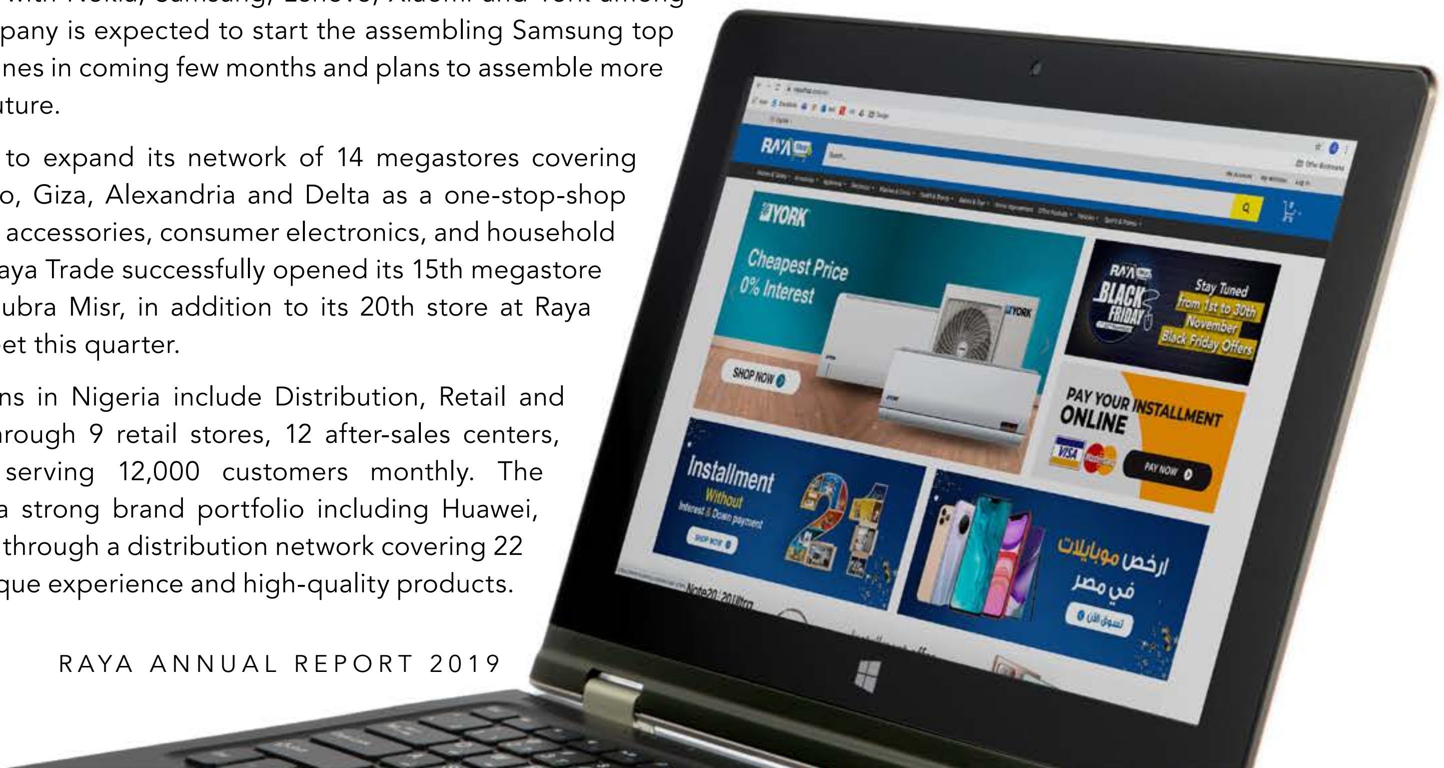


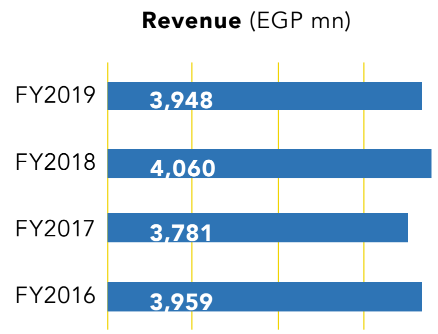
RAYA TRADE & DISTRIBUTION

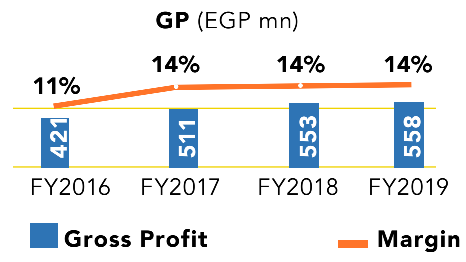
RAYA TRADE line of business includes several operating companies including: Raya Distribution, Raya Retail, and Raya Smart Care, that distribute and sell several types of consumer electronics such as mobile phones and accessories, laptops, cameras, printers, flat panel TVs, and white goods. The company boasts an extensive network for all distributed brands across 8,500 dealers and 52 retail outlets across Egypt in addition to an extensive online platform RayaShop. Raya Trade encompasses a complete portfolio of brands through exclusive partnerships with Nokia, Samsung, Lenovo, Xiaomi and York among many others. The company is expected to start the assembling Samsung top loading washing machines in coming few months and plans to assemble more products in the near future.

Raya Trade continues to expand its network of 14 megastores covering different areas in Cairo, Giza, Alexandria and Delta as a one-stop-shop for mobile phones and accessories, consumer electronics, and household appliances. Notably, Raya Trade successfully opened its 15th megastore at Mega Shubra in Shubra Misr, in addition to its 20th store at Raya Haram 2 in Haram Street this quarter.

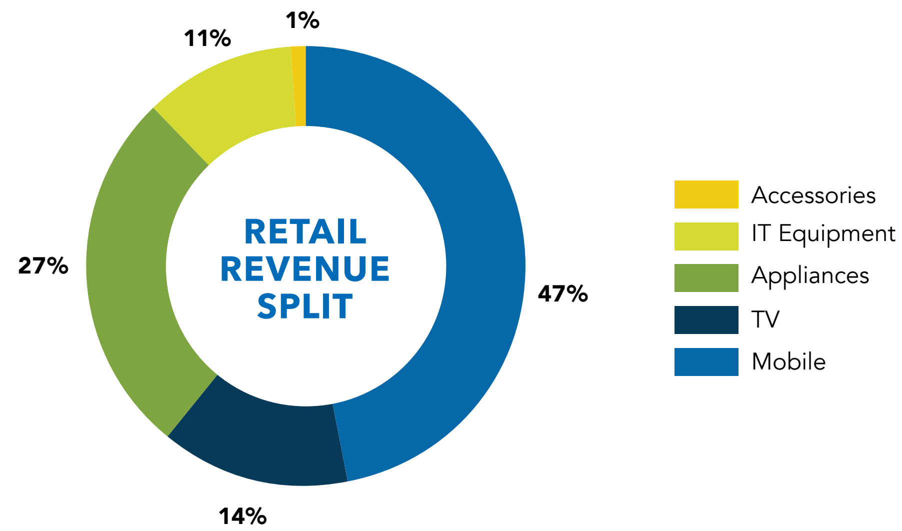
Raya Trade's operations in Nigeria include Distribution, Retail and After-sales Services through 9 retail stores, 12 after-sales centers, and 150 specialists serving 12,000 customers monthly. The Company distributes a strong brand portfolio including Huawei, Xiaomi, Vivo and Lava; through a distribution network covering 22 States, providing a unique experience and high-quality products.

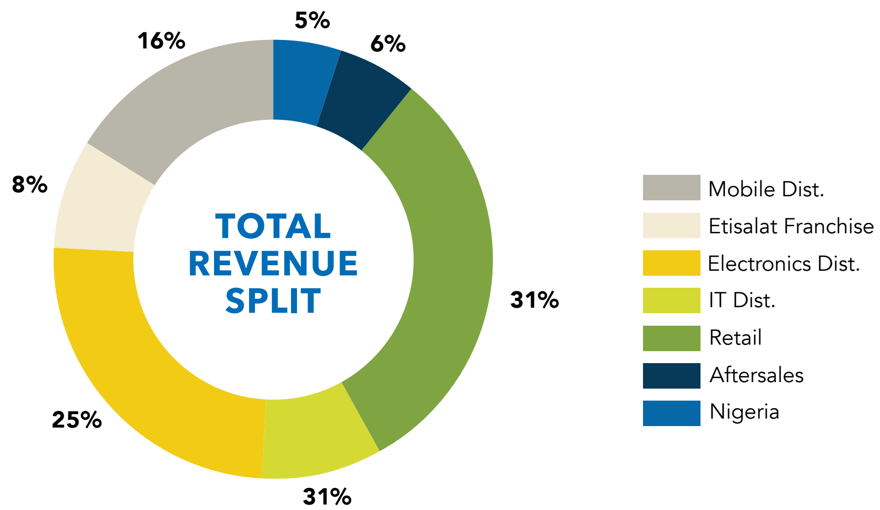






REVENUE DRIVERS FY 2019





RAYA FOODS

RAYA FOODS was formed through the acquisition of "The International Union for Integrated Food Industries" factory, which had been operating in the market since 2006 and offering a wide variety of frozen vegetables and fruits in both local and international markets. Raya Foods aims to become one of the top regional companies impacting the food industry, leading the field in innovative, high quality products.

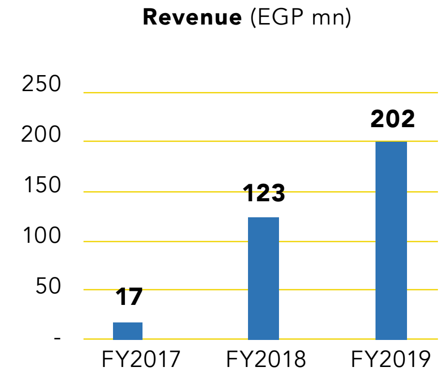
Raya Foods' factory is equipped with the highest technology in the processing and freezing lines which will help in increasing the production capacity to over 45 thousand tons of produce per year, with a storage capacity of 8 thousand tons. Raya Foods also managed to expand its export sector from only two countries during the launch year to reach more than 27 countries by the end of 2020.

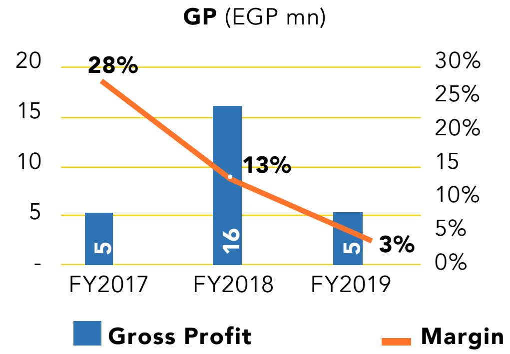
Raya Foods now produces premium quality products of frozen vegetables and fruits across two brands, "Lazah", which enables the family with efficient product range and affordable pricing, and "Everest", which introduces a range of products that satisfies consumer needs offering only the innovative, healthy, and vitamin rich products

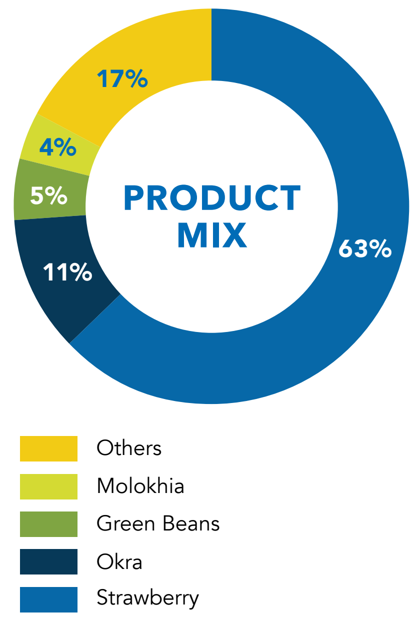
For the last three years, its commercial team has ensured that Raya Foods is represented in various International exhibitions around the world, like Gulf Foods, World Food Moscow, Sial Paris and many more, successfully raising awareness about the diversified product portfolio and brands.

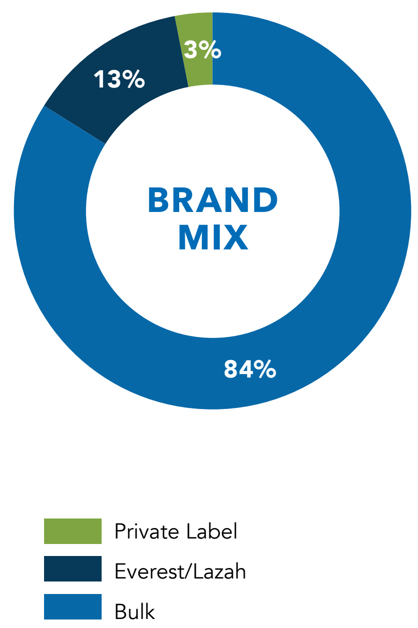
In 2019, Raya Foods signed an agreement with the Agricultural Bank of Egypt (ABE) to finance farmers in Egypt which will enhance the quality of the farmed products. It has also signed a deal with 30 companies to produce and export 15,000 tons of strawberries to foreign markets with a special focus on Europe, Japan and US.

Raya Foods' Strawberry stands out from the market due to its high-quality standards and the exclusive farms & quality checks that ensure the best products are being delivered to our clients. Manufacturing for many known brands worldwide signifies the steady penetration of the frozen sector with more contracts and partnerships underway to make Raya's name a worldwide experience and recognition of top-notch quality.







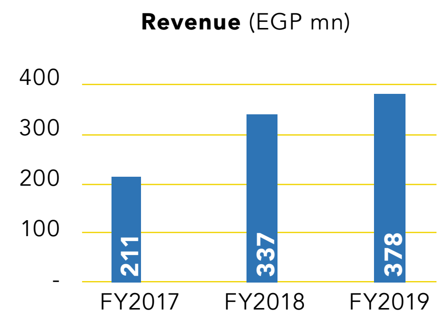


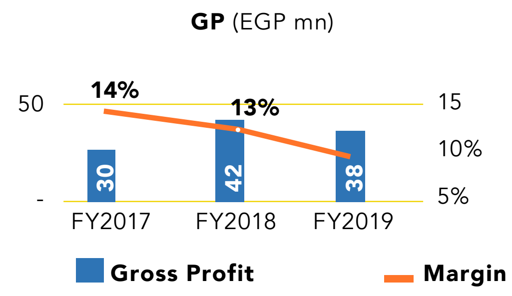
RAYA FOOD TRADING

RAYA FOOD TRADING blends high quality products with professional domestic distribution and broad regional presence. Raya Food Trading's portfolio of services includes manufacturing of a wide range of food product categories, distribution for our company-owned food brands "Haneya" including pasta, tomato sauce and fava beans, as well as exporting food products to the Middle East, Africa and Europe with EGP 250 million worth of investments to date.

Raya Food Trading utilizes international expertise to anticipate and dominate existing market trends in Egypt. Accordingly, the company pursues strategic partnerships with leading European food manufacturers, including the acquisition of a 20 percent share of the Makarony Polskie factory in Poland, with a total acquisition value of USD 2.9 million. Raya Food Trading is now Makarony Polskie's exclusive regional partner, facilitating its penetration into new markets by capitalizing on Raya's wide distribution network of nearly 20 distribution centers supported by more than 300 trucks.

During 2019, Raya Food Trading has quadrupled its business with Wadi Foods, achieving excellent coverage for Wadi Foods' different products in the market. In addition, Raya Food Trading's tuna distribution shelves share continues to grow with its leading brand Tunato, continuing to record increasing growth in market share. Tunato is regularly available across most of the major modern trade markets in Egypt.





DIVERSE PRODUCT RANGE SUPPORTED BY A STRONG DISTRIBUTION CAPACITY

11K sqm In Storage Area

322 FY 2019 Trucks

20 Distribution Centres

AMAN FOR E-PAYMENTS was launched at the end of 2016 with a vision to create an ultimate cashless society in Egypt while enhancing financial inclusion through available secure and convenient Fintech solutions for various segments of the population through its nationwide network of nearly 46 thousand points of sale (POS).

AMAN for E-Payments continues to collaborate with key players from the telecom and banking sectors to provide value-added services to consumers and has embarked on solutions featuring a strong technological edge and significant impact to offer expedited electronic and mobile payment methods for merchants and consumers. AMAN for E-Payments currently offers consumers the capacity to conveniently pay telecom, utility bills (electricity, natural gas and water), educational fees, transportation tickets and NGO donations.

The company targets to secure its place as one of the largest electronic payments networks in Egypt. In addition, it continues to contribute to economic growth by enabling small and medium sized merchants to grow their businesses further by reducing their reliance on cash transactions in the market while providing further services to consumers across the country.

