

**RAYA HOLDING COMPANY FOR
FINANCIAL INVESTMENTS (S.A.E)
STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
TOGETHER WITH LIMITED REVIEW REPORT**

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

**STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

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Limited Review Report of Standalone Financial Statements

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

Introduction

We have reviewed the accompanying standalone financial position of **Raya Holding Company for Financial Investments (S.A.E.)** as of 30 September 2023, as well as the related standalone statements of profit or loss, comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these standalone financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these standalone financial statements based on our limited review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. 2410, "Review of Financial Statements Performed by the Independent Auditor of the Entity." A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion to these standalone financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying standalone interim financial statements does not give a true and fair view, in all material respects, of the standalone financial position of the entity as of 30 September 2023, and of its standalone financial performance and its standalone cash flows for the period ended then in accordance with Egyptian Accounting Standards.

Cairo: 15 November 2023

M. Kassim

Mohamed Abu Elkassim

FESAA – FEST

RAA (17553)

CMAR (359)

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RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

STANDALONE STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2023

	Note	30 September 2023 EGP	31 December 2022 EGP
Assets			
Non-current assets			
Fixed assets	(3)	74,021,669	76,092,427
Intangible assets	(4)	953,127	1,363,015
Investments in subsidiaries	(5)	3,100,817,089	2,759,717,090
Investments in associates	(6)	642,000	642,000
Investments at fair value through other comprehensive income	(7)	23,188,363	22,980,050
Deferred tax assets	(18-2)	1,398,145	548,088
Total non-current assets		3,201,020,393	2,861,342,670
Current assets			
Notes receivable		53,500	53,500
Due from related parties	(9)	540,970,508	652,740,028
Prepaid expenses and other debit balances	(8)	223,068,294	73,115,023
Share based compensation	(15)	7,087,952	7,087,952
Cash on hand and at banks	(10)	15,543,372	1,682,452
Total current assets		786,723,626	734,678,955
Total Assets		3,987,744,019	3,596,021,625
Equity and liabilities			
Equity			
Issued and paid-up capital	(14)	1,071,997,595	1,071,997,595
Legal reserve		96,298,025	96,298,025
General reserve		36,195,199	36,195,199
Treasury shares	(21)	(7,868,548)	(7,868,548)
Revaluation reserve of Investments at a fair value through OCI		3,551,730	3,390,288
Accumulated losses		(172,339,215)	(33,185,895)
(loss)/profit for the period		56,689,441	(52,886,840)
Foreign currency differences translation through OCI	(26)	(55,365,636)	-
Dividends		-	(86,266,480)
Total Equity		1,029,158,591	1,027,673,344
Liabilities			
Non-current liabilities			
long term loans and finance lease arrangements	(16)	694,787,005	794,183,391
Other long-term liabilities	(20)	31,920,276	37,381,788
Total Non-current liabilities		726,707,281	831,565,179
Current liabilities			
Credit facilities	(11)	75,036,698	34,241,654
Accrued expenses and other credit balances	(12)	264,225,574	344,643,849
Accounts and notes payable	(13)	324,638,602	102,372,693
Due to related parties	(9)	1,234,076,156	945,793,472
long term loans and finance lease arrangements	(16)	333,901,117	309,731,434
Total current liabilities		2,231,878,147	1,736,783,102
Total liabilities		2,958,585,428	2,568,348,281
Total liabilities and equity		3,987,744,019	3,596,021,625

Chief Financial Officer
Hossam Hussain

Hossam Hussain

Chief Executive Officer
Ahmed Khalil



Chairman
Medhat Khalil

Medhat Khalil

- The accompanying notes from (1) to (26) are an integral part of these Standalone financial statements.
- Limited review report is attached.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

STANDALONE STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED OF 30 SEPTEMBER 2023

	Note	For The nine months ended 30 September 2023 EGP	For The nine months ended 30 September 2022 EGP	For The three months ended 30 September 2023 EGP	For The three months ended 30 September 2022 EGP
Revenues of investing in subsidiaries	(17-C)	419,264,570	222,156,138	91,619,744	62,880,610
Service Revenue	(17-A)	71,686,099	44,298,335	24,871,849	19,636,900
Dividends from financial investments at a fair value through OCI		1,405,880	1,008,410	1,405,880	
GROSS PROFIT		492,356,549	267,462,883	117,897,473	82,517,510
General and administrative expenses		(70,916,249)	(44,240,356)	(28,273,288)	(10,824,940)
Board of directors Remuneration		(375,000)	(165,000)	-	-
Selling and marketing expenses		(2,890,001)	(2,753,339)	(1,652,195)	(1,139,850)
Finance cost (net)	(23)	(363,285,518)	(153,172,346)	(142,828,272)	(56,698,130)
Foreign exchange differences		300,425	(9,026,108)	514,630	(5,988,080)
Other Income & (loss)		602,308	23,784,196	39,726	14,000
Reversal of impairment of investments in subsidiaries		-	3,055,770	-	-
PROFITS FOR THE PERIOD BEFORE INCOME TAXES		55,792,514	84,945,700	(54,301,926)	7,880,610
Deferred tax	(18-2)	896,927	814,497	245,128	391,000
PROFITS FOR THE PERIOD		56,689,441	85,760,197	(54,056,798)	8,271,610
EARNING PER SHARE (LOSS)/PROFIT	(19)	0.023	0.036	(0.03)	0.

Chief Financial Officer
Hossam Hussain

Hossam Hussain

Chief Executive Officer
Ahmed Khalil

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Chairman
Medhat Khalil

Medhat Khalil



-The accompanying notes from (1) to (26) are an integral part of these standalone financial statements.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

STANDALONE STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED OF 30 SEPTEMBER 2023

	Note	For The nine months ended 30 September 2023 EGP	For The nine months ended 30 September 2022 EGP	For The three months ended 30 September 2023 EGP	For The three months ended 30 September 2022 EGP
PROFITS (LOSSES) FOR THE PERIOD		56,689,441	85,760,197	(54,056,798)	8,271,698
Translation differences		(55,365,636)	(17,400,618)	(7,310,766)	-
Income tax related to translation		12,457,268	-	1,644,922	-
Total translation differences	(26)	(42,908,368)	(17,400,618)	(5,665,843)	-
Investment revaluation differences by fair value through OCI	(7)	208,312	445,789	3,041,363	1,262,374
Income tax related to other comprehensive income items	(18-2)	12,410,398	(100,303)	2,329,230	(284,034)
		12,618,710	345,486	712,133	978,340
TOTAL COMPREHENSIVE INCOME		26,399,783	68,705,065	(60,434,777)	9,250,038

Chief Financial Officer
Hossam Hussain

Hossam Hussain

Chief Executive Officer
Ahmed Khalil



Chairman
Medhat Khalil

Medhat Khalil

-The accompanying notes from (1) to (26) are an integral part of these standalone financial statements.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)
STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED ON 30 SEPTEMBER 2023

	capital		Legal reserve		General reserve		Treasury shares		Reservation of investments at fair value through OCI after tax		Differences foreign currencies translation through OCI		Accumulated profits/(losses)		Profits/(losses) for the period		Dividends distribution		Total			
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	
1 January 2023	1,071,997,595	-	96,298,025	36,195,199	(7,868,548)	3,390,288	-	-	-	-	-	(44,412,543)	(52,886,840)	(75,039,832)	1,027,673,344	-	-	-	-	-	-	
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reserve of investments at fair value through OCI after taxes	-	-	-	-	-	161,442	-	-	-	-	-	(127,926,672)	52,886,840	75,039,832	-	-	-	-	-	-	161,442	
Differences foreign currencies translation through OCI (Note 26) *	-	-	-	-	-	-	-	-	(55,365,636)	-	-	-	-	-	-	-	-	-	-	-	(55,365,636)	
Profits for the period	-	-	-	-	-	-	-	-	-	-	-	-	56,689,441	56,689,441	-	-	-	-	-	-	56,689,441	
30 September 2023	1,071,997,595	-	96,298,025	36,195,199	(7,868,548)	3,551,730	(55,365,636)	(7,868,548)	(172,339,215)	56,689,441	(172,339,215)	(17,400,618)	56,689,441	56,689,441	(278,185,606)	1,211,934,327	(7,868,548)	(17,400,618)	-	-	-	1,029,158,591
1 January 2022	1,071,997,595	-	92,010,015	36,195,199	-	568,278	-	-	-	-	-	(156,406,106)	445,754,952	(278,185,606)	1,211,934,327	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Dividends	-	-	-	-	(7,868,548)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Differences foreign currencies translation through OCI	-	-	-	-	-	-	-	-	(17,400,618)	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve of investments at fair value through OCI after taxes	-	-	-	-	-	345,487	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	345,487
Profits for the period	-	-	-	-	-	-	-	-	-	-	-	-	85,760,197	85,760,197	-	-	-	-	-	-	-	85,760,197
30 September 2022	1,071,997,595	-	92,010,015	36,195,199	(7,868,548)	913,765	(17,400,618)	(7,868,548)	11,163,240	85,760,197	11,163,240	(17,400,618)	85,760,197	85,760,197	-	1,272,770,845	(7,868,548)	(17,400,618)	-	-	-	1,272,770,845

* As a result of the company's application of the second treatment, Appendix (C), Egyptian Accounting Standard No. (13) Amended 2015 "Effects of change in foreign currency rates" as shown in note (2.6)

- The accompanying notes from (1) to (26) are an integral part of these standalone financial statements.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