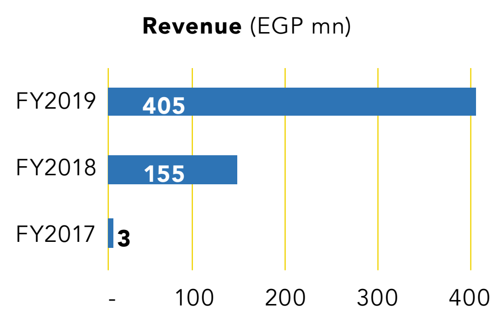
AMAN FOR E-PAYMENTS

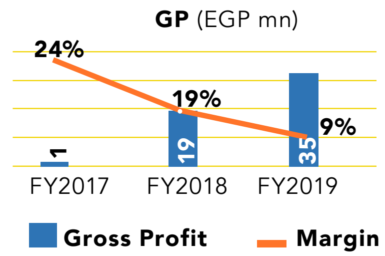
2016 Launched Operations	**46,000** POS Machines

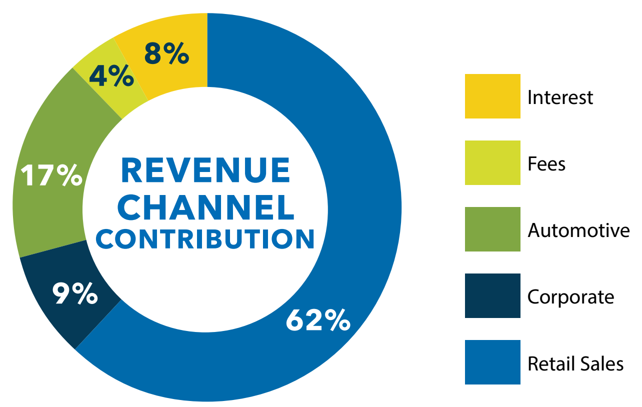
AMAN FOR FINANCIAL SERVICES

1,092
Total Headcount as at FY 2019

250
Stores Nationwide as at FY 2019







AMAN FOR FINANCIAL SERVICES was launched in 2017 with a vision of becoming Egypt's leading enabler of access to timely financial services as part of the national drive to enhance financial inclusion across the Egyptian market.

AMAN for Financial Services offers consumer financing services through more than 250 stores nationwide across 5 product categories including: Mobiles, Home Appliances, Furniture, Automotive and Travel loans through different installment programs that fit with the needs of various consumer segments. The company holds strategic partnerships with market leaders such as ETISALAT, Vodafone, ORANGE, WE, SAMSUNG, JUMIA, SOUQ.COM, KABBANI, and HYPERONE among many others.

Through state-of-the-art technology and a nationwide outreach, AMAN for Financial Services aims to reach the goal of being the most rapid financing provider in the market stemming from its core belief that convenience is key to empowerment.

AMAN FOR MICRO-FINANCE

2018 Launched operations	**EGP702mn** Loan Disbursements	**65,697** Loans Disbursed
55 Branches Nationwide	**EGP324mn** Portfolio principle	**35,054** Active Loans

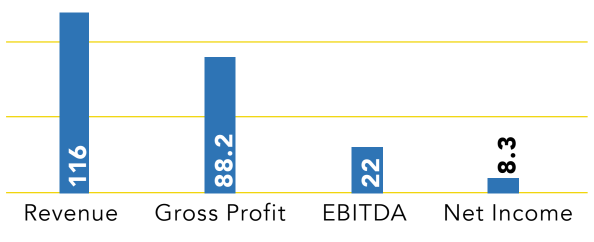
AMAN FOR MICROFINANCE was established in mid-2018 with activities in four branches across Cairo, Giza, El Mansoura, and Asyut with an end goal of providing target clientele of craftsmen, small businesses, and micro-enterprises with suitable, timely, and diversified financial solutions.

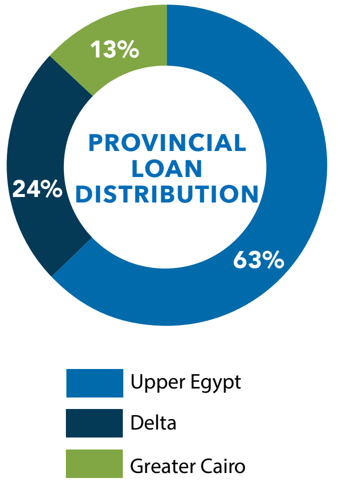
As of 2019, AMAN for Microfinance holds 55 branches nationwide with expansion plans in place to add 25 other offices by the end of 2020 and reaching a total of 150 offices over the next few years.

AMAN for Microfinance maintains almost EGP 324 million in the principle portfolio across more than 35 thousand active loans. In addition, the company's total loan disbursement currently amounts to EGP 702 million over nearly 66 thousand loans.

During 2019, the company's monthly amount of loans disbursed grew at a compounded growth rate of 11.75% while the monthly number of loans grew at a compounded growth rate of 8.39% across its 55 branches nationwide.

Financial Performance (EGP mn)





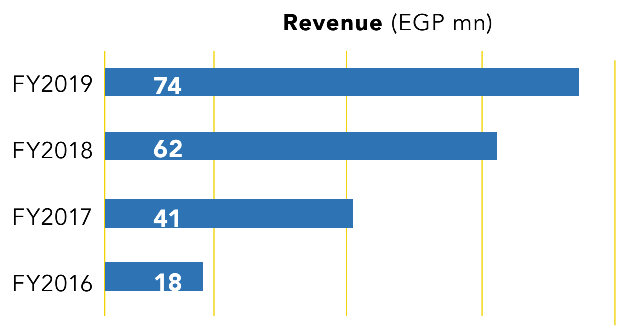
RAYA RESTAURANTS

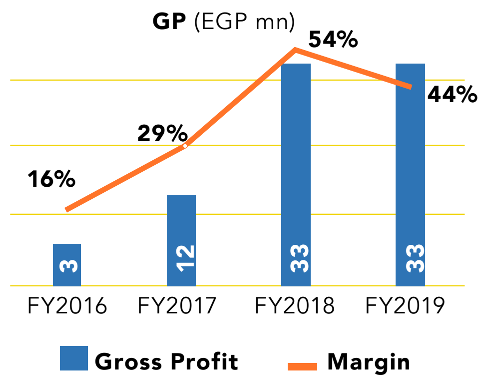
RAYA RESTAURANTS was established in 2013 with a main objective of positioning itself as a market leader within the Food & Beverage sector in Egypt, by building internationally competitive restaurant chains that offer a superior dining experience that will be franchised both regionally and globally. Currently, our brands' portfolio is composed of five in-house brands: our star brand Ovio, Little Ovio, Lorenzo's Pizzeria, Liquid, and Espresso Bar with a total of 11 locations across Cairo and North Coast.

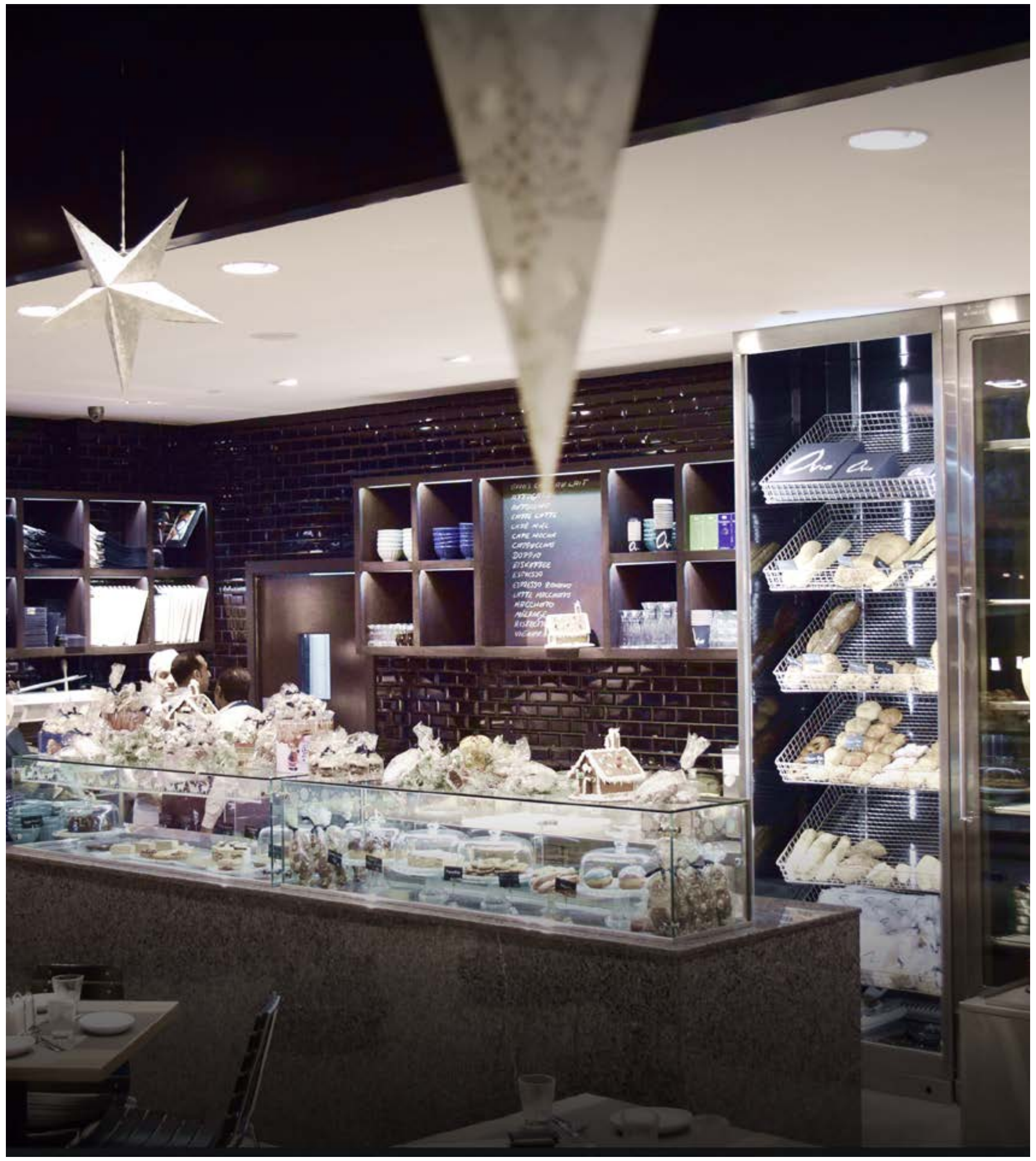
Ovio, the company's flagship brand, is a European restaurant/café founded in 2014 driven by an ambition to provide quality Artisan food to our customers. The unique selection of fresh bread, delicious patisserie, and flavorsome dishes are inspired by our European heritage and aim to excite everyone who appreciates great food.

Over the coming period, Raya Restaurants will continue on expanding its in-house concepts, especially Ovio and is planning to increase its brands portfolio mainly through the acquisition of more franchises.

In 2019, Raya Restaurants successfully signed 2 master franchise agreements with Jones the Grocer, an Australian specialty gourmet food retail and award-winning café, along with another franchise agreement with The Lebanese Bakery. Both franchises are expected to go online with two stores each throughout 2020.







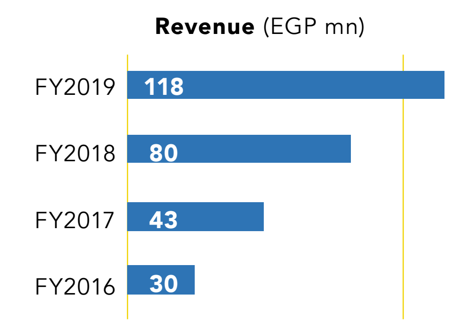
RAYA SMART BUILDINGS & RETAIL BUSINESS

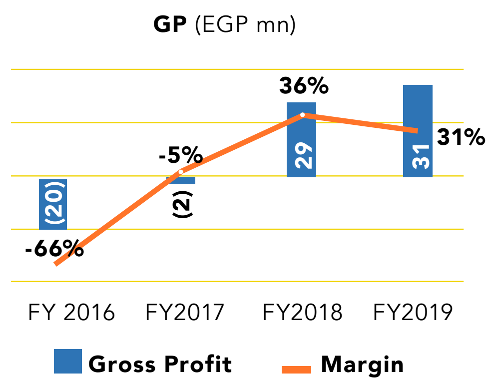
Striving to lead the market in mixed commercial use properties, Raya Smart Buildings is a rental property development company which designs and establishes elegant smart commercial and office complexes in partnership with world-renowned architectural and green building technology firms.

The company develops environmentally friendly smart building complexes for corporate and commercial businesses according to Leadership in Energy and Environmental Design (LEED) standards. Raya Smart Buildings developed and managing Galleria 40's with Built-up Area (BUA) 51,200 sqm and Raya View office building in Smart Village with a Built-up Area (BUA) 6,900 sqm

RAYA SMART BUILDINGS continues to capitalize on its earlier successes by retaining its position as the number one Business Campus and the main creative hub in West Cairo. Raya Smart Buildings launched the Edge Innovation Center, the most premium finished and furnished workplace in West Cairo. Edge Innovation Center offers fully furnished and equipped offices, meeting rooms, training rooms, a board room and a conference hall, in addition to virtual office facilities that cater to different business needs.

As at the end of 2019, Galleria40 has increased its offices occupancy rate to almost 100% most of which consisting of leading financial institutions and multinationals. The company is currently working on revamping the Plaza level to provide an enhanced customer experience with a cozy European feel, expected to be completed by year end 2020.





BARIQ

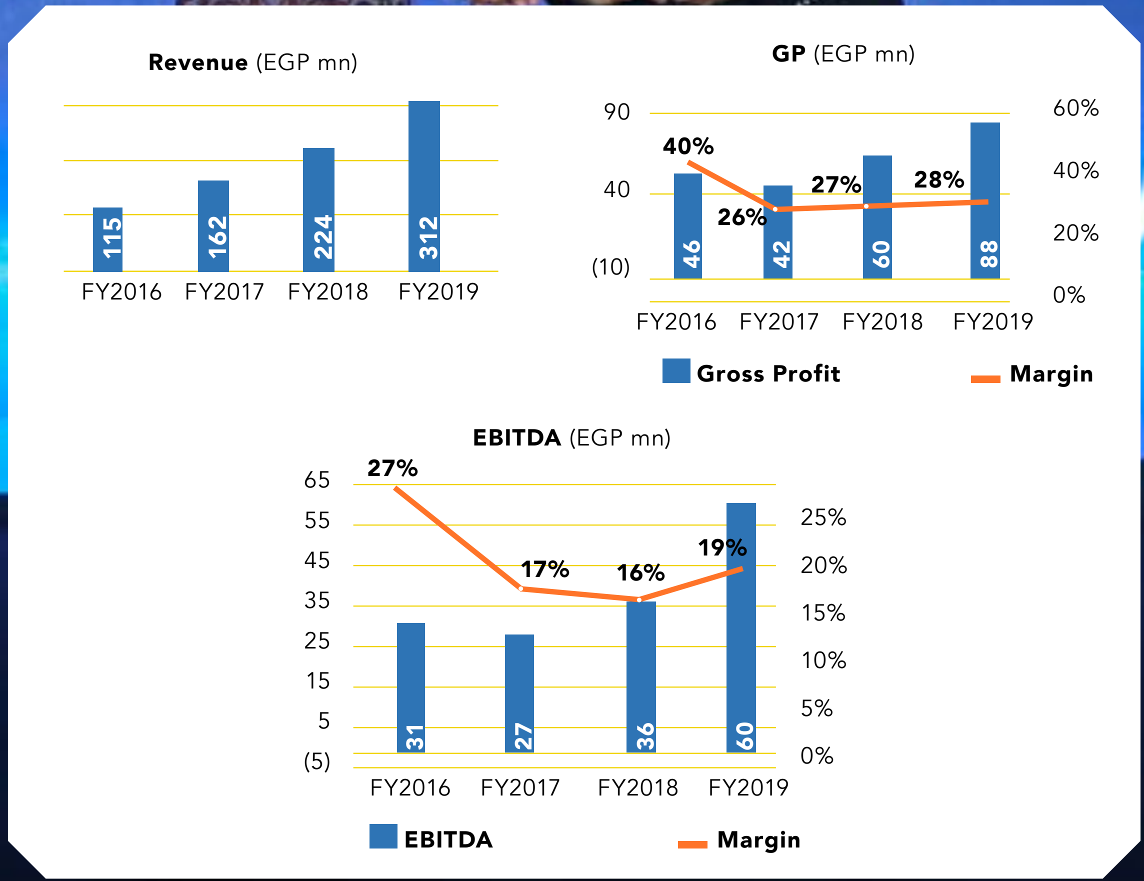
BARIQ is the first "Bottle to Bottle" Recycling PET plant in the MEA region since 2010 that is recycling about 1.6 Billion PET bottle per year from post-consumer PET waste with an annual production capacity of 15,000 tons of FDA, EFSA, Health Canada, REACH and GRS Compliant Food Grade R-PET Pellets that is used up to 100% in the Food Contact applications. This includes Mineral Water PET Bottles, Carbonated Soft Drinks, Sheet and Thermoformed applications as well as recycled polyester yarns using a European state of art Green Technology that delivers a top notch quality with the minimum carbon foot print.

BariQ aims to do its part in turning the world green by utilizing the latest technologies and fruitful minds to have a Social, Environmental and Economic Sustainable model that can last for a 100 years. At BariQ, we believe that we can reach our goal by tackling each opportunity in our value chain, empowering our stakeholders with what we can achieve as ONE society and reducing the Circularity Gap for a better and Green Future!

During 10 years of operations, BariQ managed to recycle up to 10 Billion of Post-Consumer PET Bottles which is equivalent to Khufu Pyramid in Volume, offsetting about 141,000 Tons of harmful emissions such as CO2 that is responsible for severe climate changes which is equivalent to 11,750 Soccer Field in volume. Thus, creating more job opportunities across its value chain and spreading the culture of "Giving Waste a Second Life" after the 1st functional life to the next generations by organizing awareness sessions and school field trips to educate the young students about the importance of the recycling and the individual added value to the surrounded environment.