	Note	30 September 2023 EGP	30 September 2022 EGP
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the period before income tax		55,792,514	84,945,700
Depreciation of fixed assets and amortization of intangible assets	(3,4)	11,079,965	9,460,693
Finance cost (net)	(23)	363,285,518	154,393,554
Reversal of dividends from investments in subsidiaries		(419,264,570)	(222,156,138)
Reversal of dividends from financial investments at fair value through OCI		(1,405,880)	(1,008,410)
		9,487,547	25,635,400
Change in due from related parties	(9)	111,769,521	3,216,414
Change in prepaid expenses and other debit balances	(8)	(149,953,273)	(11,219,813)
Change in accrued expenses and other credit balances	(12)	(85,879,791)	(55,442,437)
Change in accounts and notes payable	(13)	222,265,910	(145,488,795)
Change in due to related parties	(9)	288,282,684	229,549,314
Change in other long-term liabilities		-	5,048,674
CASH FLOWS FROM OPERATING ACTIVITIES		395,972,598	51,298,756
Income tax paid		-	(71,911,753)
NET CASH FLOWS FROM OPERATING ACTIVITIES		395,972,598	(20,612,997)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payments) of purchasing fixed assets and intangible assets	(3,4)	(8,599,317)	(41,841,599)
(Payments) of purchasing investments in subsidiaries		(341,100,000)	(345,156,175)
Proceeds from Dividends		420,670,451	223,164,548
NET CASH FLOWS (USED IN) PROVIDED FROM INVESTING ACTIVITIES		70,971,134	(163,833,226)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from credit facilities	(11)	40,795,044	12,104,273
(Payments) in Finance cost	(23)	(363,285,518)	(154,393,554)
(Payments) in Treasury shares		-	(7,868,548)
(Payments) in short term / long term loans	(16)	(280,592,337)	(128,103,303)
Proceeds from short term / long term loans		150,000,000	444,266,377
NET CASH FLOW (USED IN) PROVIDED FROM FINANCING ACTIVITIES		(453,082,811)	166,005,245
CASH AND CASH EQUIVALENT – DURING THE PERIOD		13,860,920	(18,440,979)
Cash and cash equivalent – beginning of the period	(10)	1,682,452	84,709,387
CASH AND CASH EQUIVALENT- END OF THE PERIOD	(10)	15,543,372	66,268,408

Non-cash transactions:

- An amount of 850,057 deferred tax assets were eliminated
- An amount of 55,365,636 was excluded from foreign currency translation differences
- An amount of 208,312 was excluded from financial investments at fair value through comprehensive income.
- An amount of 161,442 was excluded from the reserve for evaluating financial investments at fair value through comprehensive income.

- The accompanying notes from (1) to (26) are an integral part of these Standalone financial statements.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023**

1. GROUP BACKGROUND

- Raya Holding Company for Financial Investments (S.A.E) was established in accordance with the provisions of Law 95 of 1992.
- On 9 May 1999, the company was registered in the Commercial Register under No. 127574.
- The Company's registered location is at central corridor behind Dar El-fouad hospital Elhay El motamayez -6th of october
- The main activity of the company is participating in the establishment of companies that issue securities or in increasing their capital.
- On 12 October 2016, in 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 companies 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 Company's standalone financial statements for the period ended 30 September 2023 have been approved according to the decision of the Board of Directors held on 15 November 2023.

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED

2-1 BASIS OF PREPARATION OF THE STANDALONE FINANCIAL STATEMENTS

The Standalone financial statements prepared under the going concern assumption on a historical cost basis.

The Standalone financial statements are prepared and presented in Egyptian pound, which is the Company's functional currency.

Statement of compliance

The periodic Standalone financial statements are prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations.

2-2 CHANGES IN ACCOUNTING POLICIES

The accounting policies applied in this period are consistent with those applied in the previous period.

As Shown in disclosure 35, on 6 March 2023, Council of Minister's was issued decision No. 883 of 2023 to amend some provisions of Egyptian Accounting Standards, and these amendments did not effect on the company's financial statements on 30 September 2023 (note 26).

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2-2-1 Financial instruments

Egyptian Accounting Standard 47 "Financial Instruments" which replaced Egyptian Accounting Standard 26 Financial Instruments: Recognition and Measurement. Egyptian Accounting Standard 47 was issued in 2019 and the standard began to be applied on or after 1 January 2021 in Egypt Except for coverage accounting, it must be applied retroactively but adjusting the comparative information is not mandatory.

The standard deals with three aspects of accounting for financial instruments: classification and measurement, impairment, and coverage accounting.

Classification and measurement

According to Egyptian Accounting Standard 47, debt instruments are subsequently measured at fair value through profits, losses, amortized cost, or fair value through other comprehensive income. The classification is based on two classification criteria: the company's business model for asset management; and whether the contractual cash flows of the instruments represent "principal and interest payments only" on the outstanding principal amount.

The Company's business model was evaluated as of the date of initial application and assessed whether the contractual cash flows of debt instruments consisted only of principal amount and interest based on the facts and circumstances at the initial recognition of the assets.

impairment

The new impairment model in accordance with Egyptian Accounting Standard 47 requires the recognition of impairment provisions based on expected credit losses rather than only credit losses incurred as in Egyptian Accounting Standard 26. Applicable to financial assets classified at amortized cost and debt instruments measured at fair value through other comprehensive income, Egyptian Accounting Standard 48 contract assets "Revenue from contracts with customers", rental receipts, loan commitments and certain financial guarantee contracts.

Financial Instruments - Recognition and Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial obligation or proprietary instrument of another entity.

A) Financial assets

Financial assets, at initial recognition, as measured later, are classified by depreciated cost, fair value through other comprehensive income or fair value through profit or loss. The classification of financial assets at initial recognition is based on the characteristics of the contractual cash flow of the financial asset and the company's business model for its management. For a financial asset to be classified and measured at amortized cost or fair value by other comprehensive income, it must result in cash flows that are "principal and interest payments only" on the outstanding principal amount.

This test is referred to as the "principal and interest payments only" test and is performed at the instrument level. Financial assets that do not pass the "principal and interest payments only" test are classified and measured at fair value through profit or loss, regardless of business model. A company's business model for financial asset management refers to how it manages its financial assets to generate cash flows.

The business model determines whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both. Financial assets classified and measured at depreciated cost are held within the business model for the purpose of holding financial assets for the purpose of collecting contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within the business model for the purpose of collecting contractual cash flows and selling.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2-2-1 Financial instruments (continued)

Impairment of financial assets

The Company recognizes the provision for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due under the contract and all cash flows expected by the Company, discounted at a rate close to the original effective interest rate.

The provision for expected credit losses is recognized in two stages. For credit exposures for which there has been no significant increase in credit risk since initial recognition, expected credit losses for credit losses are measured by the value of credit losses resulting from potential defaults over the next 12 months (expected credit losses 12-month).

For credit exposures for which credit risk has significantly increased since initial recognition, expected credit losses are measured over the remaining life of exposure, regardless of the timing of default (expected credit losses over a lifetime).

When determining whether the credit risk of the financial asset has increased materially since the initial recognition and when estimating the expected credit losses, the Company shall consider reasonable, supportive, and available information at no cost or excessive effort, including quantitative and qualitative information and analysis based on the Company's past experience, enhanced credit ratings and future information.

The Company may also consider a financial asset in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. The financial assets are excluded when there is no reasonable recovery expectation of expected cash flows. At the date of each report, the Company assesses whether financial assets recorded at amortized cost and debt securities at fair value through other comprehensive income have experienced credit impairment.

An asset is considered to have experienced an impairment when one or more events occur that have a negative impact on the estimated future cash flows of the financial asset.

B) Financial obligations

All financial obligations are recognized primarily at fair value and in the case of loans, debts, and credit balances less the cost directly attributable to the transaction.

2-2-2 Revenue from contracts with customers

The new Egyptian Accounting Standard "Revenue from contracts with customers" No. 48 establishes a new five-step model, which will be applied to revenue arising from contracts with customers as follows:

Step 1: Define the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations. It outlines the bases and criteria that must be met for each contract.

Step 2: Identify the performance obligations in the contract: A performance obligation is an undertaking in the contract to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration the company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations stipulated in the contract. For contracts that have more than one performance obligation,

The Group will allocate a transaction price to each performance obligation in the amount to which the Group expects to be entitled in exchange for meeting each performance obligation.

Step 5: Recognize revenue when the entity fulfills the performance obligation.

The company fulfills the performance obligation and recognizes revenue over a period, if one of the following conditions is met:

A. It does not create performance for the company and that the company has an enforceable right to a payment for the performance completed to date.

B. The performance of the company creates or improves the asset that the customer controls while the asset is being built and improved.

C. The customer receives the benefits provided by the performance of the facility and consumes them at the same time as the company performs.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2-2-2 Revenue from contracts with customers (continued)

For performance obligations, if any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the company fulfills the performance obligation by providing the services that were promised, this leads to the creation of an asset based on a contract in exchange for the consideration gained from the performance. If the consideration received by the customer exceeds the amount of revenue that has been recognized, this may create a contract obligation.

Revenue is measured at the fair value of the consideration received or receivable, after considering the contractual terms of payment, and after excluding taxes and fees.

The Company reviews its revenue arrangements against specific criteria to ascertain whether it is acting as principal or agent.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that the revenue and costs, if applicable, can be measured reliably.

A. The provision of services

Revenue from providing services is recognized when services are provided, and this is done based on contracts with customers.

B. financing income

Finance income is recognized using the effective commission rate, which represents the rate at which estimated future cash receipts are discounted over the expected life of the financial instrument or less, whichever is appropriate to the net book value of the financial asset.

C. Dividends

Revenue is recognized when the company's eligibility to receive it is recognized, which is usually done by the distribution decision issued by the general assemblies of the investee companies.

2-2-3 Financial leasing

Egyptian Accounting Standard 49 replaces Egyptian Accounting Standard 20 "Accounting Rules and Standards Related to Financial Leasing Operations".

Egyptian Accounting Standard 49 now requires tenants to recognize lease obligations that reflect future rent payments and "right of use asset" for almost all leases. There is an optional exemption for some short-term leases and leases for low-value assets.

When the contract arises, it is evaluated whether the contract is a lease contract or includes a lease contract. The contract is a lease contract or includes a lease if it transfers the right of control over the use of the specified asset for a period for a fee. A single recognition and measurement policy applies to all leases, except for short-term leases and leases of small-value assets.

Rent obligations are recognized for rent payments and "usufruct assets" which represent the right to use the assets subject to the lease contract.

A) Right of Use Assets

Right of use assets are recognized at the beginning of the lease (on the date on which the asset becomes available for use).

Right of use assets are measured at cost minus any combined depreciation or impairment losses and adjusted by any revaluation of lease liabilities. Usufruct Asset Cost includes the amount of recognized lease obligations plus any direct costs or down payments made on or before the contract date minus any rental incentives received. The depreciation of the right of use assets shall be made based on the fixed premium over the term of the lease contract or the estimated useful life of the assets in accordance with the depreciation policy applied in the establishment, whichever is less. If the ownership of the asset subject to the contract devolves to the lessee at the end of the contract or the cost reflects the right of the lessee to exercise the purchase option at the end of the contract, the original usufruct right shall be depreciated over the estimated useful life of the asset in accordance with the depreciation policy applied in the establishment. right of use assets are subject to an impairment policy.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2-2-3 Financial leasing (continued)

B) Rent obligations

The "lease obligation" at the beginning of the lease is recognized by calculating the present value of the unpaid lease payments on that date using the interest rate implied in the lease if determined. If it cannot be easily determined, the interest rate on the additional borrowing of the tenant is used.

Lease payments on the date of commencement of the lease included in the measurement of the lease obligation shall consist of the following payments for the right to use the underlying asset during the term of the lease that have not been paid on the lease commencement date and include:

Fixed payments less any receivable rental incentives.

Variable lease payments based on an index or rate and are initially measured using the index or rate on the lease start date.

Amounts expected to be paid by the lessee under residual value guarantees.

The price of exercising the call option if the lessee is sure that the option is reasonably exercised.

Penalty payments for termination of the lease if the duration of the lease reflects the tenant's exercise of the option to terminate the lease.

2-3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgments and estimates that affect the values of revenues, expenses, assets, and obligations included in the financial statements and the accompanying disclosures, as

well as the disclosure of potential liabilities at the date of the financial statements. The uncertainty surrounding these assumptions and estimates may have consequences that require substantial adjustments to the carrying amount of affected assets and liabilities in future years.

Estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised.

The following are the main judgments and estimates that materially affect the company's standalone periodic financial statements.

2-3-1 Judgments

Recognition of revenue from the sale of products

In making its own provisions, management has considered the detailed requirements for the recognition of revenue arising from the sale of products as set out in Egyptian Accounting Standard No. (48)

"Revenue from Contracts with Customers" regarding whether the company has transferred to the buyer significant risks and returns arising from the ownership of the products.

2-3-2 Estimates

Decreased value of customer balances and notes receivable

An estimate of the collectible amount is made from customer balances and notes receivable when collection of the full amount is no longer expected. For individually significant amounts, the estimation is made on an individual basis. As for amounts that are not individually significant, but which are past their due date, they are assessed collectively, and a provision is made according to the period that has elapsed since their maturity date based on historical recovery rates.

Useful life of fixed assets

The company's management determines the estimated useful life of fixed assets for the purpose of calculating depreciation. This estimate shall be determined after considering the expected useful life of the asset or the physical depreciation of the assets. Management periodically reviews the estimated useful life and the method of depreciation to ensure that the method and duration of depreciation are consistent with the expected pattern of economic benefits arising from these assets.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

2-3-2 Estimates (continued)

Taxes

The company is subject to income tax imposed in Egypt. Important judgments are required to determine the total provisions for current and deferred taxes. The company has made provisions, based on reasonable estimates, bearing in mind the potential consequences of the examinations conducted by the tax authorities in Egypt. The amount of this provision is based on several factors, including experience with previous tax checks and differing interpretations of tax regulations by the company and the responsible tax authority. Such differences in interpretation may arise in several issues according to the conditions prevailing in Egypt at the time.

Deferred tax assets are recognized for unused and carried forward tax losses so that it is probable that they will be offset by taxable profits that these losses can be used to offset. Substantial management judgments must determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits, as well as future tax planning strategies.

Depreciation of non-financial assets

The company assesses whether there are indications of impairment of non-financial assets in each of the reporting years. Non-financial assets are tested for impairment when there are indications that the carrying value may not be recoverable. When calculating value in use, management estimates the expected future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate to calculate the present value of those cash flows.

2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2-4-1 Foreign currency translation

Transactions in foreign currencies are initially recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the balance sheet date. All differences are recognized in the standalone statement of profit or loss.

Nonmonetary items that are measured at historical cost in foreign currencies are translated using the exchange rates prevailing at the date of the initial recognition. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

2-4-2 Fixed assets

Initial recognition

The cost of any fixed asset item is recognized as an asset only when:

A- Metabolic economic benefits are likely to flow from this item.

B - The cost of the item can be measured reliably.

Subsequent measurement

The entity must choose either the cost model or the revaluation model as the accounting policy, and that policy must be applied to each class of fixed assets in its entirety.

First: Cost Model

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 a major improvement is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the standalone statement of profit or loss as incurred.

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

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)
2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2-4-2 Fixed assets (continued)

	Years
Buildings	40
Switches	4
Leasehold improvements	5-8 or lease duration whichever is less
Furniture and office equipment	8
Computers	3
Fixtures and fitting	4

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 the asset is included in the standalone statement of profit or loss when the asset is derecognized.

Post-acquisition costs

The cost of substantial renovations is recognized on the cost of fixed assets by the cost of replacing a component of that item when it is likely to bring future economic benefits to the company with the possibility of reliably measuring the cost and depreciating over the remaining useful life of the asset or the expected useful life of such renovations, whichever is less, and other costs are recognized in the statement of profits or losses as expenses when incurred.

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

The company periodically on the date of each budget

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

The company periodically on the date of each budget the Company assesses at each balance sheet date whether there is an indication that fixed assets may be impaired. Where 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 standalone 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 a reversal is recognized in the standalone statement of profit or loss.

2-4-3 Intangible assets

Initial recognition

Intangible assets acquired individually are initially recognized at cost if it is probable that future economic benefits that can be attributed to the asset will flow to the entity and the cost of that asset can be measured reliably.

Subsequent measurement

The entity must choose either the cost model or the revaluation model as its accounting policy.

The Cost Model

After the initial recognition the intangible asset is recorded at cost less accumulated depreciation and accumulated impairment losses and the shelf life of intangible assets is determined as finite or indefinite.

For impairment when there is an indication of the impairment of the asset and the depreciation period and the depreciation method for the intangible asset with a specific age are reviewed at the end of each fiscal year.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023**

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-4-4 Projects under construction

Assets 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. Assets under construction are valued at cost less impairment.

2-4-5 Investments

Investing in a subsidiary

Investments in a subsidiary are investments in companies in which the company has control. Control is assumed when the holding company owns, directly or indirectly, through its subsidiaries, more than half of the voting rights in the investee company, except for those exceptional cases in which it is clearly shown that such ownership does not represent control.

The investment in a subsidiary company is accounted for at cost, including the cost of acquisition, and in the event of impairment in the value of those investments, the book value is adjusted by the

The value of this impairment and included in the standalone statement of profits or losses for each investment separately.

The value of the loss resulting from the impairment of the value shall be refunded in the standalone statement of profits or losses in the year in which the refund occurred.

Dividends on investments in the subsidiary are recognized as part of the company's profit or loss statement when it is entitled to receive dividends.

Investment in associates

Investments in associate companies are investments in companies in which the company has significant influence but it is not a subsidiary nor is it a share in a joint venture. Significant influence is presumed when the company owns directly or indirectly through its subsidiaries a percentage of 20% or more of the voting rights in the investee company except in cases where it appears clearly that such ownership does not represent significant influence. Investments in associate companies are accounted for in the financial statements at cost including the cost of acquisition in accordance with Egyptian Accounting Standard No. (18) The share of long-term investments in the profits that is decided to be distributed from the profits of the investee companies is included in the income statement as investment income.

Investment at fair value through other comprehensive income

Investments through comprehensive income are non-derivative financial assets that have been classified as assets available for sale, unclassified as loans and debts or as investments held to maturity or as investments at fair value through profit or loss.

Upon initial recognition, available-for-sale investments are measured at fair value including expenses directly related to them.

After the initial measurement, the investments available for sale are measured at fair value with the recognition of unrealized gains or losses directly within equity until the financial asset is excluded from the books, at which point the accumulated gains or losses recorded in equity are recognized in the statement of profits or losses, or if it is determined that the asset has decayed, in which case the accumulated losses recorded in equity are recognized in the statement of profit or loss. If the fair value of investments in equity instruments cannot be measured in a reliable manner, the value of those investments is measured at cost.

Equity investments: in the event of evidence of impairment, Accumulated losses are excluded from equity and derecognized in the statement of profits or losses. Impairment losses on equity investments cannot be recovered through the statement of profit or loss, and the increase in fair value immediately after impairment is recognized within equity.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Treasury bills

In accordance with the requirements of Egyptian Accounting Standard No. (47) "Financial Instruments", treasury bills have been classified on the basis of measuring - later - by depreciated cost through profits or losses, and treasury bills purchased are valued at nominal value and the difference between the purchase cost and the nominal value is recognized in calculating an investment return in deferred treasury bills and is depreciated by the value of the returns of treasury bills due for the financial period through profits or losses until the maturity date of treasury bills and the tax due is proved. On the returns of treasury bills. When collecting the yield of treasury bills, the tax deducted is recognized in the statement of financial position until it is settled with the annual tax return.