BariQ has been building its legacy as the "Partner of Choice" by exporting 95% of its added value products to European & US markets for 8 years, targeting major brand owners and key players in the packaging sector in order to close the loop, reduce the circularity gap between consumption of finite raw materials and recycled ones thus heading towards 2030 with achieved sustainability targets. During its global existence, BariQ has been close monitoring the regulatory movements across different regions WRT reducing the consumption of Finite Resources, Climate Change and preserving the Marine Life. Since one of our values is the continuous improvement, BariQ has been complying with most of UN SDGs such as (Clean Water & Sanitation, Decent Work & Economic Growth, Responsible Consumption & Production, Quality Education, Climate Action, Life Underwater, Life on Land and Partnership for Goals).

In recognition for BariQ's activities and effective role in waste management, sustainability and circular economy in middle east for 2019, BariQ was nominated as the plastic recycling company of the year by Waste & Recycling Middle East. BariQ won the awards as recognition of excellence in the best business practices according to the global quality standards, and encouraging the exchange of knowledge and innovation. This award is considered as a benchmark for performance, industry recognition and professional credibility. BariQ considers all these aspects as engines of sustainable growth in the region.



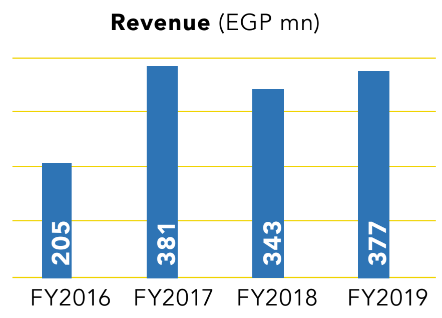
OSTOOL

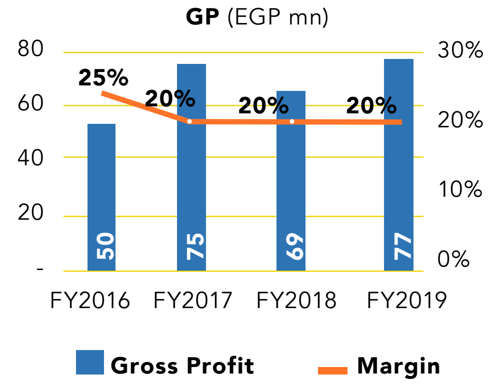
OSTOOL is a leading provider of supply chain management services with a special focus on trucking and logistics services, storage and vessel discharging. Established in 2010, Ostool operates without any significant competition. It boasts a massive fleet of 245 trucks with trailers working across various areas of goods transport and services including: Cement, Raw Materials / Discharge, Coal Trading, Grains and Glass. The company leverages on its operational excellence through state-of-the-art automated fleet management systems, strong maintenance contracts, highly trained drivers and fleet supervisors, alongside using trip maximization techniques and action techniques. In addition, Ostool provides a wide range of services to some of the largest industrial companies in Egypt, including supply of raw materials; trucking and distribution; and internal trucking solutions, such as port services, discharge on anchor, storage and stevedoring.

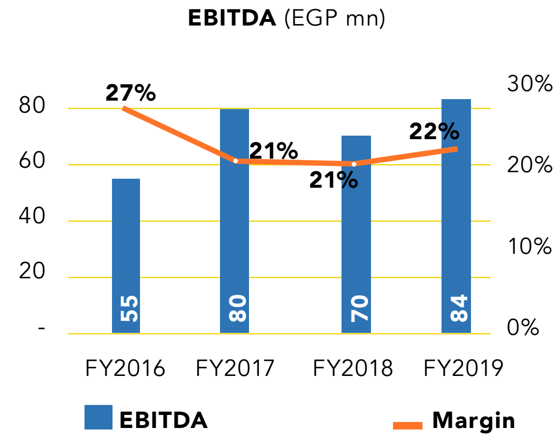
Using cutting edge technology, Ostool continues to improve response time and coordination of services while maintaining our safety standards and impeccable fleet maintenance program while aiming to provide consistency and reliability.

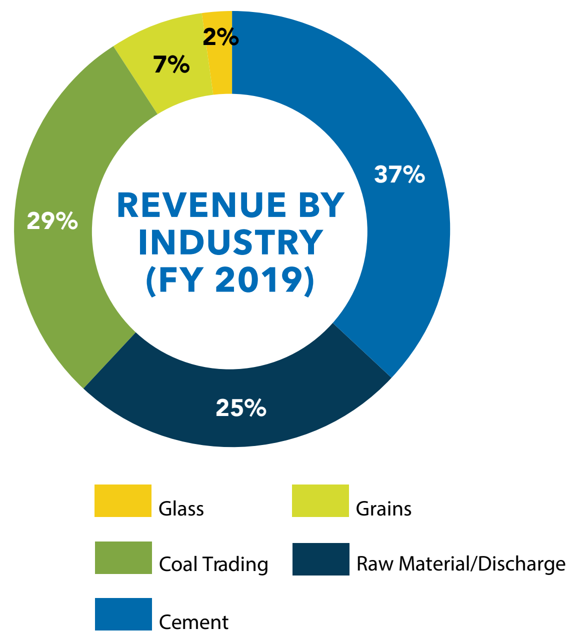
SERVICE OFFERING

In-Loader Jumbo Glass Delivery	Grain Delivery	Cement Silo Distribution
Flat Bed Trucking	Container Services	Coal/Pet Coke Stevedoring
Glass A Frame	Tipper	Warehousing









RAYA AUTO

RAYA ADVANCED MANUFACTURING (RAYA AUTO) was founded by Raya Holding to operate in the in assembly and manufacture of light transport vehicles, with a total investment of EGP 200 million. Raya Advanced Manufacturing caters to the Egyptian market requirements while ensuring the highest quality and safety standards, as well as the environmental compatibility rates. It has recently partnered with Piaggio Group, a world leader in light transport vehicles manufacturing, and the largest European maker of two-wheeled motor vehicles (including the world-famous Vespa). Piaggio Group has 6 manufacturing plants all over the globe and Raya Advanced Manufacturing takes pride in having the only certified assembly plant in the world for the production of Piaggio's light transport vehicles.

Raya Advanced Manufacturing cooperated with Piaggio in the manufacture and assembly of state-of-the-art light transport vehicles for the Egyptian market. Leveraging Piaggio's 130-year-old legacy of making vehicles ranging from motorcycles, scooters and bicycles to three-wheel vehicles commonly known as tuk-tuks in Egypt as well as four-wheel commercial and electric vehicles. Raya Advanced Manufacturing vehicles will meet the highest European safety standards.

Raya Advanced Manufacturing has inaugurated a 10,000 square meter factory built according to Piaggio's highest standards of safety and quality. Piaggio and Raya designed the plant and production line in a manner that ensures the highest quality and safety standards. A highly competent team of engineers and technicians have also completed training courses in skills ranging from assembly, quality, and after-sales service, based on practices at Piaggio's factories in Italy and India.

In 2019, Raya Advanced Manufacturing signed an exclusive agreement with Yadea the largest two-wheel electric vehicles producer in the world. Raya has the right to assemble Yadea products at the company's factory, which started with three different scooter models: Z3 1000W, C-Umi 1200W, and EM215 2000W as well as 2 e-bike models. Raya Advanced Manufacturing has taken the initiative of manufacturing some parts of the electric scooter locally through their production lines that meet the international standards required by the Industrial Development Authority in order to encourage the local industry and reduce importing. In addition, it seeks to provide a top-notch professional service in maintenance and after-sales services' by a team that has been highly and professionally trained.

About 30% of the scooter production is planned to be made up of local components, including the seat, metal parts, plastic pieces, and the power pigtail. The company plans to raise this percentage gradually in the coming years.

Raya Auto introduced WIND golf carts in partnership with Sun Cart, an experienced OEM and ODM, earlier majored in the production of Golf Carts only. Over the years they expanded their product portfolio to include Golf Cart, UTV, sightseeing cart, vintage cart and many more. Sun Cart has 6 production lines specializing in design and manufacturing of micro-mobility vehicles. Their export markets include Europe, North America, Japan, South Korea, Australia, New Zealand and South America.

Raya Auto injected EGP 50 million, with the new investments utilized in the development of Raya Auto's new brand name called RAMBO and expanding its product portfolio in the two and three wheels in the Egyptian market assembling high quality street motorcycles and tricycles. Combining Raya Auto's knowledge of the market needs and customer expectations and its outreach, RAMBO is set to be launched in Q3-2020.

FINANCIAL REVIEW 2019

GREATER OPPORTUNITIES, BIGGER CHALLENGES

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AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)** represented in the consolidated financial position as of 31 December 2019, and the related consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Egyptian Accounting Standards and applicable 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. This 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 financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

OPINION

In our opinion, the consolidated financial statements referred to above, give a true and fair view, in all material respects, the consolidated financial position of **RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)** as of 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the related applicable laws and regulations.

Cairo: 11 March 2020

Mohamed Abu Elkassim
FESAA – FEST
RAA (17553)
CMAR (359)*FESAA – FEST*
RAA (17553)
CMAR (359)

STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS OF 31 DECEMBER 2019

	Note	**31 December 2019 LE**	31 December 2018 LE
Non-current assets			
Fixed assets	(4)	**1,045,071,490**	789,789,591
Investment property	(5)	**692,047,947**	645,309,172
Projects under construction	(6)	**326,322,518**	295,535,945
Intangible assets	(7)	**18,685,703**	24,392,080
Goodwill	(8)	**82,078,561**	82,078,561
Investments in associates	(9)	**53,122,771**	50,182,123
Available for sale investments	(10)	**24,479,900**	28,187,862
Deferred tax assets		**87,538,568**	49,831,539
Total non-current assets		**2,329,347,458**	1,965,306,873
Current assets			
Inventory	(11)	**1,362,719,026**	1,100,029,281
Work in progress		**97,996,515**	35,370,215
Accounts and notes receivable	(12)	**2,006,855,634**	1,622,734,746
Prepayments and other debit balances	(13)	**1,019,018,803**	901,519,761
Share based compensation	(14)	**720,000**	720,000
Debit balances (Tax Authority)		**28,082,237**	
Cash on hand and at banks	(15)	**612,965,703**	461,140,699
Total current assets		**5,128,357,918**	4,121,514,702
Total assets		**7,457,705,376**	6,086,821,575
Equity			
Issued and paid up capital	(16)	**1,071,997,595**	630,586,820
Legal reserve		**64,197,233**	59,994,255
General reserve		**41,935,960**	41,935,960
Treasury shares		**-**	(1,155,316)
Revaluation reserve of available for sale investments		**4,552,671**	8,168,976
Accumulated foreign currency translation		**(4,579,358)**	5,270,682
Retained earnings		**(139,796,212)**	479,141,901
(Losses) profits for the year after deducting non- controlling interest		**(141,045,399)**	5,379,662
Total equity before deducting non- controlling interest		**897,262,490**	1,229,322,940
Non- controlling interest		**258,350,428**	243,124,261
Total equity		**1,155,612,918**	1,472,447,201
Non-current liabilities			
Long term notes payable		**75,401,180**	70,315,254
long term loans	(17)	**503,118,836**	313,869,316
Other long term liabilities	(28)	**147,214,755**	70,622,128
Total non-current liabilities		**725,734,771**	454,806,698
Current liabilities			
Provisions	(18)	**39,968,077**	32,047,916
Accounts and notes payable	(19)	**1,240,575,054**	1,145,548,970
Current portion of long term loans	(17)	**175,695,310**	165,320,268
Credit facilities	(20)	**3,087,277,353**	2,034,347,675
Income tax payable		**-**	8,004,387
Accrued expenses and other credit balances	(21)	**1,008,671,699**	763,018,981
Dividends payable	(22)	**24,170,194**	11,279,478
Total current liabilities		**5,576,357,687**	4,159,567,675
Total liabilities		**6,302,092,458**	4,614,374,373
Total equity and liabilities		**7,457,705,376**	6,086,821,575

Chief Financial Officer
Hossam Hussain

Chairman
Medhat Khalil

- The accompanying notes from (1) to (32) are an integral part of these consolidated financial statements.
- Auditor's report is attached.

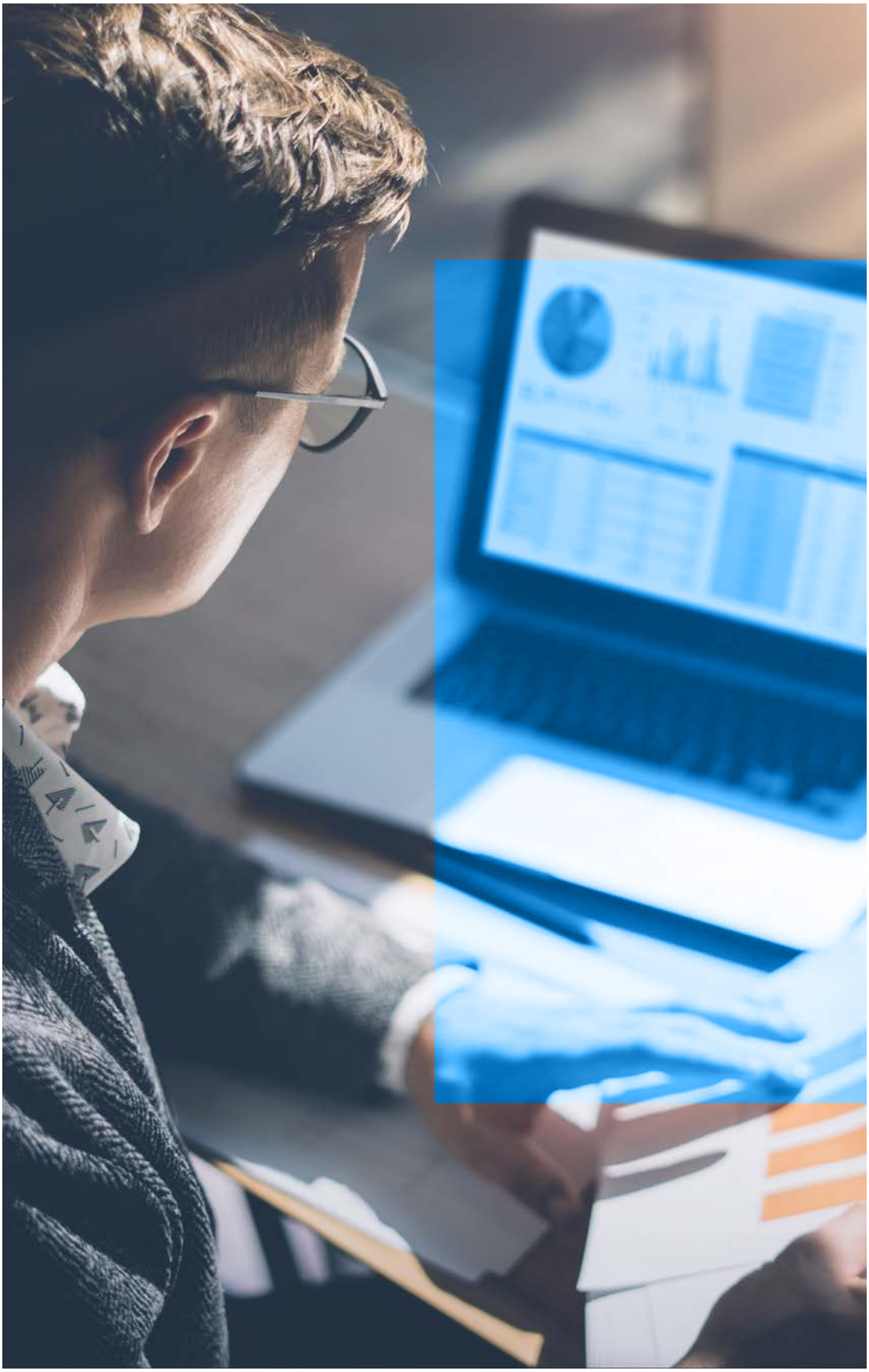
STATEMENT OF CONSOLIDATED PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 LE	31 December 2018 LE
Revenues	(23)	**8,767,984,574**	7,909,540,584
Cost of revenues	(24)	**(7,103,297,418)**	(6,438,073,739)
GROSS PROFIT		**1,664,687,156**	1,471,466,845
General and administrative expenses		**(886,109,573)**	(672,526,982)
Board of directors Remuneration		**(475,000)**	(465,000)
Selling and marketing expenses		**(369,044,375)**	(288,917,349)
Impairment of accounts receivable	(12)	**(41,327,108)**	(29,782,607)
Reversal of impairment of accounts receivable	(12)	**15,171,505**	21,676,709
Provisions	(18)	**(1,930,440)**	(5,805,589)
Provisions no longer required	(18)	**296,271**	1,667,939
Reversal of impairment of other debit balances		**381,268,436**	497,313,966
OPERATING PROFIT			
Finance cost (net)		**(396,231,931)**	(334,751,853)
Foreign exchange differences		**4,348,697**	(910,350)
Company's share from profits of associates	(9)	**2,940,649**	3,182,571
Share profit from investments available for sale		**793,277**	-
Gain (loss) from sale of fixed assets		**828,462**	(636,315)
Other income (loss)		**3,130,836**	(173,450)
Takaful contribution		**(20,161,646)**	(10,733,940)
PROFITS FOR THE YEAR BEFORE INCOME TAXES AND NON CONTROLLING INTEREST		**(23,083,220)**	153,290,629
Income taxes	(25)	**(62,019,847)**	(64,168,307)
PROFITS FOR THE YEAR		**(85,103,067)**	89,122,322
Distributed as follows :			
Holding company		**(141,045,399)**	5,379,662
Non-controlling interest		**55,942,332**	83,742,660
PROFITS FOR THE YEAR		**(85,103,067)**	89,122,322

Chief Financial Officer
Hossam Hussain

Chairman
Medhat Khalil

- The accompanying notes from (1) to (32) are an integral part of these consolidated financial statements.



STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	31 December 2019 **LE**	31 December 2018 LE
PROFITS FOR THE YEAR	**(85,103,067)**	89,122,322
OTHER COMPREHENSIVE INCOME		
Translation differences	**(9,850,040)**	(545,792)
Reversal of available for sale investments revaluation differences- before tax	**(4,666,200)**	9,450,713
Income tax related to other comprehensive income items	**1,049,895**	(2,146,660)
SUB-TOTAL OF OTHER COMPERHENSIVE INCOME	**(13,466,345)**	6,758,261
TOTAL COMPREHENSIVE INCOME	**(98,569,412)**	95,880,583

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Issued And Paid Up Capital	Legal Reserve	General Reserve	Revaluation Reserve Of Available For Sale Investments	Treasury Shares	Net Gain From Sale Of Raya Contact Center Shares	Accumulated Foreign Currency Translation	Retained Earnings	Profits For The Year After Deducting Non-Controlling Interest	Total Before Non-Controlling Interest Equity	Non-Controlling Interest Equity	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as of 1 January 2019	630,586,820	59,994,255	41,935,960	8,168,976	(1,155,316)	-	5,270,682	479,141,901	5,379,662	1,229,322,940	243,124,261	1,472,447,201
Transferred to retained earnings and legal reserve	-	4,202,978	-	-	-	-	-	1,176,683	(5,379,661)	-	-	-
Capital increase from retained earnings	441,410,775	-	-	-	-	-	-	(441,410,775)	-	-	-	-
Accumulated foreign currency translation differences	-	-	-	-	-	-	(9,850,040)	-	-	(9,850,040)	-	(9,850,040)
Dividends	-	-	-	-	-	-	-	(178,704,021)	-	(178,704,021)	-	(178,704,021)
Dividends for the Non-controlling interest	-	-	-	-	-	-	-	-	-	-	(40,716,166)	(40,716,166)
Treasury shares	-	-	-	-	1,155,316	-	-	-	-	1,155,316	-	1,155,316
Reserve of investments at fair value through OCI	-	-	-	(3,616,305)	-	-	-	-	-	(3,616,305)	-	(3,616,305)
Profits for the year	-	-	-	-	-	-	-	-	(141,045,399)	(141,045,399)	55,942,332	(85,103,067)
Balance as of 31 December 2019	1,071,997,595	64,197,233	41,935,960	4,552,671	-	-	(4,579,358)	(139,796,212)	(141,045,399)	897,262,490	258,350,428	1,155,612,918
Balance as of 1 January 2018	504,624,835	34,203,775	41,935,960	774,923	(1,155,316)	380,346,421	5,816,474	250,600,906	50,034,720	1,267,182,698	201,539,656	1,468,722,354
Transferred to retained earnings and legal reserve	-	25,790,480	-	-	-	(380,346,421)	-	404,590,661	(50,034,720)	-	-	-
Capital increase from non-controlling interest	125,961,985	-	-	-	-	-	-	(125,961,985)	-	-	-	-
Accumulated foreign currency translation differences	-	-	-	-	-	-	(545,792)	-	-	(545,792)	-	(545,792)
Dividends	-	-	-	-	-	-	-	(21,361,975)	-	(21,361,975)	-	(21,361,975)
Dividends for the Non-controlling interest	-	-	-	-	-	-	-	(28,725,706)	-	(28,725,706)	(42,158,055)	(70,883,761)
Reserve of investments at fair value through OCI	-	-	-	7,394,053	-	-	-	-	-	7,394,053	-	7,394,053
Profits for the year	-	-	-	-	-	-	-	-	5,379,662	5,379,662	83,742,660	89,122,322
Balance as of 31 December 2018	630,586,820	59,994,255	41,935,960	8.168,976	(1,155,316)	-	5,270,682	479,141,901	5,379,662	1,229,322,940	294124,285	1,472,447,201

STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

CASH FLOWS FROM OPERATING ACTIVITIES	Note	31 December 2019	31 December 2018
Profits for the year before income tax and non- controlling interest		**(23,083,219)**	153,290,629
Depreciation of fixed assets, amortization of intangible assets, and investment property	(4,5,7)	**196,005,930**	154,283,617
loss from disposal of fixed assets		**(3,130,836)**	173,450
Finance cost (net)		**396,231,931**	334,751,853
Company's share from (profits) of associates	(9)	**(2,940,649)**	(3,182,571)
Accumulated Provisions	(18)	**10,829,605**	6,476,692
Provisions no longer required	(18)	**(1,153,345)**	(2,578,191)
Write-down of inventory	(11)	**25,167,158**	68,159,343
Write-down of inventory reversal	(11)	**(24,782,808)**	(45,390,477)
Impairment of accounts receivable	(12)	**41,327,108**	29,782,609
Treasury Stocks		**1,155,316**	-
Impairment of accounts receivables reversal	(12)	**(15,171,505)**	21,676,709
		600,454,686	717,443,663
Change in inventory	(11)	**(262,305,400)**	(151,675,758)
Change in projects under construction		**(62,626,297)**	58,896,726
Change in accounts and notes receivable	(12)	**(481,769,995)**	(474,629,556)
Change in prepayments and other debit balances	(13)	**(203,030,331)**	(50,931,844)
Change in advances from customer		**-**	21,834,426
Change in accounts and notes payable	(19)	**94,257,388**	223,345,781
Change in accrued expenses and other credit balances	(21)	**302,030,587**	30,206,111
Change in other long term liabilities		**76,592,627**	15,255,086
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		**63,603,265**	346,391,216
Income tax paid		**(135,721,843)**	(106,732,804)
Doubtful Debts		**15,115,635**	-
Used provisions		**(1,756,100)**	(5,274,916)
NET CASH FLOWS (USED IN) PROVIDED FROM OPERATING ACTIVITIES		**(58,759,043)**	234,383,496
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payments) to acquire fixed assets, intangible assets and investment property	(4,7)	**(291,868,785)**	(253,029,838)
Proceeds from disposal of fixed assets and intangible assets	(4)	**7,043,107**	9,510,946
(Payments) in respect of restricted time deposits in favor of letters of credit	(6)	**(149,618,997)**	(188,315,390)
Proceeds (payments) in retained deposits to letters of credit	(15)	**3,807,330**	(4,653,547)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(430,637,345)**	(436,537,830)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from credit facilities	(20)	**1,052,929,677**	622,891,916
(Payments) Proceeds from long term notes payable	(17)	**(247,667,011)**	(192,309,436)
Proceeds of long term loans	(17)	**447,291,573**	271,332,866
Dividends paid		**(165,813,305)**	(43,092,869)
(Payments)in non- controlling interest		**(40,716,166)**	(42,158,054)
Finance cost – net		**(396,231,931)**	(334,751,853)
Proceeds from long term notes payables		**5,085,925**	23,717,427
NET CASH FLOW PROVIDED FROM FINANCING ACTIVITIES		**654,878,762**	305,629,997
Accumulated foreign currency translation		**(9,850,040)**	(545,792)
Net increase in cash and cash equivalent during the year		**155,632,334**	102,929,872
Cash and cash equivalent - beginning of the year		**423,502,152**	320,572,280
CASH AND CASH EQUIVALENT - END OF THE YEAR		**579,134,486**	423,502,152
For the purpose of preparing statement of cash flows, cash & cash equivalent are represented as follows:			
Cash on hand and at banks – end of the year	(15)	**612,965,703**	461,140,699
Deduct: Restricted time deposits		**(33,831,219)**	(37,638,547)
CASH AND CASH EQUIVALENT- END OF THE YEAR		**579,134,484**	423,502,152

STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

The accompanying notes from (1) to (32) are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2019

1. GROUP BACKGROUND

Raya Holding Company for Financial Investments (S.A.E) was established as holding company on 9 May 1999,The main purpose of the company is to subscribe in establishing companies that issue securities or increasing their capital in accordance with the regulations of Law number 146 for the year 1988. The company should submit a separate fusibility study to the general authority for investment for each project the company will invest or share in by any means as a permeant condition for approval of the general authority for investment, and the company has investments in subsidiaries.

On 12 October 2016, the Commercial Register was added to the activity of the company which is the practice of promotion and coverage of subscription securities and financial advisory services on securities and the formation and management of portfolios of securities with take into consideration of laws and regulations and decisions in force and require the issuance of licenses crisis to exercise these activities taking into account Article 127 of the Annual Regulations The company may have a reformer and participate in any way with the companies of funds that carry out business similar to their work which may cooperate to achieve its purpose in Egypt or abroad, which may be merged into those compaines or purchaser or their equity and in accordance with the provisions of laws and its executive regulations.

On 27 June 2016, the Board of Directors approved the proposal to amend the Company's name and amend Article (2) of the Company's Articles of Association. The proposed name will be Raya Holding for Financial Investments (S.A.E), this was indicated in the commercial register on 12 October 2016.The following are the details of investment in subsidiaries included in the consolidated financial statements as of 31 December 2018:

	Company name	Country	Percentage Of Ownership
1	Raya Distribution Company	Egypt	100%
2	Raya Integration Company	Egypt	100%
3	Raya International Service Company	Egypt	100%
4	Raya Network Services Company	Egypt	100%

5	Raya for Information Technology and Management Company	Egypt	100%
6	Raya Gulf Company	UAE	100%
7	Raya Technology Company Ltd.	Saudi Arabia	100%
8	Raya Contact Centre Company*	Egypt	56.316%
9	Raya Electronics Company (Previously Sama)	Egypt	100%
10	Raya Algeria Company	Algeria	100%
11	Call Centre Company - C3	Egypt	100%
12	Best Service Company	Egypt	100%
13	Best Service Company- Nigeria	Nigeria	100%
14	Raya Finance Lease Company	Egypt	100%
15	Raya for Contact Centre Building Management Company	Egypt	100%
16	Bariq for Advanced Industrial Techniques Company	Egypt	100%
17	Ostool for Land Transport Company	Egypt	62.31%
18	Raya Restaurants Company	Egypt	95.423%
19	Raya Qatar Company	Qatar	100%
20	Raya Tech Distribution Company	Egypt	100%
21	Raya for Social Media Company	Egypt	100%
22	Raya for Data Centres Company	Egypt	100%
23	Raya Venture and Investment Company	Egypt	100%
24	Raya Contact Centre Gulf	UAE	100%
25	Raya for Food and Beverages Company	Egypt	100%
26	Raya Contact Centre Company – Europe	Poland	100%
27	Aman for Electronic Payments Company	Egypt	100%
28	Raya for Manufacturing and logistics Services Company	Egypt	100%
29	Raya Network power Company	Egypt	100%
30	Eden for Import and Export Company	Egypt	100%
31	Integrated Technology Systems Company	Egypt	100%
32	Raya East Africa for financial investments company	Tanzania	100%
33	Madova Company	Poland	100%
34	International Federation for Food Industries Company	Egypt	100%
35	Aman for Financial Services Company	Egypt	100%
36	Aman for Micro finance Company	Egypt	100%
37	Raya for Modern vehicles Company	Egypt	100%
38	Raya for advanced manufacturing Company	Egypt	100%

1.GROUP BACKGROUND (CONTINUED):

B	Suspended companies		
	Company Name	**Country**	**Shareholding %**
1	International Business Ventures Company – IBVC	Britain	100%
2	Raya U.S.A. Company	USA	100%
3	Egyptian Company for Investment and Glass Production	Egypt	100%
4	Oratech for Communication and Information Systems Company *	Egypt	50%
5	Oratech for Management and Information Technology Company **	Egypt	50%
6	Al Byoot Alarabia for Finance Lease Company	Egypt	100%
7	Ain Company for Networks	Egypt	100%
8	Interpain Egypt Company	Egypt	100%
9	International Business System Company – IBSE	Egypt	100%

- On 13 January 2004, Oratech for Communication and Information Systems Company notified the tax authority about its need to temporary suspend its activities starting from 21 March 2003 and it handed over its tax card.
- On 25 May 2008, Oratech for Management and Information Technology Company notified the tax authority about its need to temporary suspend its activities starting from 30 September 2007 and it handed over its tax card.
- The consolidated financial statements includes the assets, liabilities and results of operations of Oratech for Communication and Information Systems Company and Oratech for Management & Information Technology Company.

The consolidated financial statements of the company for the year ended 31 December 2019 were authorized for issuance in accordance with the decision of the board of directors meeting dated on 11 March 2020.

2. BASIS OF CONSOLIDATION SIGNIFICANT ACCOUNTING ESTIMATES

2.1 BASIS OF CONSOLIDATION

- The following steps are followed when preparing the consolidated financial position:

a- The carrying amount of the holding company's investment in each subsidiary and the holding company share of equity of each subsidiary are eliminated.
b- Non controlling interest in the net profit or loss of the consolidated subsidiaries for the reporting year is identified.
c- Non controlling interests in the net assets of consolidated subsidiaries are identified and presented in the financial statement separately from the parent's ownership interests. Non controlling interests in the net assets consist of:

(1) The amount of those non controlling interests at the date of the original combination.
(2) The non controlling interests' share of changes in equity since the date of the combination.

d- Intergroup balances of transactions, income and expenses are eliminated in full.

- The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements are prepared as of the same date.

2.1 BASIS OF CONSOLIDATION:

- Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.
- Non controlling interests are presented in the consolidated financial position within equity, separately from the equity of the owners of the parent. Also the non controlling interests share in the group profit or loss appear separately.

Non-controlling interests shown in the consolidated financial statements are as follows:

	Percentage
Ostool for Land Transport Company	37.69%
Oratech for Communication and Information System Company	50%
Oratech for Management and Information Technology Company	50%
Raya Restaurants Company	4.577%
Raya Contact Centre Company	43.68%

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future years.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

The key judgements and estimates that have a significant impact on the financial statements of the Company are discussed below:

Impairment of trade and other receivables
An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Useful lives of fixed assets and intangible assets
The Company's management determines the estimated useful lives of its fixed assets and intangible assets properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical depreciation of assets. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and year of depreciation are consistent with the expected pattern of economic benefits from these assets.

Taxes
The Company is subject to income taxes in Egypt. Significant judgment is required to determine the total provision for current and deferred taxes. The Company established provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities in Egypt. The amount of such provision is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Company and the responsible tax authority. Such differences of interpretations may arise on a wide variety of issues depending on the conditions prevailing in Egypt.

Deferred tax assets are recognised for unused accumulated tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES:

be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements have been prepared under the going concern assumption on a historical cost basis except for available for sale investments which has market value and investments at fair value through profits or losses and assets held for sale which evaluated by fair value.

Statement of compliance

The financial statements of the company has been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

3-2 Changes in accounting policies

The accounting policies adopted this year are consistent with those of the previous year except for the changes required by the new Egyptian accounting standards issued during the year 2015, which are effective for the financial periods beginning after the first of January 2017.

3-3 Foreign currency translation

- The financial statements are prepared and presented in Egyptian pound, which is the company's functional currency.
  - Transactions in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction.
- Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the financial position date, all differences are recognized in the statement of profit or loss.
- Nonmonetary items that are measured at historical cost in a foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.
- Nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value was determined.

3-4 Goodwill

At the date of acquisition the company recognizes the acquired goodwill in business combination as an asset. Goodwill is initially measured at cost. Goodwill represents the excess of the cost of the combination of businesses over the company's interest in the net fair value of the assets, liabilities and contingent liabilities recognized.

After initial recognition, the company measures the goodwill resulting from business combination at cost less impairment loss. Goodwill is not amortized, instead the company

3. SIGNIFICANT ACCOUNTING POLICIES

tests the impairment of goodwill annually or periodically if the events or change in circumstances indicates that there is impairment in goodwill.

3-5 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when major inspections and improvements are performed, their cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are met. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition where it is capable of operating in the manner intended by management, and it is computed using the straight-line method according to the estimated useful life of the asset as follows:

	Years	Produced units
Buildings	40	-
Vehicles	4-7	-
Switches	4-5	-
Furniture and office equipment	5-10	-
Leasehold improvements	5-8 or lease duration whichever is less	-
Computers	2-3	-
Fixtures and fitting	10-30	-
Productive assets	-	400,000 Tons

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

The Company assesses at each financial position date whether there is an indication that a fixed assets may be impaired. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, impairment losses are recognized in the statement of profit or loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

3-6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost intangible assets acquired when business combination are measured at fair value at acquisition date.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Internally generated intangible assets are not capitalized and expenditure is reflected in the profit or loss statement in the year in which the expenditure is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES

The useful lives of intangible assets are assessed as either definite or indefinite.

Intangible assets with definite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Useful lives and the amortization method for an intangible asset with a definite useful life are reviewed at least at each financial year end.

3-7 Projects under construction

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. Projects under construction are valued at cost less impairment.

3-8 Investments

Investment in associates

Investments in associates are investments in entities which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist when the company holds, directly or indirectly through subsidiaries 20% or more of the voting power in the investee without exceeding 50%, unless it can be clearly demonstrated that this is not the case.

Investments in associates are accounted for in the consolidated financial statements using the equity method and according to the equity method, the investment in any associate company is recognized initially at cost. Then the investment balance is increased or decreased to recognize the company's share in the investee company profit or loss among the company's profit or loss, the investment balance is decreased by dividends received from the investee company.