Treasury Share

Treasury shares (company shares) are listed at the cost of their acquisition and the cost of treasury shares appears deducted from the equity in the financial center, and profits or losses resulting from the disposal of treasury shares are recognized within the equity in the financial center, and according to the text of Article 48 of Law 159 of 1998, the company should dispose of these shares to others within a maximum period of one year from the date of acquisition, otherwise the company is obligated to reduce its capital by the nominal value of those shares.

2-4-6 Accounts and notes receivables, prepaid expenses, and other debit balances

Customers, receivables, prepaid expenses, and other debit balances are recognized at the original value of the invoice less impairment losses. The Company applies the simplified approach permitted by Egyptian Accounting Standard No. (47) "Financial Instruments", which requires the recognition of expected credit losses on the reconstruction of debt to clients from the first recognition of the clients in the statement of profits or losses.

2-4-7 Accounts and notes payable, accrued expenses and other credit balances.

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

2-4-8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation because 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 standalone 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense in the periodic standalone statement of profit or loss.

2-4-9 Social insurance

The Company makes contributions to the Social Insurance Authority calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

2-4-10 Legal reserve

According to the Company's articles of association, 5% of the net profits for 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 proposal of the board of directors.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)
2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-4-11 Borrowings

Borrowings are initially recognized at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one year after the periodic standalone financial statements date, then the loan balance should be classified as non-current liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the periodic standalone statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance expenses in the periodic standalone statement of profit or loss.

2-4-12 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 periods 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 balance sheet (accounting base) using the applicable tax rate.

Deferred tax assets are 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 income or an expense and included in the standalone statement of profit or loss for the period, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different period, directly in equity.

2-4-13 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 measured at the fair value of the consideration received, excluding discounts, rebates, and value added taxes or duty.

The following specific recognition criteria 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 and an invoice is issued.

• **Interest income**

Interest income is recognized as interest accrues using the effective interest "EIR" method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

2-4-14 Expenses

All expenses including cost of sales, selling and marketing expenses, general and administrative expenses and other expenses are recognized and charged to the standalone statement of profit or loss for the nine months ended 30 September 2023, in which these expenses were incurred.

2-4-15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are incurred in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-4-16 Related party transactions

Related parties represent 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 board of directors.

2-4-17 Contingent Liabilities and Assets

Contingent liabilities are not recognized in standalone financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the standalone financial statements but disclosed when an inflow of economic benefits is probable.

2-4-18 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, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized 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).

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

To fair value disclosures, the Company has determined classes of assets and liabilities based on their nature and characteristics.

and risks of the asset or liability and the level of the fair value hierarchy as explained above. The preparation of the standalone financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the values of assets, liabilities, income, and expenses during the financial years. Actual results may differ from those estimates.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
OF 30 SEPTEMBER 2023

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-4-19 Impairment

Impairment of financial assets

At the date of each separate periodic financial statements, the Company determines whether there is objective evidence that a financial asset or group of financial assets has diminished. A financial asset or group of financial assets is deemed to have diminished if, and only if, there is objective evidence of impairment resulting from one or more events after the initial recognition of the asset and affecting the estimated cash flows of a financial asset or group of financial assets that can be reliably estimated.

Impairment of non-financial assets

At the date of each standalone periodic financial statements, the Company determines whether there is an indication that an asset has decayed. When the carrying amount of an asset or unit generating cash exceeds its redemption value, the asset is deemed to have diminished and is therefore reduced to its redemption value. The impairment loss is recognized by the statement of independent periodic profits or losses.

The impairment loss that was previously recognized shall be reimbursed only if there has been a change in the assumptions used to determine the redemption value of an asset since the last impairment loss has been recognized, and the reimbursement of impairment loss shall be limited to no more than the carrying amount of the asset, its redemption value or the carrying amount that would have been determined unless the impairment loss is recognized for the asset in prior periods. The refund for impairment loss is recognized in the statement of standalone periodic profits or losses.

2-4-20 Pension system for employees

The company operating in the Arab Republic of Egypt contributes to the social insurance system for the benefit of its employees in accordance with the Social Insurance Law No. 148 of 2019 and its amendments and the company's contribution is charged to the list of profits or losses according to the accrual basis and according to this system the company's commitment is limited to the value of that contribution.

Subsidiaries operating outside the Arab Republic of Egypt follow the social insurance system applied in those countries.

2-4-21 Statement of cash flows

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

2-4-22 Cash and cash equivalent

For preparing the periodic standalone statement of cash flows, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within the period after deducting bank credit balances.

2-4-23 The inclusive health insurance

On January 11, 2018, Law No. 2 of 2018 promulgating the Comprehensive Health Insurance System Law was issued and shall come into force from the day following the expiration of six months from the date of its publication in the Official Gazette.

Employers are obliged to pay their monthly dues to the National Organization for Social Insurance.

Business owners are also obligated to pay a Takaful contribution at the rate of (0.0025) two and a half per thousand of the total annual revenues of individual establishments and companies, whatever their nature or the legal system to which they are subject, and this contribution is not considered one of the costs deductible in the application of the provisions of the Income Tax Law, and the Ministry of Finance shall collect this Takaful contribution in accordance with the financial report of the establishment submitted to the Tax Authority.

2-4-24 SEGMENT INFORMATION

The main business sector of the company is represented in participating in the establishment of companies that issue securities or in increasing their capital.

Profits and investments related to other business sectors are not considered material at the time and all the company's revenues for the financial period ending on September 30 2023 were reported on the basis of the presence of an operating sector in the financial statements.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30 SEPTEMBER 2023

3 - FIXED ASSETS

Cost	Land		Buildings		Electrical equipment		Leasehold improvements		Furniture & office equipment		Computers		Fixtures		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
1 January 2023	37,728,852	-	123,749,549	-	6,651,676	38,076,577	19,366,037	6,056,000	37,555,140	269,183,831						
Additions during the period	-	-	-	-	611,175	4,415,001	2,123,121	1,450,020	-	8,599,317						
30 September 2023	37,728,852	-	123,749,549	-	7,262,851	42,491,578	21,489,158	7,506,020	37,555,140	277,783,148						
Accumulated depreciation																
1 January 2023	-	-	(103,875,557)	-	(5,288,973)	(26,847,640)	(17,861,666)	(5,186,852)	(34,030,714)	(193,091,402)						
Depreciation for the period	-	-	(5,141,335)	-	(414,132)	(2,941,725)	(356,056)	(533,419)	(1,283,410)	(10,670,077)						
30 September 2023	-	-	(109,016,892)	-	(5,703,105)	(29,789,365)	(18,217,722)	(5,720,271)	(35,314,124)	(203,761,479)						
Net book value as of 30 September 2023	37,728,852	-	14,732,657	-	1,559,746	12,702,213	3,271,436	1,785,749	2,241,016	74,021,669						
fully depreciated assets and still being used	-	-	-	-	1,950,520	3,823,642	3,125,950	1,393,552	13,453,388	23,747,052						

- There is no mortgage or restriction on fixed assets.

- Depreciation expenses charged to general and administrative expenses.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023**

3 - FIXED ASSETS (CONTINUED):

Cost	Land		Buildings		Electrical equipment		Leasehold improvements		Furniture & office equipment		Computers		Fixtures		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
1 January 2022	22,007,852	650,002	-	(189,319)	(4,649,428)	(23,219,263)	(16,841,840)	(4,589,142)	(31,350,205)	(80,839,197)						
Transfer from subsidiary company	4,150,000	123,099,547	(99,110,746)	(99,110,746)	-	-	-	-	-	(99,110,746)						
Additions during the period	11,571,000	-	(4,575,492)	(4,575,492)	(639,546)	(3,628,377)	(1,019,826)	(597,711)	(2,680,510)	(13,141,462)						
31 December 2022	37,728,852	123,749,549	(103,875,557)	19,873,992	(5,288,974)	(26,847,640)	(17,861,666)	(5,186,853)	(34,030,715)	(193,091,405)						
Accumulated depreciation	-	-	-	-	1,362,702	11,228,937	1,504,371	869,147	3,524,426	76,092,427						
1 January 2022	-	-	-	-	1,950,520	3,823,642	3,125,950	1,393,552	13,453,388	23,747,052						
Transfer from subsidiary company	-	-	-	-	-	-	-	-	-	-						
Depreciation for the period	-	-	-	-	(639,546)	(3,628,377)	(1,019,826)	(597,711)	(2,680,510)	(13,141,462)						
31 December 2022	-	-	(103,875,557)	19,873,992	(5,288,974)	(26,847,640)	(17,861,666)	(5,186,853)	(34,030,715)	(193,091,405)						
Net book value as of 31 December 2022	37,728,852	123,749,549	19,873,992	19,873,992	1,362,702	11,228,937	1,504,371	869,147	3,524,426	76,092,427						
fully depreciated assets and still being used	-	-	-	-	1,950,520	3,823,642	3,125,950	1,393,552	13,453,388	23,747,052						

- There is no mortgage or restriction on fixed assets

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023

4- INTANGIBLE ASSETS

	30 September 2023	31 December 2022
	EGP	EGP
Cost		
1 January 2023	15,108,925	15,108,925
Additions during the period / Year	-	-
	<u>15,108,925</u>	<u>15,108,925</u>
Accumulated amortization		
Beginning period	(13,745,910)	(13,156,852)
Amortization for the period / Year	(409,888)	(589,058)
30 September 2023	<u>(14,155,798)</u>	<u>(13,745,910)</u>
Net book value at the end of the Period / Year	<u>953,127</u>	<u>1,363,015</u>

Intangible assets are represented in computer software, Amortization expense charged to general and administrative expenses.

5 - INVESTING IN SUBSIDIARIES

The item of investments in subsidiaries is represented in the company's investments in the Arab Republic of Egypt and in the International Business Ventures Company established in the British Virgin Islands (BVI), as well as Raya Gulf Company established in the United Arab Emirates, Raya Technology Company Ltd. in the Kingdom of Saudi Arabia, Raya Algeria Company in the State of Algeria, Best Service Nigeria Company in Nigeria, Medova Company in Poland and Raya East Africa for financial investments company in Tanzania and its statement is as follows:

a - The following is a statement of all investments of subsidiaries as of 30 September 2023:

Company name	Country of Incorporation	Contribution %	30 September 2023 EGP	Contribution %	31 December 2022 EGP
Raya Technology Company Ltd.	Saudi Arabia	100	4,584,777	100	4,584,777
Raya Gulf Company	UAE	100	1,273,973	100	1,273,973
Raya Integration Company	Egypt	99.9	111,433,152	99.9	111,433,152
Raya Electronics Company (Previously Sama)	Egypt	9.98	54,462,790	9.98	54,462,790
Raya Distribution Company	Egypt	99.56	420,496,447	99.56	420,496,447
Raya Network Services Company	Egypt	25	5,000	25	5,000
Raya International Service Company	Egypt	90	5,262,810	90	5,262,810
Raya Contact Centre Company	Egypt	59.15	26,119,144	59.15	26,119,144
Raya Smart Building	Egypt	99.937	774,645,455	99.937	774,645,455
Contact Centre Building Management Company	Egypt	2.97	245,000	2.97	245,000
Best Service Company- Nigeria	Nigeria	15	396,000	15	396,000
Raya logistics	Egypt	98	985,000	98	985,000
Raya for Food and Beverages Company	Egypt	98	48,480,000	98	48,480,000
Raya for social media Company	Egypt	80	1,200,000	80	1,200,000
Ostool for Land Transport Company	Egypt	62.31	24,923,400	62.31	24,923,400
Raya Venture and Investment Company	Egypt	98	21,250,000	98	21,250,000
Manufacturing and logistics Services Company	Egypt	98	2,450,000	98	2,450,000
Raya Restaurants Company	Egypt	33.3	27,359,616	33.3	27,359,616
Madova Company	Poland	100	78,963,337	100	78,963,337
Raya Foods Company	Egypt	99.99	299,583,066	99.99	299,583,066
Raya for advanced manufacturing Company	Egypt	99	172,790,000	99	172,790,000
Raya for Modern vehicles Company	Egypt	80	4,000,000	80	4,000,000
Aman holding company *	Egypt	75.8	807,769,052	75.8	466,669,053
Raya Haier Electric	Egypt	89.04	307,726,086	89.04	307,726,086
Aman for Micro finance Company	Egypt	0.4	500,000	0.4	500,000
Total investments in subsidiaries			<u>3,196,904,105</u>		<u>2,855,804,106</u>

* On 24/7/2023 the Extraordinary General Assembly of Aman Holding Company approved an increase in the capital and amendment of Article 6 and 7 of the company's bylaws so that the issued capital after the increase became EGP 1,065,000,000 (one billion and sixty-five million Egyptian pounds), The notation was made in the commercial registry on 25/9/2023.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

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5 - INVESTING IN SUBSIDIARIES (CONTINUED)

5 B- SUSPENDED COMPANIES

	Country of Incorporation	Contribution %	30 September 2023	Contribution %	31 December 2022
			EGP		EGP
Raya Algeria Company	Algeria	100	5,496,050	100	5,496,050
International Business Ventures Company – IBVC	UK	100	5,000	100	5,000
Al Byoot Alarabia for Finance Lease Company	Egypt	100	12,365,400	100	12,365,400
Raya Academy for It Training & Management	Egypt	99.95	247,500	99.95	247,500
Best services company	Egypt	99.5	2,000,000	99.5	2,000,000
Bin Company for Networks	Egypt	96	24,000	96	24,000
Oratech for Management and Information Technology Company	Egypt	25	500,000	25	500,000
Oratech for communication and Information Systems Company	Egypt	50	575,542	50	575,542
Egyptian Company for Investment and Glass Production	Egypt	50	119,731	50	119,731
International Business System Company – IBSE	Egypt	100	17,000,000	100	17,000,000
Information Technology Company	Egypt	96	312,500	96	312,500
Raya East Africa for financial investments company	Tanzania	99	1,806,750	99	1,806,750
Adweer company for advanced industries	Egypt	99.2	248,000	99.2	248,000
Total investments in suspended companies			40,700,473		40,700,473

	30 September 2023 EGP	31 December 2022 EGP
Total investments in subsidiaries	3,196,904,105	2,855,804,106
Total investments in suspended subsidiaries	40,700,473	40,700,473
Impairment of investments in subsidiaries	(136,787,489)	(136,787,489)
	3,100,817,089	2,759,717,090

Impairment of investments in subsidiaries represented in:

	30 September 2023 EGP
Raya Algeria Company	(5,496,050)
Al Byoot Alarabia for Finance Lease Company	(3,000,000)
Raya Software Company	(7,881,711)
Best services company	(2,000,000)
Bin Company for Networks	(24,000)
Raya for Food and Beverages Company	(245,000)
Oratech for Management and Information Technology Company **	(500,000)
Oratech for communication and Information Systems Company*	(575,542)
Egyptian Company for Investment and Glass Production	(119,731)
International Business System Company – IBSE	(17,000,000)
Raya Smart Building	(99,945,455)
Impairment of investments in subsidiaries	(136,787,489)

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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6 - INVESTMENT IN ASSOCIATES

	Ownership percentage	30 September 2023	31 December 2022
		EGP	EGP
Allied Arab Company for Insurance	20%	642,000	642,000
		<u>642,000</u>	<u>642,000</u>

7 - INVESTMENTS AT FAIR VALUE THROUGH OCI

	Contribution %	30 September 2023	31 December 2022
		EGP	EGP
Smart village development & management company*	3.39	14,314,250	14,314,250
Qalaa holdings for financial consultancy	0.26	8,874,113	8,665,800
		<u>23,188,363</u>	<u>22,980,050</u>

* Investments are restricted at share cost, and the company is in the process of measuring them according to their fair value.

- 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 investment movement is as follows:

	30 September 2023	31 December 2022
	EGP	EGP
Fair value of investment on 1 January 2023	8,665,800	5,024,497
Add/Deduct: investment reserved Revaluation during the period \ year	208,313	3,641,303
Fair value of investment on 30 September 2023	<u>8,874,113</u>	<u>8,665,800</u>

8 - PREPAID EXPENSES AND OTHER DEBIT BALANCES

	30 September 2023	31 December 2022
	EGP	EGP
Prepaid expenses	7,046,645	3,892,538
Suppliers down payments	2,367,980	6,833,476
Deposit to others	37,451	37,451
Letters of guarantee	1,923,011	1,923,011
Other debit balances	211,693,207	60,428,547
	<u>223,068,294</u>	<u>73,115,023</u>

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023

9- DUE TO/DUE FROM RELATED PARTIES

	30 September 2023		31 December 2022	
	Debit EGP	Credit EGP	Debit EGP	Credit EGP
Raya Academy for It Training & Management	2,646,692	-	2,646,691	-
Raya Electronics Company (Previously Sama)	38,171,993	-	33,449,168	-
Raya Distribution Company	-	422,411,460	-	376,886,714
Best Service Company- Nigeria	-	1,197,661	-	1,197,661
Al Byoot Al Arabia for Finance Lease Company	-	11,206,445	-	11,222,653
Raya Network Services Company	2,366,604	190,080	932,755	-
Raya International Service Company	17,708,391	-	22,624,308	-
Raya Contact Centre Company	7,070,857	-	5,073,319	-
Raya for Contact Centre Building Management Company	3,735,054	-	3,343,964	-
Raya for social media Company	9,681,794	-	10,394,299	-
Ostool for Land Transport Company	18,343,135	-	671,545	-
Raya logistics	-	341,756,698	4,777	-
Raya Network power Company	7,868,145	-	-	2,159,345
Raya for Food and Beverages Company	62,467,654	-	61,873,127	-
Raya for Data Centres Company	-	1,163,759	-	2,064,284
Raya Restaurants Company	79,322,302	-	37,523,521	-
Raya Venture and Investment Company	43,013,993	-	42,515,059	-
Allied Arab Company for Insurance	-	389,554,880	210,000	-
Raya Integration Company	1,387	-	-	503,086,995
Integrated Technology Systems Company	-	4,321,386	730	-
Aman for Electronic Payments Company	1,478,491	-	891,117	-
Eden for Import and Export Company	96,551,247	-	1,408,440	-
Raya for Manufacturing and logistics Services Company	44,797,117	-	96,357,585	-
Aman for Financial Services Company	69,047,789	-	246,624,044	-
Raya Foods Company	44,344,253	-	44,087,904	-
Raya for advanced manufacturing Company	20,912,978	-	47,024,699	-
Aman for Micro finance Company	13,115,400	-	697,744	-
Aman holding company	102,740	-	4,895,697	-
Tadweer company for advanced industries	-	5,490,268	-	5,490,268
Raya for Modern vehicles Company	2,731,239	-	2,650,277	-
Raya Gulf Company	30,434,129	-	24,113,820	-
Raya Smart Building	-	51,464,619	-	43,685,552
Raya Haier Electric	54,095,569	-	46,054,392	-
Egypt international communication company	314,049	-	181,303	-
Raya For Agricultural Products	2,608,602	-	2,550,924	-
Raya international business furniture	9,946,566	-	54,743,683	-
United stores company	203,110	-	69,398	-
Aman Tawriq	17,545	-	10,000	-
Madova Company	-	5,318,900	1,315,718	-
Mazaya Company	9,546	-	-	-
Aman Consumer Finance	62,117	-	-	-
Impairment in Due from	(142,199,980)	-	(142,199,980)	-
	<u>540,970,508</u>	<u>1,234,076,156</u>	<u>652,740,028</u>	<u>945,793,472</u>

The Impairment movement represented in:

	30 September 2023 EGP
1 January 2023	(142,199,980)
Charged during the period	-
30 September 2023	<u>(142,199,980)</u>

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023

9- DUE TO/DUE FROM RELATED PARTIES (CONTINUED)