Investments at fair value through profit or loss

- Investments at fair value through profit or loss are current assets. They reclassified either to assets for trading purposes which they acquired to sale in short term, or to current assets that recognized in first time by the fair value through profit or loss.
- In first time recognition, the investments at fair value through profit or loss measure by fair value and it includes the direct expenses that are related to them.
- Investments at fair value through profit or loss are recognized in the financial position by the fair value and they recognized the profit or loss in the profit or loss statements.
- The profit or loss selling investments at fair value through profit or loss recognized in the profit or loss statements.

Available for sale investments

- Available for sale investments are those non-derivative financial assets that are designated as available for sale when acquired not classified as loans and receivables, held to maturity investments or investments at fair value through profit or loss.
- Available for sale investments are initially recognized at fair value includes the direct attributable expenses that are related to them.

3. SIGNIFICANT ACCOUNTING POLICIES

- After initial measurement, available for sale investments are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized, upon which the cumulative gain or loss recorded in equity is recognized in the statement of profit or loss, if the asset is considered impaired, in this case the cumulative loss recorded in equity is recognized in the statement of profit or loss.
- In case the fair value of an equity instrument cannot be reliably measured, the investment is carried at cost.
- Equity investments: where there is an evidence of impairment, the cumulative loss is removed from the equity and recognized in the statement of profit or loss. Impairment losses on equity investments cannot be reversed through the statement of profit or loss; increases in the fair value after impairment are recognized directly in equity.

3-9 Fair value measurement

- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- For assets traded in an active market, fair value is determined by reference to quoted market bid prices.
- The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.
- For unquoted assets, fair value is determined by reference to the market value of a similar asset or is based on the expected discounted cash flows.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
- All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

  - **Level 1** – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
  - **Level 2** – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  - **Level 3** – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. SIGNIFICANT ACCOUNTING POLICIES

- For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between three levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

- For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3-10 Recognition and disposal of financial assets and liabilities

RECOGNITION:

The group recognized the financial assets and liabilities first time through fair value on the transaction date and the rest of the financial assets and liabilities recognized first time when the group is a part of the contract.

DISPOSAL:

- The group will dispose the financial assets from the books after the contractual right ends the cash flows this asset, or transfer the contractual rights to collect cash flow from this assets, including transfer the risk and the benefits that are related the owning this asset significantly in case the development or the group keep the right of any financial assets without transfer. They recognized the right as an asset or an independent liability.
- The group will dispose financial liability in the book in case exemption, elimination, or end the contract liability that is related to it.
- When the company is keeping the contractual right to receive cash flow from financial asset (The original financial asset).But, the company uses this contractual right to paid this cash flow to another party or to other parties (the final receiver), so the source is treated this transaction to transfer it to financial asset if it is follow three conditions are met:

A) The company shouldn't obligate to paid amount to the final receiver if the amount don't collect from the owner of the financial assets that isn't equally the amount of the obligation. The short loan that the company is paid with right to refund the amount with the interest. It isn't considered contrary to theses condition.

B) According to contract, the company not allowed to Paid sales or mortgage the financial asset, But It allowed if it put as guaranty to the final receiver to pay the cash flows.

C) The company is committed to transfer the amount that is collected on behalf of the final receiver without any significant delay. In addition, the company has no right to reinvest this cash flow except the cash investment during short settlement from the date of collection to the date of last paid to the final receiver. Also, the source must transfer the interest from this investment to the final receiver.

3. SIGNIFICANT ACCOUNTING POLICIES

3-11 Inventory

The inventory is valued at the lower of cost (using the weighted average method) or net realizable value and the cost includes expenses that are incurred for the acquisition of inventory and access to its location and its current state.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories shall be recognized in cost of sales in the statement of profit or loss in the year in which the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in the net realizable value, shall be recognized as reduction of cost of sales in the statement of profit or loss in the year in which the reversal occurs.

3-12 Accounts receivable and other debit balances

Accounts receivable and other debit balances are stated at original invoice amount net of impairment losses.

Impairments measured as the difference between the receivables carrying amount and the present value of estimated future cash flows.

The impairment is recognized in the statement of profit or loss. Reversal of impairment is recognized in the statement of profit or loss in the year in which it occurs.

3-13 Assets held for sale

Assets (Or disposal groups which include the assets and liabilities), which is expected initially recoverable through sale and not by continuing to use it are classified as an asset held for sale. The group assets(Or disposals) re measured in before classify it as assets held for sale in accordance with the group accounting policies then the assets (Or disposals) measured in general accordance with the book value or fair value less costs to sell, whichever is lower.

The impairment losses are recognized upon initial reclassification as assets held for sale, as well as the subsequent profits and losses on re-measurement at statement of profit or loss. It is not recognized earnings in excess of any impairment losses, and when the assets are classified as held for sale, the company suspends calculating depreciation of fixed assets and amortization of intangible assets, The Company also suspends the accounting for associates using the equity method.

3-14 Provision

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation

3-15 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50% of the issued capital, The reserve is used upon a decision from the general assembly meeting based on the

3. SIGNIFICANT ACCOUNTING POLICIES

proposal of the board of directors. Once this reserve is shortened, the cutback should be cut back.

3-16 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

Current income tax
Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax
Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the financial position (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as an income or an expense and included in the statement of profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different year, directly in equity.

3-17 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue is recognized if the following conditions are met collectively:

- The amount of revenue can be reasonably measured.
- The probability of economic benefit related to transaction will flow the entity.
- The amount of revenue can be reasonably measured for the degree of completion as of the Financial Position date.
- Cost of revenue can be reasonably measured which incurred and related cost for completion.

Revenue is measured at the fair value of the consideration received, or the amount due excluding discounts, rebates, and value added taxes or duties.

The specific recognition criteria described below must also be met before revenue is recognized:

– **Sale of goods**
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

– **Interest income**
Interest income is recognized as interest accrues using the effective interest method, and it is included in the statement of profit or loss under credit interest.

– **Revenue of services**
Revenue recognition from rendering of services when the services are rendered directly to the customer.

3. SIGNIFICANT ACCOUNTING POLICIES

– **Dividends**
Revenue is recognized when the company's right to receive the payment established.

– **Operating lease income**
Rental income arising from operating leases is recognized on a straight-line basis over the lease term.

3-18 Expenses

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of profit or loss of the year in which these expenses were incurred.

3-19 3-18 Finance cost

Financing cost charged as an expense during the fiscal year in which the company has incurred that cost at statement of profit or loss in financing expenses account in accordance with the maturity of the contract with the funders.

3-20 3-19 Related party transactions

Related parties represent in associate companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the boards of directors.

3-21 Impairment of assets

Impairment of financial assets
The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets are deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non-financial assets
The Company assesses at each financial position date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating units (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, (net of depreciation) had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

Impairment of available for sale investments
Available for sale investments considered impaired if there is objective evidence that can not recover the cost of that asset. In addition to objective evidence, the company used evidence of how to determine impairment in value which include reduction in the fair value below the cost significantly or continuously.

3. SIGNIFICANT ACCOUNTING POLICIES

In the case of impairment accumulated losses are eliminated from equity and be recognized in the statement of profit or loss , Investment Impairment losses cannot reversed on equity through statement of profit or loss ,the increase in the fair value after impairment are recognized directly in equity

3-22 Statement of cash flows

The statement of cash flows is prepared using the indirect method.

3-23 Cash and cash equivalent

For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks, time deposits maturing within three months.

4. FIXED ASSETS

	Land LE	Buildings LE	Vehicles LE	Furniture and office equipment	Fixtures LE	Leasehold improvements LE	Switches LE	Computers LE	Productive assets LE	Total LE
Cost										
1 January 2019	44,354,263	148,755,930	310,395,443	174,076,050	181,196,768	203,642,020	55,002,708	136,243,433	213,635,812	1,467,302,427
Additions during the year	67,939,650	8,098,464	68,073,456	46,564,544	9,505,628	36,890,190	13,535,031	25,036,898	13,118,308	288,762,169
Transferred from project under constrictions	-	36,348,284	-	2,049,383	-	19,705,256	-	-	75,297,040	133,399,963
Disposals	-	-	(1,530,879)	(1,246,948)	(42,556)	(1,292,043)	-	(4,298,458)	-	(8,410,884)
Reclassified Assets	-	(6,013,370)	-	-	6,013,370	-	-	-	-	-
Translation differences	-	-	(72,272)	(1,065,627)	(10,194)	(1,598,259)	(781,031)	(854,490)	-	(4,381,873)
31 December 2019	112,293,913	187,189,308	376,865,748	220,377,402	196,663,016	257,347,164	67,756,708	156,127,383	302,051,160	1,876,671,802
Accumulated depreciation										
1 January 2019	-	(51,745,465)	(110,228,174)	(104,437,072)	(106,265,960)	(108,212,031)	(48,089,033)	(88,982,789)	(59,411,688)	(677,372,212)
Depreciation for the year	-	(5,320,717)	(34,518,935)	(23,890,110)	(21,904,574)	(31,841,628)	(6,219,272)	(20,765,770)	(18,521,452)	(162,982,458)
Reclassified Assets	-	135,851	-	-	(135,851)	-	-	-	-	-
Depreciation of disposals	-	-	1,493,955	220,538	-	250	-	3,769,452	-	5,484,195
Translation differences	-	-	75,640	973,004	16,629	983,799	661,081	700,634	-	3,410,787
31 December 2019	-	(56,930,331)	(143,177,514)	(127,133,640)	(128,289,756)	(139,069,610)	(53,647,224)	(105,278,473)	(77,933,140)	(831,459,688)
31 December 2019	**112,293,913**	**130,258,977**	**233,688,234**	**93,243,762**	**68,373,260**	**118,277,554**	**14,109,484**	**50,848,910**	**224,118,020**	**1,045,212,114**
Impairment of Raya Algeria Company's assets	-	-	-	(21,829)	-	(98,470)	-	(20,325)	-	(140,624)
31 December 2019	**112,293,913**	**130,258,977**	**233,688,234**	**93,221,933**	**68,373,260**	**118,179,084**	**14,109,484**	**50,828,585**	**224,118,021**	**1,045,071,490**

- There is a mortgages on the land located in 6th of October city on which the administrative building of Raya group is held.
- There is a mortgages on a store owned by Raya Distribution Company due to the loan granted to the company.
- There is no fixed asset not in use temporarily or permanently.

- The depreciation of fixed assets is allocated as follows:

31 December 2019 LE	
(87,439,467)	Cost of revenues
(33,859,831)	General and administrative expenses
(41,683,160)	Selling and marketing expenses
(162,982,458)	

4. FIXED ASSETS :

	Land LE	Buildings LE	Vehicles LE	Furniture & office equipment LE	Fixtures LE	Leasehold improvements LE	Switches LE	Computers LE	Productive assets LE	Total LE
Cost										
1 January 2018	41,724,361	134,598,094	274,357,719	128,034,300	173,033,276	112,720,278	47,186,253	109,723,579	177,727,314	1,199,105,174
Additions during the year	2,629,902	14,001,313	36,006,798	32,709,724	17,430,367	69,954,599	8,054,637	26,023,880	36,157,409	242,968,629
Transferred from project under constrictions	-	1,077,332	-	12,989,692	-	20,874,257	-	649,393	-	35,590,674
Disposals	-	-	-	(494,830)	(9,275,341)	-	-	-	(248,911)	(10,019,082)
Reclassified Assets	-	(920,809)	-	920,809	-	-	-	-	-	-
Translation differences	-	-	30,926	(83,645)	8,466	92,886	(238,182)	(153,419)	-	(342,968)
31 December 2018	44,354,263	148,755,930	310,395,443	174,076,050	181,196,768	203,642,020	55,002,708	136,243,433	213,635,812	1,467,302,427
Accumulated depreciation										
1 January 2018	-	(47,672,476)	(82,638,657)	(88,737,681)	(88,174,967)	(89,491,476)	(42,601,212)	(72,630,078)	(45,845,803)	(557,792,350)
Depreciation for the year	-	(4,072,990)	(27,483,008)	(15,581,044)	(18,966,991)	(18,544,755)	(5,575,717)	(16,299,114)	(13,733,900)	(120,257,519)
Depreciation of disposals	-	-	-	323,032	902,312	-	-	-	168,015	1,393,359
Translation differences	-	-	(106,512)	(441,378)	(26,314)	(175,800)	87,897	(53,597)	-	(715,704)
31 December 2018	-	(51,745,466)	(110,228,177)	(104,437,071)	(106,265,960)	(108,212,031)	(48,089,032)	(88,982,789)	(59,411,688)	(677,372,214)
Net book value as of 31 December 2018	44,354,263	97,010,464	200,167,266	69,638,979	74,930,808	95,429,989	6,913,676	47,260,644	154,224,124	789,930,213
Impairment of Raya Algeria Company's assets	-	-	-	(21,828)	-	(98,471)	-	(20,323)	-	(140,622)
31 December 2018	**44,354,263**	**97,010,464**	**200,167,266**	**69,617,151**	**74,930,808**	**95,331,518**	**6,913,676**	**47,240,321**	**154,224,124**	**789,789,591**

- There is a mortgages on the land located in 6th of October city on which the administrative building of Raya group is held.
- There is a mortgages on a store owned by Raya Distribution Company due to the loan granted to the company.
- There is no fixed asset not in use temporarily or permanently.
- The depreciation of fixed assets is allocated as follows:

31 December 2018 LE	
63,897,067	Cost of revenues
24,690,657	General and administrative expenses
31,669,795	Selling and marketing expenses
120,257,519	

4 INVESTMENT PROPERTY

	Land	Buildings	Leasehold improvements	Total
	LE	LE	LE	LE
1 January 2019	112,857,061	5583,619,92	14,355,750	6710,832,73
Transferred for Projects under constrictions	38,816	70,855,976	68,958	70,963,750
31 December 2019	112,895,877	654,475,901	14,424,708	781,796,486
Accumulated depreciation				
1 January 2019	-	(57,031,472)	(8,492,092)	(65,523,564)
Depreciation of the year	-	(23,725,250)	(499,725)	(24,224,975)
31 December 2019	-	(80,756,722)	(8,991,817)	(89,748,539)
Net book value 31 December 2019	**112,895,877**	**573,719,179**	**5,432,891**	**692,047,947**
Net book value 31 December 2018	112,857,061	3526,588,45	5,863,658	2645,309,17

5 PROJECTS UNDER CONSTRUCTION

31 December 2018	31 December 2019	
LE		
232,425,410	**324,345,461**	Projects under construction –Fixed assets
63,110,535	**1,977,057**	Projects under construction –Investment properties
295,535,945	**326,322,518**	

6-1 PROJECTS UNDER CONSTRUCTION FIXED ASSETS

31 December 2018	31 December 2019	
LE	LE	
81,167,970	**232,425,410**	Beginning balance of the year
186,848,115	**139,788,725**	Additions during the year
-	**85,531,289**	Transferred from other debit balances
(35,590,675)	**(133,399,963)**	Transferred to fixed assets during year
232,425,410	**324,345,461**	Ending balance for the year

6-1 PROJECTS UNDER CONSTRUCTION FIXED ASSETS:

Projects under construction balance for the parent company and its subsidiaries as follows:

31 December 2018 LE	**31 December 2019 LE**	
7,344,974	**-**	Raya Electronics Company –"Previously Sama (A)
7,876,874	**12,832,041**	Raya Restaurants Company (B)
246,581	**15,568,831**	Raya Integration Company
18,435,650	**34,427,759**	Raya for Data Centres Company
60,803,907	**76,623,671**	Raya Distribution Company
47,175	**47,175**	Ostool for Land Transport Company
833,434	**2,113,509**	Raya Holding Company for financial investments (C)
100,987,317	**93,058,679**	Raya for Canned Foods (D)
30,527,298	**2,040,214**	Raya for Advanced manufacturing company
-	**87,609,582**	Raya for manufacturing and logistics (E)
-	**24,000**	AMAN for financial services
5,322,200	**-**	Bariq for advanced technology techniques Company
232,425,410	**324,345,461**	

A- The projects under construction balance for Raya Electronics – "Previously-Sama" represents the value of advance payment for the purchase of commercial stores in fifth settlement and Alex desert road.

B- The project under construction balance for Raya restaurants represents the cost of preparation of the restaurants.

C- The projects under construction for Raya for Canned Foods represents the cost of preparation and restructuring the factory of the company.

D- The balance of projects under construction of Raya For Financial Investments is the cost of processing a floor in the Galleria 40 building.

E- The balance of the projects under construction of Raya for manufacturing and logistic services is the cost of issuance of stocks on Gulf suez (Transferred from other debit balances)

6-2 PROJECTS UNDER CONSTRUCTION INVESTMENT PROPERTIES

31 December 2018 LE	**31 December 2019 LE**	
41,015,882	**63,110,535**	Beginning balance of the year
31,370,275	**9,830,272**	Additions during the year
(9,275,622)	**(70,963,750)**	Transferred to investment property during the year
63,110,535	**1,977,057**	Ending balance for the year

31 December 2018 LE	**31 December 2019 LE**	
63,110,535	**1,977,057**	Raya For Finance Lease
63,110,535	**1,977,057**	

- The balance of projects under construction for Raya Leasing Company is represented in the value of the payment under the account of the improvements of an administrative building in the central hub at 6th October city.

6 INTANGIBLE ASSETS

	31 December 2019 LE	31 December 2018 LE
Cost		
1 January	**59,152,611**	49,091,401
Additions during the year	**3,106,617**	10,061,210
Disposals during the year	**(14,498)**	-
	62,244,730	59,152,611
Accumulated amortization		
1 January	**(34,760,531)**	(25,308,193)
Amortization for the year	**(8,798,496)**	(9,452,338)
	(43,559,027)	(34,760,531)
Net book value	**18,685,703**	24,392,080

- The year amortization is charged to general and administrative expenses by EGP 2,412,788 and the cost of the revenues by EGP 6,385,708.