The Impairment movement in due from represented in:

	30 September 2023 EGP
1 January 2023	
Raya Academy for It Training & Management	(2,595,309)
Raya for Manufacturing and logistics Services Company	(44,797,117)
Raya for social media Company	(7,208,033)
Raya Network power Company	(15,599,521)
Raya Foods Company	(35,000,000)
Raya Restaurants Company	(37,000,000)
The Impairment in due from	(142,199,980)

10- CASH ON HAND AND AT BANKS

	30 September 2023 EGP	31 December 2022 EGP
Local currency		
Cash on hand	107,789	53,182
Time deposits – less than 3 months	1,405,199	1,405,199
Current accounts	122,400	130,779
	<u>1,635,388</u>	<u>1,589,160</u>
Foreign currency		
Current accounts	13,907,984	93,292
	<u>15,543,372</u>	<u>1,682,452</u>

11- CREDIT FACILITIES

The movement of credit facilities during the year ended 30 September 2023 and the year ended 31 December 2022 is as follows:

	30 September 2023 EGP	31 December 2022 EGP
1 January 2023	34,241,654	24,944,329
Used during the period / year	1,376,340,259	2,216,488,197
(payment) during the Period / year	(1,335,545,215)	(2,207,190,872)
30 September 2023	<u>75,036,698</u>	<u>34,241,654</u>

	30 September 2023 EGP	31 December 2022 EGP
Credit Facilities accrued due for 12 months	75,036,698	34,241,654
	<u>75,036,698</u>	<u>34,241,654</u>

	Interest Rate	Last maturity date	30 September 2023 EGP	31 December 2022 EGP
Credit facilities Current portion				
Credit facility (1)	2.60%+ CBE Corridor	30 September 2023	(5,337,926)	(3,969,285)
Credit facility (2)	1.64%+ CBE Corridor	30 September 2023	(6,045,088)	(5,009,849)
Credit facility (3)	1.97%+ CBE Corridor	30 September 2023	(63,653,684)	(25,262,520)
	Total credit facilities Current portion		<u>(75,036,698)</u>	<u>(34,241,654)</u>
Credit facilities non-current portion				
	Total credit facilities non-current portion		<u>(75,036,698)</u>	<u>(34,241,654)</u>

- The average interest rate on credit facilities granted to the company during the year was 12.40%.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

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12- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	30 September 2023 EGP	31 December 2022 EGP
Accrued expenses	56,616,725	54,898,643
Dividends payable	907,392	86,266,480
Other credit balances	206,701,457	203,478,726
	<u>264,225,574</u>	<u>344,643,849</u>

13- ACCOUNTS AND NOTES PAYABLE

	30 September 2023 EGP	31 December 2022 EGP
Accounts payable	1,636,843	1,745,410
Notes payable	322,543,008	100,000,000
Accounts payable - subsidiaries	458,751	627,283
	<u>324,638,602</u>	<u>102,372,693</u>

14- CAPITAL

	30 September 2023 EGP	31 December 2022 EGP
Authorized capital (LE 0.5-share par value)	5,000,000,000	5,000,000,000
Issued and paid-up capital	1,071,997,595	1,071,997,595
Shares number	2143995190	2143995190

15- SHARE BASED COMPENSATION

	30 September 2023 EGP	31 December 2022 EGP
Share based compensation*	<u>7,087,952</u>	<u>7,087,952</u>
	<u>7,087,952</u>	<u>7,087,952</u>

* On June 26, 2022, the Extraordinary Assembly unanimously approved the adoption of the draft reward and incentive system and the allocation of 107,199,760 shares, representing 5% of the company's shares, for the benefit of the reward and incentive system for employees, managers and executive board members of the company, and these shares are provided by issuing new shares.

To increase the capital in cash or by using part of the carry-forward profits and/or reserves after obtaining the approval of the General Assembly, at the nominal value of the share to finance the reward and incentive program and/or through treasury shares to finance the company's reward and incentive system.

16- LONG TERM LOANS AND FINANCE LEASE ARRANGEMENTS

	The current portion of the loan EGP	The non-current portion of the loan EGP	Loans on 30 September 2023 EGP	Loans on 31 December 2022 EGP
Financial lease contract	333,901,117	694,787,005	1,028,688,122	-
Administrative building loan	-	-	-	1,103,914,825
	<u>333,901,117</u>	<u>694,787,005</u>	<u>1,028,688,122</u>	<u>1,103,914,825</u>

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30 SEPTEMBER 2023

16- LONG TERM LOANS AND FINANCE LEASE ARRANGEMENTS (CONTINUED)

Finance lease contracts

Raya Holding Company, through its subsidiaries, has concluded contracts for the sale and leaseback of some assets owned by its subsidiaries, with the holding company obtaining financing directly.

The Group applied Egyptian Accounting Standard No. 49 on Lease to financial leases concluded in accordance with Law 95 and in applying the standard the Group evaluated whether the sales contracts met the requirements contained in Standard 48 on Revenue. It was found that the conditions for the transfer of control were not available and therefore all contracts were treated as financing and therefore the asset sold continues to be recognized with the amounts received as financing and there is no impact on the financial statements since the financing was recognized as a liability to their books and the subsidiaries recognize the assets sold within their fixed assets.

The company has obtained financing arrangement loans in the form of financial lease contracts with one of the financial leasing companies according to the following:

First Contract

- The company signed a financial lease contract with one of the financial leasing companies to finance the completion of the administrative building of Raya Holding Group of Companies for Technology and Communications in Sixth of October City in the amount of 50,000,000 Egyptian pounds, and the loan is repaid in 60 monthly instalments starting from September 3, 2018 until May 3, 2023, and the loan balance on 30 Sep 2023 amounted to 2,365,819 EGP (31 December 2022 EGP 12,059,596).

Collaterals provided by the company.

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

Second Contract

The company signed a financial lease contract with one of the financial leasing companies to finance the completion of the administrative building of Raya Holding Group of Companies for Technology and Communications in Sixth of October City in the amount of 100,000,000 Egyptian pounds, and the loan is paid in 60 monthly instalments starting from November 3, 2018 until October 3, 2023, and the loan balance on 30 Sep 2023 amounted to 15,899,214 EGP (31 December 2022 EGP 33,800,491)

Collaterals provided by the company.

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

Third Contract

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 EGP 70,000,000 with current interest rate. The loan will be paid over 60 monthly installments starting on 3 October 2019 to 3 December 2024. The balance of the loan on 30 Sep 2023 amounted to 26,347,766 EGP (31 December 2022 EGP 36,789,783)

Collaterals provided by the company.

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

Fourth Contract

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 EGP 40,000,000. The loan will be paid over 60 monthly installments starting on 3 July 2020 to 3 September 2025. The balance of the loan on 30 Sep 2023 amounted to 17,226,746 EGP (31 December 2022 EGP 22,906,341).

Collaterals provided by the company.

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

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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16 - LONG TERM LOANS AND FINANCE LEASE ARRANGMENTS (CONTINUED)

Fifth Contract

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 EGP 20,695,996. The loan will be paid quarterly installments over 20 installments starting on 25 April 2018 to 25 January 2023. The balance of the loan on 30 Sep 2023 amounted to 2,784,600 EGP (31 December 2022 amount of 5,297,098 EGP).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company (subsidiary company), Raya advanced manufacturing (subsidiary company) and the company are considered promissory notes for this facility.

Six Contract

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 EGP 20,695,996. The loan will be paid quarterly installment over 20 installments starting on 15 August 2018 to 15 May 2023. The balance of the loan on 30 Sep 2023 amounted to 1,430,285 EGP (31 December 2022 EGP 5,297,098).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company (subsidiary company), Raya advanced manufacturing (subsidiary company) and the company are considered promissory notes for this facility.

Seven Contract

The company has signed a finance lease contract with a leasing company to Lease entire 1st Floor and land of Galleria 40 which owned by RAYA for finance leasing, with the amount of LE 100,000,000. The loan will be paid over 20 quarterly installments starting on 25 December 2019 to 25 September 2024. The balance of the loan on 30 Sep 2023 amounted to 26,374,520 EGP. (31 December 2022 EGP 42,779,634).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company (subsidiary company), Raya advanced manufacturing (subsidiary company) and the company are considered promissory notes for this facility.

Eight Contract

The company has signed a financial lease contract with a financial leasing company to rent the entire land and build the upper commercial basement in the eastern administrative building B in Galleria 40 building, owned by Raya Leasing Company, at an amount of \$1,539,222, and the loan is repaid in 20 instalments, Quarterly starting from 30 January 2020, until 30 October 2024. The loan balance on 30 Sep 2023 amounted to 447,409.12 USD, equivalent to EGP 13,802,571.

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company (subsidiary company), Raya advanced manufacturing (subsidiary company) and the company are considered promissory notes for this facility.

Nine Contract

The company has signed a financial lease agreement with one of the financial leasing companies in order to rent the entire land and build the commercial ground floor in the eastern administrative building B in Galleria 40 building owned by Raya Financial Leasing Company for an amount of 58,000,000 Egyptian pounds, the loan is repaid in 20 quarterly instalments Annual starting from May 12, 2020 until February 12, 2025, and the loan balance on 30 Sep 2023 amounted to 18,627,079 EGP (31 December 2022 EGP 27,690,953).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company (subsidiary company), Raya advanced manufacturing (subsidiary company) and the company are considered promissory notes for this facility.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023

16 - LONG TERM LOANS AND FINANCE LEASE ARRANGMENTS (CONTINUED)

Ten Contract

The company has signed a financial lease contract with one of the financial leasing companies to rent the entire land and build the upper commercial basement floor in the eastern administrative building B in Galleria 40 building owned by Raya Financial Leasing Company for an amount of \$1,999,714, and the loan is repaid in 20 instalments Quarterly starting from March 5, 2020, until December 5, 2024. The loan balance on 30 Sep 2023 amounted to 581,403.35 USD equivalent to EGP 17,936,293.