7 GOODWILL

	31 December 2019	31 December 2018
	LE	LE
Raya Integration Company	**6,019,341**	6,019,341
Raya Contact Centers Company	**3,160,166**	3,160,166
Raya Electronics Company (Previously Sama)	**33,236,748**	33,236,748
Raya Call Centre Company - C3	**26,582,777**	26,582,777
Raya Technology Company Ltd.	**1,926,942**	1,926,942
Al Byoot Al Arabia for Finance Lease Company	**2,626,725**	2,626,725
International Business System Company – IBSE	**32,139,604**	32,139,604
Ostool for Land Transport Company	**893,048**	893,048
Bariq for advanced technology techniques Company	**436,854**	436,854
International Federation of Food Industries	**23,127,622**	23,127,622
Impairment of goodwill	**(48,071,266)**	(48,071,266)
	82,078,561	82,078,561

Goodwill Impairment Test

* The company tests the impairment of goodwill annually at 31 December to ensure that the fair value can be recovered but if there are impairment indicators require test the company will do it within the year.

8 INVESTMENT IN ASSOCIATES

	Ownership percentage	31 December 2019	31 December 2018
		LE	LE
Allied Arab Company for Insurance	20%	**995,523**	1,091,048
Makarony Polskie	**19.39%**	**52,127,248**	49,091,075
		53,122,771	50,182,123

The company accounting for investment using the equity method: (value in thousands)

		Retained Earnings	Profit for the year	Balance
	LE	LE	LE	LE
Allied Arab Company for Insurance	642,000	**449,048**	**(95,525)**	**995,523**
*Makarony Polskie	37,607,594	**11,483,480**	**3,036,174**	**52,127,248**
	38,249,594	**11.932.528**	**2,940,649**	**53,122,771**

Below is a summary of the company's shares in associate Companies' assets, liabilities, equity, revenue and net profit for the period: (value in thousands):

Company Name	Share %	Long term assets	Current assets	Current liabilities	Long term liabilities	Paid up capital and equity	Revenues	Expenses
Allied Arab Company for Insurance	20%	8,963	1,132	(3,842)	-	(6,253)	4,750	(4,125)
Makarony Polskie	19.39%	477,534	212,682	(239,122)	(112,286)	(338,809)	362,721	(347,062)

10 AVAILABLE FOR SALE INVESTMENTS

	31 December 2019	31 December 2018
	LE	LE
Unquoted shares or inactive shares at stock market*	**14,314,250**	14,314,250
Quoted shares at stock market	**10,165,650**	13,873,612
	24,479,900	28,187,862

*Investment in The Egyptian Company for Development and Management of Smart Villages is carried at cost, since this investment unquoted share and the fair value of these investments can't be reliably measured.

** Impairment in the value of investments in the statement of profit or loss, including impairment in value was recognized in the statement of comprehensive income and the difference in valuation is recognized in the statement of comprehensive income during the period, and the movement is as follows:

LE	
5,291,137	Cost of investment
9,540,713	Add: Revaluation of investment reserved during 2018
14,831,850	**Net cost of investment 1 January 2018**
(4,666,200)	Add: Revaluation of investment reserved during the year
10,165,650	**Net cost of investment as of 31 December 2018**

11 INVENTORY

	31 December 2019	31 December 2018
	LE	LE
Mobile phones, accessories, spare parts and television	**799,293,310**	728,062,437
Supplies, switches spare parts and networks	**40,379,873**	29,031,648
Raw materials, work in progress and finished goods	**240,613,685**	166,171,006
Raya Algeria - Mobile phones, and accessories spare parts	**53,875,658**	53,875,658
Software licences, electronic devices accessories and goods in transit	**55,601,677**	55,615,282
Canned foods	**55,593,935**	42,856,806
Food and restaurants accessories	**3,010,429**	2,640,807
Frozen Foods	**160,560,865**	87,289,666
Electronic payment machines	**26,142,553**	28,537,708
Raw Coal	**29,734,818**	8,613,276
Others	**1,997,321**	1,035,739
	1,466,804,124	1,203,730,033
Write-down of inventory	**(50,209,440)**	(49,825,094)
Write-down of Raya Algeria Company's inventory	**(53,875,658)**	(53,875,658)
	1,362,719,026	1,100,029,281

Net value of inventory appears after the decline in value by write down provision movement in inventory write down is as follows:

	LE
Balance as of 1 January 2018	27,056,228
Charged during the year	68,159,343
Reversal of Inventory write-down during the year	(45,390,477)
Balance as of 31 December 2018	49,825,094
Charged during the year	25,167,158
Reversal of Inventory write-down during the period	(24,782,808)
Balance as of 31 December 2019	**50,209,444**

- The amount of Inventory write-down and reversal are recorded in the cost of revenues.

12 ACCOUNTS AND NOTES RECEIVABLE

	31 December 2019	31 December 2018
	LE	LE
Accounts receivable	**1,291,815,317**	1,018,245,310
Instalments receivables	**703,144,982**	505,698,938
Notes receivable	**93,316,423**	169,171,619
	2,088,276,722	1,693,115,867
Impairment of accounts receivable	**(81,421,088)**	(70,381,121)
	2,006,855,634	1,622,734,746

Balance of accounts and notes receivables presented in net value after deducting value of impairment the movements of accounts receivable impairment are represented as follows:

	LE
Balance as of 1 January 2018	62,631,006
Charged during the year	29,782,607
Reversal of impairment during the year	(21,676,709)
Used during the year	(355,783)
Balance as of 31 December 2018	70,381,121
Charged during the period	**41,327,107**
Used during the year	**(15,171,505)**
Balance as of 31 December 2019	**(15,115,635)**
	81,421,088

At 31 December 2019 and 31 December 2018, the aging analysis of net accounts and notes receivables is as follows:

Past due but not impaired						
More than 90 days	Between 60 to 90 days	Between 30 to 60 days	Less than 30 days	Neither Past Due nor Impaired	Total	
LE	LE	LE	LE	LE	LE	
49,745,609	**76,743,105**	**107,760,991**	**488,918,251**	**568,647,361**	**1,291,815,317**	31 December 2019
280,158,867	75,601,810	90,858,996	232,050,636	339,575,001	1,018,245,310	31 December 2018

13 PREPAYMENTS AND OTHER DEBIT BALANCES

	31 December 2019	31 December 2018
	LE	LE
Prepaid expenses	**119,272,143**	163,982,866
Customs Authority*	**23,413,994**	18,682,371
Accrued revenues	**263,714,178**	265,716,618
Deposits with others	**25,949,593**	26,842,475
Suppliers down payments	**264,256,273**	157,992,775
Sales tax	**96,156,054**	55,208,928
Letters of guarantee margin	**12,346,673**	12,778,728
Employees receivables	**3,821,681**	2,654,168
Governmental authorities receivables	**74,834,069**	32,306,813
Debit Balances-(Suppliers)	**46,739,984**	54,289,972
Other debit balances	**88,514,161**	111,064,047
	1,019,018,803	901,519,761

	31 December 2019	31 December 2018
	LE	LE
Balances due within 12 months	**555,990,767**	580,505,230
Balances due in more than 12 months	**463,028,036**	321,014,531
	1,019,018,803	901,519,761

* Based on the verdict of the constitutional court in the lawsuit No. 175/220 legal, at the court session held on 5 September 2004 regarding the non-constitutionality of the first and last paragraphs of article (111) custom Law No. (66) of 1963 issued by the Republic president decree relating to imposing fees against additional services. Raya Distribution Company one of the subsidiary companies of Raya Holding Company for Technology and Communication – took legal procedure under No. 7780 of 2001 'Cairo South Civil' against Minister of Finance in his capacity to refund amount of LE 9,684,349 representing the paid amount by the company against the additional service. The court had referred the lawsuit to experts' office at Ministry of Justice. The delegated expert report indicated that the company's right to recover the amount of LE 6,990,846. Based on the court ruling issued in similar raised lawsuits by other associates which ended up by refunding the amount paid to the Custom Authority as additional service fees in form of checks issued by the Custom Authority in favour of those associates, the legal advisor of the company is in the opinion that, it is virtually certain that the final ruling in this case will be in favour of the Company. Accordingly, the management of Raya Distribution had recorded the amount of LE 6,990,846 (only six million nine hundred ninety thousands and eight hundred forty six Egyptian pounds) in prepayments and other debit balances and other revenues in the consolidated financial statements as of 31 December 2005 till 31 December 2018. There has no final court decision yet.

14 SHARE BASED COMPENSATION

	31 December 2019	31 December 2018
	LE	LE
Share based compensation	**720,000**	720,000
	720,000	720,000

According to Ministerial decree No. 282 of 2005 declared by Ministry of Investment on August 2005 & Capital Market Authority decree No.44 of 2006 issued in April 2006 and approved in the extraordinary general assembly meeting on 14 May 2006, the employees' stock option plan is added to the company's Articles of Association and approved by Capital Market Authority on 20 September 2006.

On 28 March 2010 the company's board of directors decided to purchase 500,000 treasury shares which was acquired during 2010 with a market value amounted to LE 2,714,298.

The Company implements employees' stock option plan which was amended and approved by extraordinary general assembly meeting held on 5 January 2011 to convert from promise to sell to granting free shares to create competition atmosphere to encourage creativity and performance rewarding.

This plan will be applied to the company's employees, managers and executive members of the company's board that qualified according to certain conditions specified in plan's agreement which is as follows:

Beneficiaries of this plan not allowed to dispose of shares only after one year:

- The basic rules for enjoying the plan of share based compensation: The beneficiary of the plan is required to be a permanent employee or an executive board member.
- To achieve the objectives assigned to him, whose annual performance is assessed on the basis of the criteria of the degree of function, seniority, efficiency and the method used for the evaluation on which the reward and incentive report is based.

During the first quarter for the year 2011, the Company's board of directors approved the transfer of treasury shares amounted to LE 2,714,298 to stock option plan which was registered in the Egyptian Exchange Market. And on 4 May 2014, the extraordinary general assembly approved the amendment of article 69 of the stock option plan.

During the first quarter for the year 2017, the committee of stock option plan supervision approved grant and give the ownership of stock option amounted to LE 2,552,754 for the beneficiaries in accordance with granting contracts.

15 CASH ON HAND AND AT BANKS:

	31 December 2019	31 December 2018
	LE	LE
Cash on hand	**4,634,579**	1,854,689
Banks – current and investing accounts		
Local currency	**199,056,733**	106,595,110
Foreign currency	**31,070,490**	22,913,833
Banks – Time deposits *		
Local currency	**203,429,347**	232,412,849
Foreign currency	**28,882,354**	33,639,698
Checks under collection	**145,892,200**	63,724,520
	612,965,703	461,140,699

* The balance of time deposits held with banks represented in the following as at 31 December 2019 :

- The amount of EGP 4,948,864 and EGP 28,882,354 (equivalent to USD 1,795,050) that represents restricted deposits against letters of guarantee and letters of credit (the balance of restricted time deposit against letters of guarantee and letters of credit as of 31 December 2018 was EGP 61,920,714 and EGP 53,338,889 (equivalent to USD 2,922,679).
- The amount of EGP 148,752,600 deposit for in favor of the company Raya Contact Centers.
- The amount of EGP 10,100,000 is deposited in favor of Aman for Electronic Payment Company.
- The amount of EGP 168,008 is deposited in favor of Bariq for advanced technology manufacturing,
- The amount of EGP 3.259.874 is deposited in favor of Aman for Micro Finance company,
- The amount of EGP 200,000 is deposited in favor of Raya for foods and drinks

16 CAPITAL

	31 December 2019	31 December 2018
	LE	LE
Authorized capital (LE 5 share par value)	**5,000,000,000**	1,000,000,000
Issued and paid up capital		
Shares number	**1,071,997,595**	630,586,820
	214,399,519	126,117,364

- On 28 October 2017, the Ordinary General Assembly of the Company decided to unanimously approve the transfer of part of the retained earnings as per the financial statements 31/12/2016 to bonus shares increased by its issued and paid up capital from LE 504,624,835 (five hundred and four million six hundred twenty four thousand eight hundred thirty five Egyptian pounds) to 630,586,820 Egyptian pounds. The shares resulting from the increase shall be distributed free of charge to the shareholders by one share for every four original shares before the increase shall be financed from the retained earnings for the year ended On 31/12/2016 with the awarding of fractions to the benefit of the small shareholders, subject to taking all the procedures related to the rules of listing and delisting of securities issued by the Board of Directors of the Financial Supervisory Authority No. 11 on 22 January 2014 and its executive procedures and amendments, To amend the provisions of Articles 6 and 7 of the Articles of Association of the Company. The Extraordinary General Meeting was convened on October 28, 2017. However, the attendance quorum was not completed. An extraordinary general meeting was convened on November 26, 2017

- On 30 October 2018, the Ordinary General Assembly of the Company decided to unanimously approve the transfer of part of the retained earnings as per the financial statements as of 31 December 2018 to bonus shares increased by its issued and paid up capital from 630,586,820 Egyptian pounds (Six hundred and thirty million five hundred and sixty-six thousand eight hundred and twenty Egyptian pounds) to 1,071,997,595 Egyptian pounds (One billion seventy-one million nine hundred and ninety-seven thousand five hundred and ninety-five Egyptian pounds), The shares resulting from the increase shall be distributed free of charge to the shareholders by 0.7 shares per 1 shares, before the increase. Of the profits of the profit stage The financial year ended 31 December 2017 with the award of fractions to the benefit of the small shareholders, provided that all the procedures for the rules of listing and delisting of securities in the stock exchange issued by the decision of the Board of Directors of the Financial Supervisory Authority No. 11 on 22 January 2014 and its executive procedures and amendments, The Extraordinary General Assembly to consider the approval of the capital increase and amend the provisions of Articles 6 and 7 of the Company's Articles of Association. The Extraordinary General Assembly was convened on 30 October 2018 and the amendment of the articles was approved, and recorded in the Commercial Register on 10 March 2019

17 LONG TERM LOANS

	31 December 2019	31 December 2018
	LE	LE
Long term loans – current portion	**175,695,310**	165,320,268
Long term loans	**503,118,836**	313,869,316
	678,814,146	479,189,584

Loans balances are represented in the following:

		31 December 2019	31 December 2018
		LE	LE
(1)	Loans-Raya Holding Company for Financial Investments	**480,263,353**	335,561,788
(2)	Loans-Raya Finance Lease Company	**-**	66,000,000
(3)	Loans-Ostool for Land Transport Company	**7,003,874**	19,011,192
(4)	Loans-Raya Restaurants Company	**14,210,214**	10,640,684
(5)	Loans-Raya Data Centre services Company	**11,787,197**	500,000
(6)	Loans- Bariq for Advanced Industrial Techniques Company	**8,208,943**	9,821,430
(7)	Loans- International Federation of Food Industries	**106.046.693**	37,654,490
(8)	Loans- Raya for Electronics Previously SAMA	**10,137,240**	-
(9)	Loans- Raya for distributions	**29,951,895**	-
(10)	Loans- Raya for Systems	**11,204,737**	-
		678,814,146	479,189,584

(1) Raya Holding Company for Financial Investments

	31 December 2019	31 December 2018
	LE	LE
Bank loans	**52,356,481**	1,662,680
Finance lease contract (loan)	**427,906,872**	333,899,108
	480,263,353	335,561,788

A-1 Bank loan

On 2 February 2016 the company signed a medium-term loan from a bank amounted LE 2,393,000 for a four years with an average interest rate during the loan year of 18.75%. The loan shall be paid over 48 monthly instalments starting on March 2017 and ending on February 2021.The balance of the loan as of 31 December 2019 amounted to LE 900,596 (31 December 2018 amounted to EGP 1,662,680).

A-2 Bank Loan

On 14 July 2019 the company assigned a short term loan from a bank amounted LE 51,455,885 for a 6 months with an average interest rate during the loan length of 16,45% the loan shall be paid at once and ending on Jan 2020. The balance of the loan as of 31 December 2019 amounted to LE 51,455,885 (31 December 2018 Amounted to 0 LE)

B- Finance lease contracts

The company management considered, according to the Egyptian Accounting Standard (1) paragraph (17), that compliance with the requirements of the Egyptian Accounting standard (20) relating to the rules and accounting treatments of the finance lease may lead to misleading presentation and non-compliance with this requirement is important for fair presentation.

The company has applied ESA (49) which conclude Finance lease contracts accordance to law 95. When implementing the standard the company have seen if sales contracts biased with EAS (48) Criteria which conclude Revenue from customers and the consequences was that control Conditions not applied, then contacts has been treated as Finance ,then the sold asset is recognised with recognition of receipts payments as finance and no impact on financial statements because the finance was recognised as liability, and the subsidiary recognise the sold asset as Fixed Asset.

17 LONG TERM LOANS (CONTINUED):

(1) Raya Holding Company for Financial Investments

B- Finance lease contracts (continuing):

The company obtained a long term loan in the form of a finance lease contract with a finance lease company to finance the completion of Raya Holding for Financial Investments Group administrative building in 6^{th} of October city, with the amount of LE 50,000,000 with a current interest rate 16.25% . The loan will be paid over 60 monthly installments starting on 3 February 2015 to 3 August 2019. The balance of the loan as of 31 December 2019 amounted to LE 1,240,277

The company obtained a long term loan in the form of a finance lease contract with a finance lease company to finance the completion of Raya Holding for Financial Investments Group administrative building in 6^{th} of October city, with the amount of LE 50,000,000 With a current interest rate of 16,50 %. The loan will be paid over 60 monthly installments starting on 3 March 2016 to 3 February 2021 The balance of the loan as of 31 December 2019 amounted to LE16,162,382.