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Eleven Contract

The company signed a financial lease contract with one of the financial leasing companies in order to rent the entire land and build the upper commercial basement floor in the eastern administrative building B in Galleria 40 building, owned by Raya Company for the Construction and Management of Buildings at an amount of EGP 113,400,000, and the loan is repaid on 20 Quarterly instalments starting from April 10, 2020 until January 10, 2025. The loan balance on 30 Sep 2023 amounted to 42,947,604 EGP (31 December 2022 EGP 59,916,119).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Twelve Contract

The company signed a financial lease contract with one of the financial leasing companies to rent a real estate area of 802.50 square meters and its share in the land and the common parts of the entire land and build the commercial upper basement floor in the eastern administrative building B in Galleria building 40 owned by Raya Construction and Management Company The building 2020, amounting to 50,033,037 EGP, and the loan is repaid in 20 quarterly instalments starting from 30 April 2020 until January 30, 2025. The loan balance on 30 Sep 2023 amounted to 19,007,634 EGP (31 December 2022 EGP 26,488,843).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Thirteen Contract

The company has signed a financial lease contract with one of the financial leasing companies to rent the entire land and build the basement floor in the eastern administrative building B in Galleria 40, owned by Raya Company for the Construction and Management of Buildings for an amount of EGP 29,966,963, and the loan is repaid in 20 quarterly instalments Annually starting from 30 April 2020 until January 30, 2025. The loan balance on 31 March 2023, amounted to EGP 24,060,069 (31 December until January 30, 2025, and the loan balance on 30 Sep 2023 amounted to 11,384,499 EGP (31 December 2022 EGP 15,865,320).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Fourteen Contract

The company has signed a financial lease contract with one of the financial leasing companies to rent the entire land and build the basement floor in the western administrative building inon 31ria 40 building, owned by Raya Company for Construction and Building Management at an amount of EGP 100,000,000, and the loan is repaid in 20 quarterly instalments Annual starting from 28 December 2020 until 28 September 2025, and the loan balance on 30 Sep 2023 amounted to 49,210,141 EGP (31 December 2021 EGP 62,934,784).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023

16 - LONG TERM LOANS AND FINANCE LEASE ARRANGMENTS (CONTINUED)

Fifteen Contract

The company has signed a financial lease contract with one of the financial leasing companies in order to rent the entire land and build the basement floor in the western administrative building in Galleria 40 building, owned by Raya Construction and Building Management Company, at an amount of 50,000,000 Egyptian pounds, and the loan is repaid in 20 quarterly instalments Starting from 25 May 2022 until 15 November 2025 the loan balance on 30 Sep 2023 amounted to 27,169,889 EGP (31 December 2022 33,749,350 EGP).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Sixteen Contract

The company has signed a financial lease agreement with one of the financial leasing companies in order to rent the entire land and build the commercial ground floor in the western administrative building in Galleria 40 building, owned by Raya Construction and Building Management Company for an amount of EGP 100,000,000 and the loan is repaid in 20 quarterly instalments Annually starting from 25 December 2021 until 25 September 2026, and the loan balance on 30 Sep 2023 amounted to 69,572,656 EGP (31 December 2022 EGP 81,265,888).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Seventeen Contract

The company signed a financial lease contract with one of the financial leasing companies in order to lease the entire land and build the first administrative floor in the western administrative building in Galleria Building 40, owned by Raya Leasing Company for an amount of 100,000,000 Egyptian pounds, and the loan is repaid in 20 quarterly instalments starting from 15 January 2022 until 15 October 2026 The loan balance on 30 Sep 2023 amounted to 73,693,295 EGP (31 December 2022 amounted to 80,043,639 EGP)

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Eighteen Contract

The company signed a financial lease contract with one of the financial leasing companies to lease the entire land and build the second and third floors in the western administrative building in Galleria Building 40, owned by Raya Leasing Company for an amount of 150,000,000 Egyptian pounds, and the loan is repaid in 20 quarterly instalments starting from 25 January 2022 until 25 October 2026 The loan balance on 30 Sep 2023 amounted to 110,866,941 EGP (31 December 2022 amounted to 127,496,029 EGP.)

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Nineteen Contract

The company signed a financial lease contract with one of the financial leasing companies in order to lease the entire land and build the second floor above the ground and basement, in addition to an area of 5,223 m of the total flat floor of the middle basement floor in the eastern administrative building in Galleria Building 40, owned by Raya Leasing Company, for an amount of 122,792,454 Egyptian pounds, and the loan is repaid in 20 quarterly instalments starting from 5 March 2022 until 5 December 2026 The loan balance on 30 Sep 2023 amounted to 91,367,863 EGP (31 December 2022 amounted to 104,798,698 EGP)

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Twenty Contract

The company signed a financial lease contract with one of the financial leasing companies to finance the completion of the administrative building of Raya Holding Group of Companies for Financial Investments in Sixth of October City in the amount of 150,000,000 Egyptian pounds, and the loan is repaid in 60 monthly instalments starting from 3 September 2022 until 3 August 2027. The loan balance on 30 Sep 2023 amounted to 126,827,625 EGP (31 December 2022 EGP 141,443,849).

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30 SEPTEMBER 2023

16 - LONG TERM LOANS AND FINANCE LEASE ARRANGMENTS (CONTINUED)

Twenty-one Contract

The company signed a financial lease contract with one of the financial leasing companies to lease the entire land and build the basement, which has an area of 5,223 m of the total flat floor of the middle basement floor in the eastern administrative building in Galleria Building 40, owned by Raya Leasing Company, for an amount of 149,095,661 EGP, and the loan is repaid in 20 quarterly instalments starting from 27 December 2022 until 27 September 2027. The loan balance on 30 Sep 2023 amounted to 130,323,255 EGP (31 December 2022 amounted to 144,522,338 EGP)

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

Twenty-Two Contract

The company signed a financial lease contract with one of the financial leasing companies to lease the entire land and build the basement, which has an area of 2,250 m of the total flat floor of the middle basement floor in the eastern administrative building in Galleria Building 40, owned by Raya Leasing Company, for an amount of 150,000,000 EGP, and the loan is repaid in 60 quarterly instalments starting from 30 June 2023 until 30 April 2028. The loan balance on 30 Sep 2023 amounted to 136,306,427EGP.

Collaterals provided by the company.

- Promissory note signed by Raya Holding Company.
- All documents related to this facility signed by Raya Distribution Company and Raya Smart (subsidiary company) and the company are considered promissory notes for this facility.

17- RELATED PARTY DISCLOSURES

For preparing the financial statements, a party is considered related to the company if the company could control or has influential influence, directly or indirectly, in making financial and operational decisions or vice versa, or if the company and this party are under the joint control of other individuals or companies.

- Related parties represented in Ultimate Parent Company, associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly or significantly influenced by such parties, pricing policies and term of these transactions are approved by the Company's management.
- Transactions with related parties are carried out on terms equivalent to those prevailing in free transactions and netting contracts have been approved at the Ordinary General Assembly.
- The following is a statement of the most important of these transactions:

A- Service revenue

An amount of EGP 71,686,099 for the period ended on 30 Sep 2023 was charged to some subsidiaries calculated as a percentage of the revenues of these subsidiaries (30 Sep 2022 amounted to 44,298,335 EGP).

B-Administration Services

The company provides administrative and financial services to its subsidiaries through its central service departments (Personnel Department, Information Systems Department, Legal Department, Marketing Department, Financial Department) and these services are charged to the subsidiaries, and the cost of those services charged to the subsidiaries for the period ended on 30 Sep 2023 amounted to 87,663,904 EGP (31 December 2022 amount of 72,763,329 EGP) and the general and administrative expenses were reduced by these amounts due to charging the subsidiaries.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30 SEPTEMBER 2023

17- RELATED PARTY DISCLOSURES (CONTINUED)

C- Transactions with related during the period are as follows:

Company	Nature of relationship	30 September 2023		
		Net financing EGP	Purchases EGP	Distribution EGP
Raya Integration Company	Subsidiary company	(197,466,932)	18,715,159	309,396,593
Raya Network power Company	Subsidiary company	-	1,969,265	-
Raya Distribution Company	Subsidiary company	(128,615,505)	14,972,563	68,118,196
Raya Network Services Company	Subsidiary company	-	1,433,849	-
Raya Contact Centre Company	Subsidiary company	(842,985)	14,972,563	-
Raya International Service Company	Subsidiary company	-	2,952,229	-
Ostool for Land Transport Company	Subsidiary company	(14,500,889)	1,095,658	31,076,821
Raya for Manufacturing and logistics Services Company	Subsidiary company	-	185,194	-
Raya for social media Company	Subsidiary company	(712,505)	-	-
Information Technology Centre Company	Subsidiary company	-	657	-
Raya Electronics Company (Previously Sama)	Subsidiary company	-	4,774,714	-
Raya for Data Centres Company	Subsidiary company	(438,442)	1,338,967	-
Raya logistics	Subsidiary company	(341,894,961)	-	-
Raya Restaurants Company	Subsidiary company	36,036,855	5,761,927	-
Raya Building Management Company	Subsidiary company	(11,875,457)	4,096,390	-
Aman for Electronic Payments Company	Subsidiary company	(6,100,451)	887,949	-
Raya for Contact Centre	Subsidiary company	(2,366,000)	2,757,089	-
Raya Gulf Company	Subsidiary company	-	6,320,308	-
Raya Foods Company	Subsidiary company	(764,657)	1,021,006	-
Raya Venture and Investment Company	Subsidiary company	-	498,704	-
Aman holding company	Subsidiary company	(5,000,000)	207,043	-
Raya for Modern vehicles Company	Subsidiary company	-	80,961	-
Raya Haier Electric	Subsidiary company	320,884	7,720,293	-
Raya For Agricultural Products	Subsidiary company	-	57,678	-
United stores company	Subsidiary company	-	130,910	-
Egypt international communication company	Subsidiary company	-	132,746	-
Aman for Micro finance Company	Subsidiary company	12,417,656	-	-
Aman for Financial Services Company	Subsidiary company	(187,473,882)	9,897,627	-
Raya for advanced manufacturing Company	Subsidiary company	(29,668,000)	3,556,279	-
Arab for financial leasing	Subsidiary company	-	16,208	-
Import and Export Eden Company	Subsidiary company	-	70,051	-
Mazya Company	Subsidiary company	-	9,546	-
Madova Company	Subsidiary company	-	-	10,672,960
Aman Consumer finance	Subsidiary company	-	62,117	-
Raya for Food and Beverages Company	Subsidiary company	594,527	-	-
		<u>(878,350,744)</u>	<u>105,695,650</u>	<u>419,264,570</u>