The company obtained a long term loan in the form of a finance lease contract with a finance lease company to finance the completion of Raya Holding for Financial Investments Group administrative building in 6^{th} of October city, with the amount of LE 50,000,000 with 16.50 % current interest rate. The loan will be paid over 60 monthly installments starting on 3 September 2017 to 3 August 2021 The balance of the loan as of 31 December 2019 amounted to LE 22,179,967.

The company obtained a long term loan in the form of a finance lease contract with a finance lease company to finance the completion of Raya Holding for Technology and communications Group administrative building in 6^{th} of October city, with the amount of LE 50,000,000 with 17 % current interest rate. The loan will be paid over 60 monthly installments starting on 3 March 2017 to 3 February 2022. The balance of the loan as of 31 December 2019 amounted to LE 27,772,665.

The company obtained a long term loan in the form of a finance lease contract with a finance lease company to finance the completion of Raya Holding for Technology and communications Group administrative building in 6^{th} of October city, with the amount of LE 50,000,000 with 18 % current interest rate. The loan will be paid over 60 monthly installments starting on 3 January 2018 to 3 May 2023. The balance of the loan as of 31 December 2019 amounted to LE 38,434,679.

The company obtained a long term loan in the form of a finance lease contract with a finance lease company to finance the completion of Raya Holding for Technology and communications Group administrative building in 6^{th} of October city, with the amount of LE 100,000,000 with 16 % current interest rate. The loan will be paid over 60 monthly installments starting on 3 November 2018 to 3 October 2023. The balance of the loan as of 31 December 2019 amounted to LE 83,073,974.

17 LONG TERM LOANS (CONTINUED):

Collaterals provided by the company

- Promissory note signed by Raya Integration Company (subsidiary company) in favour of the financing company
- All documents related to this facility signed by Raya Integration Company (subsidiary company) and the company are considered promissory notes for this facility.

The company obtained a long term loan in the form of a finance lease contract with a finance lease company to finance the completion of Raya Holding for Technology and communications Group administrative building in 6th of October city, with the amount of LE 70,000,000 with 16 % current interest rate. The loan will be paid over 60 monthly installments starting on 3 November 2019 to 3 December 2024. The balance of the loan as of 31 December 2019 amounted to LE 66,749,151.

Collaterals provided by the company

- Promissory note signed by Raya Integration Company (subsidiary company) in favour of the financing company
- The factory land is mortgaged in favour of the financing company.
- All documents related to this facility signed by Raya Integration Company (subsidiary company) and the company are considered promissory notes for this facility.
- The company has signed a finance lease contract with a leasing company to finance building a factory of Raya advanced technology in 6th of October city, with the amount of LE 25,233,645 with 16 % current interest rate. The loan will be paid quarterly installments starting on 25 April 2018 to 25 January 2023. The balance of the loan as of 31 December 2019 amounted to LE 18,163,374.
- The company has signed a finance lease contract with a leasing company to finance building a factory For Raya advanced technology in 6th of October city, with the amount of LE 20,695,996 with 15.50 % current interest rate. The loan will be paid quarterly installments starting on 15 August 2018 to 15 January 2023. The balance of the loan as of 31 December 2019 amounted to LE 15,661,735.
- The company has signed a finance lease contract with a leasing company to finance building a factory in 6th of October city, with the amount of LE 46,800,000 with 15.50 % current interest rate. The loan will be paid quarterly installment over 20 installments starting on 15 December 2019 to 15 June 2024. The balance of the loan as of 31 December 2019 amounted to LE 41,841,704.

Collaterals provided by the company

- Promissory note signed by Raya Integration Company (subsidiary company) in favour of the financing company
- All documents related to this facility signed by Raya Integration Company (subsidiary company) and the company are considered promissory notes for this facility.
- The company has signed a finance lease contract with a leasing company to Lease entire 1st

17 LONG TERM LOANS (CONTINUED):

Floor and land of Galiria 40 which owned by RAYA for finance leasing , with the amount of LE 100,000,000 with 15,25 % current interest rate. The loan will be paid over 20 quarterly installments starting on 25 December 2019 to 25 September 2024. The balance of the loan as of 31 December 2018 amounted to LE 96,626.864.

Collaterals provided by the company

- Promissory note signed by Raya Integration Company (subsidiary company) in favour of the financing company
- The factory land is mortgaged in favour of the financing company.
- All documents related to this facility signed by Raya Integration Company (subsidiary company) and the company are considered promissory notes for this facility.

(2) Raya Finance Lease Company

Raya Finance Lease Company obtained a loan from a bank amounted to LE 152,174,646 with 95.18% interest rate, for a seven years including two years grace year starting from December 2012 to pay the used portions and their interest. The loan shall be paid after the grace year over twenty quarterly payments starting from March 2016. The balance of the loan as of 31 December 2019 amounted to LE 0 (31 December 2018 amounted to LE 66,000,001).

(3) Ostool for Land Transport Company

- **Loan from bank**

  Loan amounting to LE 7,590,400 will be paid over an equal monthly instalment by an amount of LE 115.006 started from 30 June 2014 until 30 November 2019. The loan balance as of 31 December 2019 amounted to LE 4,628 the current portion for the same date amounted to LE 4,628.

- **Loan from bank**

  Loan amounting to LE 6,121,600 will be paid over an equal monthly instalment by an amount of LE 92,752 started from 31 August 2014 until 31 January 2020.The loan balance as of 31 December 2019 amounted to LE 91,158, the current portion for the same date amounted to LE 91,158.

- **Loan from bank**

  Loan amounted to LE 13,371,200 the loan will be paid over quarterly equal instalments amounted to LE 1,075,248 starting from 31 March 2017 to 30 June 2019 and the loan balance amounted to LE 273 as of 31 December 2019, the current portion for the same date amounted to LE 273.

- **Loan from bank**

  The Company obtained a loan from a bank for a total amounted to LE 24,868,102 the loan will be paid over quarterly payments with amounted to LE 1,381,563 instalments starting from 10 November 2016 to 10 February 2021 and the loan balance amounted to LE 6,907,788 as of 31 December 2019 ,the current portion for the same date amounted to LE 5.526.252.

17 LONG TERM LOANS (CONTINUED):

(4) Raya Restaurants Company

On 4 March 2014, the Company signed a credit facilities agreement with a bank for LE 19,000,000 with an annual interest rate of 17,25% the loan will be paid over six years after a grace period of Nine months starting from 4 March 2014 till 1 October 2019. The loan balance as of 31 December 2019 amounted to LE 14,210214 (31 December 2018 amounted to LE 10.640.684).

(5) Raya Data centre Company

On 4 December 2016, the Company signed a credit facilities agreement with a bank for LE 3,000,000 with an annual interest rate of 11.60% the loan will be paid over five years the loan balance as of 31 December 2019 amounted to LE 0 On 26 May 2019, the Company signed a credit facilities agreement with a bank for LE 14,748,519 with an annual interest rate of 15.36% the loan will be paid over three years the loan balance as of 31 December 2019 amounted to LE 11,787,198.

(6) International Federation for Food Industries

The International Federation for Food Industries signed a loan contract with a bank with a total amount of LE 40,000,000 at a rate of 12% for a period of five years, including a grace period of six months from January 2018 to repay the amounts used and interest of the loan. The loan is repayable on 18 quarterly instalments as of July 2019, and the used amounts has reached LE 25,596,693 as of 31 December 2019.

The International Federation for Food Industries signed a loan contract with a bank with a total amount of LE 50,000,000 which equivalent $3,000,000 at a rate of 8,25%+Libor price for 6 months to 180 days and the used amounts has reached LE 80,450,000 which equivalent 5,000,000 USD as of 31 December 2019.

(7) Bariq for Advanced Industrial Techniques Company

Bariq for Advanced Industrial Techniques Company has signed a loan contract with a bank with a total amount of LE 14,683,500 (equivalent to EUR 650,000) at a rate of 7% for a period of four years starting from 28 January 2019 to January 2023. The loan is repayable on a number of semi-annually instalments. The balance of the loan as of 31 December 2019 was LE8,208,943 which equivalent 454,286 € .

(8) Raya For Electronics

The company has signed a finance lease contract with a leasing company to Lease a branch for Raya Electronics, with the amount of LE 12,258,675 with 16 % current interest rate. The loan will be paid on 20 quarterly installments starting on 25 February 2019 to 25 November 2023. The balance of the loan as of 31 December 2019 amounted to LE 10,137,240.

(9) Raya For Distribution:

The company has signed a finance lease contract with a leasing company to Finance an operation line , with the amount of LE 35,474,297 with 7.82 % current interest rate. The loan will be paid on 20 quarterly installments. The balance of the loan as of 31 December 2019 amounted to LE 29,951,895.

17 LONG TERM LOANS (CONTINUED):

(10)Raya For Information Systems:

The company has signed a finance lease contract with a leasing company , with the amount of LE 12,000,000 with 15.10 % Deductible interest rate. The loan will be paid on 20 quarterly installments on 5 years starting from 1 December 2019 . The balance of the loan as of 31 December 2019 amounted to LE 11,204,737.

18 PROVISONS

	31 December 2019	31 December 2018
	LE	LE
Beginning balance for the year	**32,047,916**	33,424,331
Charged during the year*	**10,829,606**	6,476,692
Used during the year	**(1,756,100)**	(5,274,916)
Provisions no longer required during the year**	**(1,153,345)**	(2,578,191)
	39,968,077	32,047,916

- Value of the provisions charged amounted to LE 8,899,165 was charged to the cost of revenues and the remaining amount LE1,930,440 to Statement of profit or loss.
- Value of the provisions no longer required during the year charged amounted to LE 857,074, Amount of LE 296,271 charged to profit or loss statement
- Balance of provisions related to the parent company and its subsidiaries as follows :

	31 December 2019	31 December 2018
	LE	LE
Claims provision	**22,816,546**	16,691,836
Warranty provision	**519,142**	519,142
Other provision	**11,192,439**	9,283,067
Provision for acquisition of a subsidiaries	**5,439,950**	5,553,871
	39,968,077	32,047,916

19 ACCOUNTS AND NOTES PAYABLE

	31 December 2019	31 December 2018
	LE	LE
Accounts payable	**1,180,148,185**	1,019,361,360
Notes payable	**60,426,869**	126,187,610
	1,240,575,054	1,145,548,970

20 CREDIT FACILITIES

	31 December 2019	31 December 2018
	LE	LE
Raya Distribution Company	**1,323,190,950**	1,273,907,078
Raya Integration Company	**635,001,454**	302,340,659
Raya Holding Company for Financial Investments	**40,690,215**	35,371,119
Raya Contact Centers Company	**9,246,461**	-
Raya Electronics Company	**223,552,797**	82,486,920
Raya Tech Distribution	**-**	823,692
Best Service Company	**27,869**	27,869
Bariq for Advanced Industrial Techniques Company	**196,019,546**	140,523,987
Raya for Data Centres Company	**6,018,801**	6,164,629
International Federation of Food Industries	**85,812,937**	64,914,304
Raya Contact Centers Company – Poland	**5,013,153**	4,109,953
Raya Algeria Company	**361,923**	361,923
Eden for Import and Export Company	**2,662,175**	8,469,543
Aman for Financial Service	**132,974,535**	43,333,335
Aman for Micro Finance	**379,306,657**	63,536,980
Ostool For Land Transportation	**47,397,880**	7,975,684
	3,087,277,353	2,034,347,675

Subsidiaries obtained credit facilities from several banks secured by Raya Holding Company for Financial Investments. The interest rate for amounts in local currency varies between 14,25% and 15,25%, and for that of foreign currencies 6.05% to 8.25 %.

21 ACCRUED EXPENSES & OTHER CREDIT BALANCES

	31 December 2019	31 December 2018
	LE	LE
Accrued expenses	**307,717,180**	257,944,829
Unearned revenues and subscriptions	**211,749,390**	279,378,498
Customers down payment	**283,952,010**	108,402,481
Credit balances – tax authority	**107,795,766**	59,612,643
Other credit balances	**97,457,353**	57,680,530
	1,008,671,699	763,018,981

22 DIVIDENDS PAYABLE

	31 December 2019	31 December 2018
	LE	LE
Dividends Payable – Employees	**24,170,194**	11,279,478
	24,170,194	11,279,478

23 A- REVENUES ACCORDING TO TYPE:

	31 December 2019	31 December 2018
	LE	LE
Devices and goods distribution revenue	**4,547,450,645**	4,370,102,400
Transportation service revenue	**377,154,935**	342,672,093
Supplies, and Installations revenue	**1,860,185,898**	1,514,504,836
Call Centre service revenue	**815,254,769**	898,538,296
Investment property revenue	**117,672,377**	94,545,629
Restaurant revenue	**73,840,261**	62,288,563
Manufacture, and export revenue	**333,682,658**	151,721,736
Canned foods revenue	**377,639,109**	337,167,213
Non-bank financial services revenue	**201,689,577**	123,261,346
Vehicles manufacturing revenue	**57,351,191**	11,591,274
Other revenues	**6,063,154**	3,147,200
	8,767,984,574	7,909,540,586

23 B- REVENUES ACCORDING TO CURRENCY:

	31 December 2019	31 December 2018
	LE	LE
Revenues in Local currency	**6,159,354,876**	5,545,610,993
Revenues in Foreign Currency	**2,608,629,698**	2,363,929,593
	8,767,984,574	7,909,540,586

24 COST OF REVENUES

	31 December 2019	31 December 2018
	LE	LE
Cost of martials used in the production	**(232,682,497)**	(238,229,980)
Devices and goods distribution cost	**(3,957,574,101)**	(3,575,610,663)
Supplies and Installations Cost	**(1,759,789,976)**	(1,639,291,971)
Transportation service cost	**(233,624,494)**	(219,957,419)
Salaries and wages	**(741,459,149)**	(604,601,072)
Fixed Assets Depreciation, Intangible assets and Properties	**(118,050,151)**	(95,049,285)
Finance cost	**(25,471,722)**	(25,409,785)
Other Direct Cost	**(34,645,328)**	(39,923,564)
	(7,103,297,418)	(6,438,073,739)

25 INCOME TAX

	31 December 2019	31 December 2018
	LE	LE
Current income tax	**(100,774,962)**	(105,333,481)
Deferred income tax	**38,755,115**	41,165,174
	(62,019,847)	(64,168,307)

26 RELATED PARTY TRANSACTIONS

Related parties represent in associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.Pricing policies and terms of these transactions are approved by the boards of directors, and compensation contracts had been approved at general assembly meeting.

27 SEGEMENT REPORTING

(Value in LE thousands)

Year Ended 31 December 2019	Trade and distribution sector	Information technology sector	Call centers sector	Finance lease sector	International services sector	Land Transportation sector	Manufacturing sector	Restaurants sector	Non-Bank Financial Services sector	Manufacturing & export sector	canned foods sector	Vehicles Manufacturing sector	Other activities	Eliminations of intersegments	Consolidated
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Revenues	3,942,203	1,834,058	819,945	117,672	97,421	377,155	312,245	73,840	739,097	377,639	201,690	57,351	6,064	(188,395)	8,767,984
Cost	(3,384,398)	(1,530,509)	(501,010)	(86,508)	(61,436)	(300,341)	(224,631)	(41,030)	(557,864)	(339,671)	(196,400)	(62,419)	(5,475)	188,395	(7,103,297)
Depreciation and amortization	(18,428)	(12,474)	(36,028)	(26,516)	(247)	(28,656)	(11,390)	(6,130)	(26,717)	(4,214)	(11,211)	(4,523)	(9,472)	-	(196,006)
Net profit for the year	66,257	132,512	112,871	(20,231)	(814)	17,283	17,885	2,384	(83,593)	(16,247)	(52,581)	(30,197)	61,985	(353,536)	(141,045)
Total Assets	2,617,084	1,922,992	793,674	806,760	82,549	424,103	369,634	92,510	1,589,338	89,239	503,923	250,555	2,863,120	(4,947,776)	7,457,705
Total Liabilities	(2,223,362)	(1,713,006)	(313,035)	(306,046)	(108,936)	(327,581)	(248,555)	(51,369)	(1,094,410)	(55,931)	(395,428)	(221,392)	(1,565,792)	2,313,271	(6,302,092)

Year Ended 31 December 2018	Trade and distribution sector	Information technology sector	Call centers sector	Finance lease sector	International services sector	Land Transportation sector	Manufacturing sector	Restaurants Sectors	Financial services Sector	Manufacturing & export sector	Canned Food Sector	Vehicles Manufacturing Sector	Other activities	Eliminations of intersegments	Consolidated
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Revenues	4,057,106	1,498,047	906,897	94,546	88,405	342,672	223,680	62,289	307,126	337,167	123,261	11,591	3,147	(146,393)	7,909,541
Cost	(3,502,982)	(1,269,686)	(533,828)	(76,583)	(69,562)	(273,762)	(164,066)	(36,004)	(240,611)	(294,761)	(107,079)	(11,683)	(3,860)	146,393	(6,438,074)
Depreciation and amortization	(17,050)	(11,252)	(27,141)	(25,844)	(136)	(21,438)	(8,807)	(3,862)	(18,081)	(4,376)	(8,290)	(243)	(7,764)	-	(154,284)
Net profit for the year	93,646	95,463	179,713	(36,675)	(4,198)	14,783	16,830	(2,438)	(92,159)	(3,663)	(31,550)	(7,551)	(144,963)	(71,858)	5,380
Total Assets	2,644,546	1,111,785	657,183	783,290	80,707	429,949	296,826	82,669	528,426	125,150	341,759	149,483	2,379,492	(3,532,900)	6,078,365
Total Liabilities	(2,219,196)	(893,939)	(161,646)	(362,469)	(108,289)	(349,801)	(192,123)	(43,913)	(453,801)	(75,351)	(245,784)	(150,141)	(1,025,212)	1,667,291	(4,614,374)

28 OTHER LONG TERM LIABILITIES

Other Long term liabilities represent value of the end of service benefits for some of Raya group employees, and business insurance.

29 TAX SITUATION

Raya Holding Company for Financial Investments and some of its subsidiaries are subject to Egyptian income tax law. The income tax was calculated for each company individually, and the income tax amount shown in the consolidated profit or loss statement for the year ended 31 December 2018 represents the total income tax for the subsidiaries, which are subject to income tax, except other subsidiaries that are exempted from income tax according to law (8) of 1997, as they are established in pursuance of this law, so no income tax was calculated.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

a) Foreign Currency Risk

The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows and outflows in foreign currencies will fluctuate due to changes in foreign currency exchange rates, and the value of monetary assets and liabilities denominated in foreign currencies which are translated using the current exchange rate were as follows:

	31 December 2019	31 December 2018
	LE	LE
USD	**63,915,919**	145,638,992
EURO	**1,604,050**	3,369,947
GBP	**46,009**	1,117,893
AED	**8,300,814**	1,511
SAR	**1,131,469**	12,649,196

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, AED and SAR exchange rates, with all other variables held constant. The impact on the company's profit before tax is due to changes in the value of monetary assets and liabilities. The company's exposure to foreign currency changes for all other currencies is not material.

31 December 2018		**31 December 2019**		
The effect in profit before Tax	Change Ratio	**The effect in profit before Tax**	**Change Ratio**	Currency
LE	%	**LE**	**%**	
14,563,899	10%+	**6,391,592**	**10%+**	USD
(14,563,899)	10%-	**(6,391,592)**	**10%-**	USD
336,995	10%+	**160,405**	**10%+**	EUR
(336,995)	10%-	**(160,405)**	**10%-**	EUR
151	10%+	**830,081**	**10%+**	AED
(151)	10%-	**(830,081)**	**10%-**	AED
1,264,920	10%+	**113,147**	**10%+**	SAR
(1,264,920)	10%-	**(113,147)**	**10%-**	SAR
111,789	10%+	**4,601**	**10%+**	GBP
(111,789)	10%-	**(4,601)**	**10%-**	GBP

30. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

b) Credit risk

The group does business with financial institutions with high credit solvency which limiting credit risk.

For the group customers, the Group legal arrangements and documents made at the transaction date reduces credit risk to a minimum, and allowances are necessary to mitigate the risk of default in payment by the customer for each individual case.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from its Accounts and notes receivables, prepayments and other debit balances, due from related parties, and from its financial activities, including deposits with banks and financial institutions.

Trade and notes receivables

The Company has entered into contracts with customers. The Company is exposed to credit risk in respect of customers due amounts. In addition, due balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. The Company earns its revenues from a large number of customers.

Other financial assets and cash deposits

With respect to credit risk arising from the other financial assets of the Company, which comprise bank balances and cash on hand, financial assets at amortised cost, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by local Company's treasury supported by the Parent Company. The Company limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations.

Due from related parties

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk, with a maximum exposure equal to the carrying amount of these balances.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations with floating interest rates and interest bearing time deposits.

Interest on financial instruments having floating rates is re-priced at intervals of less than one year.

The risk of interest in the changes in interest rates which may have an adverse effect on the business results. The company's total liabilities from loans and credit facilities from banks as of 31 December 2018 are LE 2,643,852,514 (31 December 2017 LE 1,858,219,741) and value of related interest charged during the year ended 31 December 2018 was LE 412,816,735 (31 December 2017 LE 322,256,847), Charged interest was classified as finance cost in profit or loss statement. The company management is always working to get better borrowing terms available in the market.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

C) Interest rate risk (CONTINUED):

	31 December 2019		31 December 2018	
	Change in rate	Effect on profit before tax LE	Change in rate	Effect on profit before tax LE
Financial asset	+1%	2.323.117	+1%	2,660,525
	- 1%	(2.323.117)	- 1%	(2,660,525)
Financial liability	+1%	38,632,319	+1%	26,438,525
	- 1%	(38,632,319)	- 1%	(26,438,525)

d) Liquidity risk

Liquidity risk is the inability of the company to repay its obligations under the contractual terms with others.

The company's management on a regular basis to make sure of the availability of the necessary liquidity to pay obligations when due without incurring losses or risk the reputation of the company.

The company has sufficient cash to repay Batch projected expenditures include financial liabilities expenses.

The table below summarizes the maturity profile of the financial liabilities the company dates based on the contractual undiscounted payments

Financial liabilities	Less than 3 Months	From 3 to12 Months	From 1 to 5 years	Total
31 December 2019	**L.E**	**L.E**	**L.E**	**L.E**
Loans	44,516,090	148,915,572	485,382,484	678,814,146
Credit Facilities	1,639,844,995	1,447,432,358	-	3,087,277,353
Accrued expenses and other credit balances	374,556,373	357,171,938	276,943,388	1,008,671,699
Other long term liabilities	-	-	147,214,755	147,214,755
Accounts and notes payable	661,546,906	543,717,507	110,711,820	1,315,976,233
Total undiscounted financial liabilities	**2,720,464,364**	**2,497,237,375**	**1,020,252,447**	**6,237,954,186**

Financial liabilities	Less than 3 Months	From 3 to12 Months	From 1 to 5 years	Total
31 December 2018	**L.E**	**L.E**	**L.E**	**L.E**
Loans	45,015,574	114,949,601	319,224,409	479,189,584
Credit Facilities	61,978,273	1,972,369,402	-	2,034,347,675
Accrued expenses, and other credit balances	239,663,841	270,645,504	252,709,636	763,018,981
Income tax payable	-	8,004,387	-	8,004,387
Other long term liabilities	-	-	70,622,127	70,622,127
Notes payable	509,590,795	494,975,172	140,983,003	1,145,548,970
Total undiscounted financial liabilities	856,248,483	2,860,944,066	783,539,176	4,500,731,725

d) Capital management

The main purpose of the company's capital management is to ensure that there is a good capital levels to support the business and maximize shareholder benefits. The Company manages its capital structure in light of changes in the conditions of activity. There are no changes occurred in the objectives and policies of the company during the year.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES:

e) Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the company include cash on hand and at banks, fair value investments through profit or loss, accounts and notes receivables, and other debit balances, Financial liabilities of the company include other credit balances, accounts and notes payable, loans, and credit facilities.

Note (2) from the notes to the financial statements accounting policies used to measure and recognize significant financial instruments and their related income.

Based on the methods used to evaluate the company's assets and liabilities contained in note (2) the fair values of the financial assets and liabilities are not materially different from their carrying value at the closing date of financial position.

31 CONTINGENT LIABILITIES

The value of letters of guarantee issued by banks of subsidiaries for the benefit of others at 31 December 2019 amounted to LE 1,178,504,082 (31 December 2018 LE 1,178,504,082) and the unencumbered portion of 31 December 2019 amounted to LE 1,165,725,354 (31 December 2018 LE 1,165,725,354). The hedged portion of LE 12,346,673 is included under prepaid expenses and other debit balances (31 December 2018 amount of LE 12,778,728**)** (Note 13).

32 SIGNIFICANT MATTERS

The Minister of Investment and International Cooperation issued resolution No. 69 of 2019 on March 18, 2019 by modifying some provisions of the Egyptian Accounting Standards previously issued by Minister of Investment's resolution No. 110 of 2015 which includes some new accounting standards and amendments for some existing standards that were published in the official Gazette on April 25, 2019 and the most important modifications are as follows:

The following standards have been added:

- Egyptian Accounting Standard No. (47) Financial Instruments.
- Egyptian Accounting Standard No. (48) Revenue from contracts with clients.
- Egyptian Accounting Standard No. (49) Leasing contracts.
- An accounting explanation No. (1) for Public services concession arrangements was added.

To eliminate the following criteria:

- Egyptian Accounting Standard No. (11) Revenue.
- Egyptian Accounting Standard No. (8) Construction contracts.
- Egyptian Accounting Standard No. (20) Accounting rules and standards related to financial leasing.

The following criteria have been replaced:

- Egyptian Accounting Standard No. (1) Presentation of financial statements.

- Egyptian Accounting Standard No. (4) Statement of cash flow.
- Egyptian Accounting Standard No. (25) Financial Instruments – Presentation.
- Egyptian Accounting Standard No. (26) Financial Instruments - Recognition and Measurement.
- Egyptian Accounting Standard No. (34) Real Estate Investment.
- Egyptian Accounting Standard No. (38) Employee benefits.
- Egyptian Accounting Standard No. (40) Financial Instruments – Disclosures.
- Egyptian Accounting Standard No. (42) Consolidated financial statements.

The following criteria have been modified:

- Egyptian Accounting Standard No. (15) Disclosure of related parties.
- Egyptian Accounting Standard No. (17) Separate Financial Statements.
- Egyptian Accounting Standard No. (18) Investment in sister companies.
- Egyptian Accounting Standard No. (22) Earnings per share.
- Egyptian Accounting Standard No. (24) Income taxes.
- Egyptian Accounting Standard No. (29) Business aggregation.
- Egyptian Accounting Standard No. (30) Periodic financial statements.
- Egyptian Accounting Standard No. 31 Impairment of Assets.

32- SIGNIFICANT MATTERS (CONTINUED)

- Egyptian Accounting Standard No. (32) Non-current assets held for sale and non-continuous operations.
- Egyptian Accounting Standard No. (44) Disclosure of shares in other enterprises.

NEW EGYPTIAN ACCOUNTING STANDARD NO. (47) "FINANCIAL INSTRUMENTS"		
Summary of the most important adjustments	Date of application	Possible effect on financial statements
The new Egyptian Accounting Standard No. (47) "Financial Instruments" replaces the corresponding topics in the Egyptian Accounting Standard No. (26) "Financial Instruments: Recognition and Measurement", and consequently, the Egyptian Accounting Standard No. (26) was modified and reissued after withdrawing paragraphs related to the topics addressed by the new standard No. (47) and defining the scope of the modified Standard No. (26) to deal only with limited cases of hedge accounting according to the entity's choice. According to the requirements of the standard, financial assets are classified on the basis of their subsequent measurement, either at amortized cost, or at fair value through profit or loss or at fair value through other comprehensive income, according to the business model established to manage financial assets and the contractual cash flow characteristics of the financial asset. The realized losses model in the measurement of impairment of financial assets has been replaced by the expected credit loss models which requires the measurement of the impairment for all financial assets measured at amortized cost and financial instruments that are measured at fair value through other comprehensive income since the initial recognition of those financial assets, regardless of the presence of an indication of loss.	Standard No. (47) applies to financial periods starting on or after January 1, 2020 and allows early adoption.	Management evaluates the potential impact on the financial statements when applying the standard.

<table>
<tr><th colspan="3">NEW EGYPTIAN ACCOUNTING STANDARD NO. (48)
REVENUE FROM CONTRACTS WITH CLIENTS</th></tr>
<tr><th>Summary of the most important adjustments</th><th>Date of application</th><th>Possible effect on financial statements</th></tr>
<tr><td>The new Egyptian Accounting Standard No. (48) “Revenue from Contracts with Clients” replaces the following standards:
• Egyptian Accounting Standard No. (11) “Revenue” Modified 2015.
• Egyptian Accounting Standard No. (8) “Construction Contracts” Modified 2015.
Five main steps have been identified for revenue recognition:
• Determine the contract.
• Determine performance obligations.
• Determine the transaction price.
• Distribute the transaction price to the performance obligations.
• Revenue recognition when fulfilling performance obligations.
The control model was used to recognize revenue rather than the benefit and risk model.
The additional costs of obtaining a contract with a customer are recognized as an asset if the entity expects to recover those costs, and the costs of fulfilling a contract are recognized as an asset when specific conditions are met.
The standard requires that a contract have commercial substance in order for revenue to be recognized.
Expansion of disclosure and presentation requirements.</td><td>Standard No. (48) applies to financial periods starting on or after January 1, 2020 and allows early adoption.</td><td>Management evaluates the potential impact on the financial statements when applying the standard.</td></tr>
</table>

A NEW EGYPTIAN ACCOUNTING STANDARD (49), "LEASING CONTRACTS", FINANCIAL LEASING AND FACTORING		
Summary of the most important adjustments	**Date of application**	**Possible effect on financial statements**
The new Egyptian Accounting Standard No. (49) "Leasing Contracts" replaces the Egyptian Accounting Standard No. (20) "Accounting rules and standards related to financial leasing operations 2015 and eliminates it. The standard introduces a single accounting model for the lessor and the lessee, in which the lessee recognizes the right of use of the leased asset within the company's assets, it also recognizes a liability which represents the present value of unpaid lease payments within the company's liabilities, keeping in mind that lease contracts are not classified as operating lease or financial lease for the lessee. The lessor must classify each of its lease contracts either as an operating lease contract or as a finance lease contract. As for the finance lease, the lessor must recognize the assets held under a financial lease contract in the statement of financial position and present them as amounts due for collection in an amount equal to the net investment in the lease. As for the operating lease, the lessor must recognize the lease payments from the operating lease contracts as income in either the straight-line method or any other regular basis.	Standard No. (48) applies to financial periods starting on or after January 1, 2020 and allows early application if Egyptian Accounting Standard No. (48) "Revenue from contracts with customers" 2019 is applied at the same time. With the exception of the effective date above, Standard No. (49) 2019 applies to leasing contracts that were subject to the Financial Leasing Law No. 95 of 1995_ and its adjustments, and to be processed according to the Egyptian Accounting Standard No. (20) "Accounting rules and standards related to financial leasing operations, and also the financial leasing contracts that arise under and subject to the law of organizing the activities of the finance lease and factoring No. 176 for the year 2018 from the beginning of the period of the annual report in which Law No. 95 of 1995 and the promulgation of Law No. 176 of 2018 were issued.	Management evaluates the potential impact on the financial statements when applying the standard.

REVISED EGYPTIAN ACCOUNTING STANDARD NO. (38) "EMPLOYEE BENEFITS"		
Summary of the most important adjustments	**Date of application**	**Possible effect on financial statements**
Some paragraphs were added and modified to adjust the accounting rules for the modification, reduction and settlement of the employee benefits system.	The modified Standard No. (38) applies to financial periods beginning on or after January 1, 2020, and allows early adoption.	Management is currently evaluating the potential impact on the financial statements when applying the adjustment to the standard.

MODIFIED EGYPTIAN ACCOUNTING STANDARD NO. (42) "CONSOLIDATED FINANCIAL STATEMENTS"		
Summary of the most important adjustments	**Date of application**	**Possible effect on financial statements**
Some special paragraphs were added except for the investing entities from the combination and this adjustment resulted in an adjustment of some of the criteria related to the subject of the investing entities. The following criteria have been modified: Egyptian Accounting Standard No. (15) "Disclosure of Related Parties" Egyptian Accounting Standard No. (17) "Separate Financial Statements" Egyptian Accounting Standard No. (18) "Investing in Sister Companies" Egyptian Accounting Standard No. (24) "Income Taxes" Egyptian Accounting Standard No. (29) "Business Combination" Egyptian Accounting Standard No. (30) "Periodic Financial Statements" Egyptian Accounting Standard No. (44) "disclosure of shares in other entities".	The modified Standard No. (42) applies to financial periods beginning on or after January 1, 2020, and allows early application. Also, new or modified paragraphs are applied in relation to the criteria that have been modified in the matter of investing entities on the effective date of the modified Egyptian Accounting Standard No. (42) of 2019 "Consolidated Financial Statements".	There is no potential impact on the company's books.

ISSUANCE OF EGYPTIAN ACCOUNTING INTERPRETATION NO. 1 "ARRANGEMENTS OF PRIVILEGES FOR PUBLIC SERVICES"		
Summary of the most important adjustments	**Date of application**	**Possible effect on financial statements**
This interpretation provides guidelines on accounting by operators of Arrangements of privileges for Public Services from public entity to private entity, to construct, operate, and maintain public infrastructure for public utilities - such as roads, bridges, tunnels, hospitals, tire facilities, water, power accessories, telecommunications networks, etc. This interpretation gives the option to continue to apply the previous treatment of Arrangements of privileges for Public Services that existed before January 1, 2019 for entities that used to recognize these types of arrangements as fixed assets according to Egyptian Accounting Standard No. (10) "fixed assets and their depreciation" till the end of their period.	Interpretation No. (1) applies to financial periods beginning on or after January 1, 2019.	There is no potential impact on the company's books.

EGYPTIAN ACCOUNTING STANDARD NO. (34) "REAL ESTATE INVESTMENT"		
Summary of the most important adjustments	**Date of application**	**Possible effect on financial statements**
The fair value model option has been cancelled for all entities upon subsequent measurement of its real estate investments and commitment only to the cost model, with obligating real estate investment funds only to use the fair value upon subsequent measurement of all their real estate assets. Based on this adjustment, both of the following have been modified: Egyptian Accounting Standard No. (32) "Non-current assets held for sale and non-continuous operations." Egyptian Accounting Standard No. 31 "Impairment of Assets"	This adjustment applies to financial periods beginning on or after January 1, 2019.	There is no real estate investment with the company.

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