18 - INCOME TAX

	30 September 2023	31 December 2022
	EGP	EGP
Deferred tax	896,927	1,223,038
	<u>896,927</u>	<u>1,223,038</u>

18-2 DEFERRED TAX

	Statement of financial position		Statement of profit or loss		Statement of owner's equity	
	30 September 2023	31 December 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Depreciation of fixed assets	2,429,291	1,532,364	896,927	423,436	-	-
Investment at fair value through other comprehensive income	(1,031,146)	(984,276)	-	-	(46,870)	183,732
Differences of foreign currency translation	-	-	-	-	12,457,268	-
Net deferred tax	<u>1,398,145</u>	<u>548,088</u>	<u>896,927</u>	<u>423,436</u>	<u>12,410,398</u>	<u>183,732</u>

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30 SEPTEMBER 2023

19 - EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing net profit attributable to the equity holders by the weighted average number of shares outstanding during the period.

	30 September 2023	30 September 2022
	EGP	EGP
Net profits for the period	56,689,441	85,760,197
Deduct:		
Employees' share	(5,668,944)	(8,576,020)
Board of directors' share	(510,205)	(771,842)
Net profit attributable to the equity holders (estimated)	50,510,292	76,412,335
Weighted average number of shares for the period	2143995190	2143995190
	0.023	0.036

The employees' share and the remuneration of the members of the Board of Directors were calculated on the basis of a hypothetical distribution project for the year's net profits, for the purpose of calculating the earnings per share.

20 - OTHER LONG-TERM LIABILITIES

Other Long-term liabilities represent value of the end of service benefits for more than five years.

21- TREASURY SHARES

On September 10, 2022, the Board of Directors approved the company's purchase of treasury shares, about 60,000,000 (sixty million Egyptian pounds) for one year, which represents about 1.45% of the company's total shares. The balance of treasury shares in June 30, 2023, with total amount 7,868,547 Egyptian Pound for total shares 3346306 share. We started to proceed with the procedures for destroy of Those shares according to the law, a model 48 has been prepared in order to proceed with the preparation for Calling the General Assembly. The procedures for destroy of those shares have already begun in accordance with the law, and this model is currently being reviewed with the competent department, leading the company to approve the cancellation of the shares and the reduction of capital at the General Authority for Financial Supervision, shall be approved by the Board of Directors immediately upon completion of the Authority's review of the form calling. We expect, to complete all procedures and mark the capital reduction in the commercial registry before the end of This current year.

22- CONTINGENT LIABILITIES

Contingent liabilities as of 30 September 2023 amounted to 3,310,599EGP (31 December 2022 EGP 3,310,599) to guarantee Raya smart building with banks in exchange for granting long-term loans.

23- FINANCE COST (NET)

	30 September 2023	30 September 2022
	EGP	EGP
Finance expenses	(363,285,518)	(154,393,554)
Finance income	-	1,221,208
	(363,285,518)	(153,172,346)

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023**

24 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

- a) Market risk
- b) Credit risk
- c) Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management are responsible for developing and monitoring the risk management policies and report regularly on their activities.

The Company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in other areas.

And the company financial instruments represented in financial assets (Cash in hand and at bank, notes receivable, financial investments, due from related parties and other debit balances) and financial liabilities.
(Loans and credit facilities, due to related parties, long term liabilities, dividends payable).

And note (2) of the financial statements notes and accounting policies followed to the basis for recognizing the above-mentioned financial assets and liabilities and related income and expenses.

The fair value of financial assets and liabilities does not differ materially from their book value at the financial position.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Company's income. Financial instruments affected by market risk include credit facilities with interests and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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:

		30 September 2023		31 December 2022
		EGP		EGP
USD		13,799,589		14,453
EURO		106,448		76,243
GBP		1,947		2,597

		30 September 2023		31 December 2022
Currency	Change Ratio	The effect in profit before Tax	Change Ratio	The effect in profit before Tax
	%	EGP	%	EGP
USD	%10+	1,379,959	%10+	1,445
USD	%10-	(1,379,959)	%10-	(1,445)
EUR	%10+	10,645	%10+	7,624
EUR	%10-	(10,645)	%10-	(7,624)
GBP	%10+	195	%10+	260
GBP	%10-	(195)	%10-	(260)

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023

24 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 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 30 September 2023 are 2,418,747,759 EGP (31 December 2022 EGP 1,443,358,413) and value of related interest charged during the year ended 30 September 2023 are 363,285,518 EGP (31 December 2022 EGP 168,034,288), 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.

This change has no effect on equity other than the impact of profits as described below:

	30 September 2023		31 December 2022	
	Change in rate	Effect on profit before tax EGP	Change in rate	Effect on profit before tax EGP
Financial asset	+1%	3,632,855	+1%	2,241,762
	- 1%	(3,632,855)	- 1%	(2,241,762)
Financial liability	+1%	24,187,478	+1%	20,839,500
	- 1%	(24,187,478)	- 1%	(20,839,500)

Credit risk

Credit risk is the risk of financial losses incurred by the company in the event that the customer or counterparty fails to fulfill its contractual obligations. The Company is exposed to credit risk mainly from customer balances and receivables, miscellaneous debtors and other debit balances, related party receivables and Credit granted to subsidiaries and associates companies as well as from its financial activities, including deposits with banks and financial institutions.

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 the 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.

Liquidity risk

The cash flows, funding requirements and liquidity of the Company are monitored by Company's management. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities. The Company manages liquidity risk by maintaining adequate reserves and credit facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below Summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Financial liabilities 30 September 2023	Less than 3 Months EGP	From 3 to12 Months EGP	From 1 to 5 years EGP	Total EGP
Loans & finance lease arrangement contracts	-	333,901,117	694,787,005	1,028,688,122
Credit Facilities	75,036,698	-	-	75,036,698
Accounts payable and other credit balances	324,638,602	-	-	324,638,602
Accrued expenses and other credit balances	-	264,225,574	-	264,225,574
Due to related parties	-	438,340,979	876,681,960	1,315,022,939
Long term liabilities	-	31,920,276	-	31,920,276
Total undiscounted financial liabilities	<u>399,675,300</u>	<u>1,068,387,946</u>	<u>1,571,468,965</u>	<u>3,039,532,211</u>

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30 SEPTEMBER 2023

24 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

Financial liabilities 31 December 2022	Less than 3 Months EGP	From 3 to 12 Months EGP	From 1 to 5 years EGP	Total EGP
Loans & finance lease arrangement contracts	-	309,731,434	794,183,390	1,103,914,824
Credit Facilities	34,241,654	-	-	34,241,654
Accounts payable and other credit balances	102,372,693	-	-	102,372,693
Accrued expenses and other credit balances	-	259,472,476	-	259,472,476
Due to related parties	-	315,264,490	630,528,982	945,793,472
Long term liabilities	-	36,286,682	-	36,286,682
Total undiscounted financial liabilities	<u>136,614,347</u>	<u>920,755,082</u>	<u>1,424,712,372</u>	<u>2,482,081,801</u>

25- TAX POSITION

Corporate Tax

- The Company is committed to submit tax returns in accordance with the Law No. 91 of 2005 and its amendments in legal due dates.
- The Company's records were inspected since inception till the year 2004 and all tax differences were paid.
- The Company was not notified for inspection for the years from 2005 till 2008.
- The Company's records were inspected on estimated basis for the years from 2009 till 2014. The dispute was issued to legal authority. Some items were re-examined in the tax authority, and the dispute regarding the re-examination was settled, and the dispute is being resolved to the court.
- The Company's records were inspected on estimated basis for the years from 2015 till 2022. The Company is currently preparing for actual basis inspection.

Salary Tax

- The Company's records were inspected till the year 2017 and all tax differences were paid.
- The company's records weren't examined for the period from 2018 to 2022.

Stamp duty Tax

- The Company's records were inspected since inception till 2014 and all tax differences were paid till first quarter of 2018.
- The company's records weren't examined for the period from 2015 to 2022.

Value added Tax.

- The company was registered in the General Tax on Value Added in accordance with the provisions of Law No. 67 of 2016.
- The company submits the declarations on the legal date.
- The company's records were examined for the years 2016 to 2017, and all tax differences were paid.
- The company's records weren't examined for the period from 2018 to 2022.

Property Tax

- The property tax has been paid until 31 December 2022.

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023

26 - SIGNIFICANT MATTERS

The slowdown of many economies of major countries in the past period has led to a combination of rising global commodity prices, Supply chain disruption and high shipping costs, In addition to the volatility of financial markets in emerging countries, Which led to inflationary pressures that affected the economies of many countries, including the economy of the Arab Republic of Egypt, The war between Russia and Ukraine has led to a decline in foreign exchange flows from tourism as well as from foreign direct investment, which has resulted in higher prices in general. This increase in global prices put additional pressure on the local currency (the Egyptian pound). Which necessitated the intervention of the Central Bank of Egypt to raise the interest rate on the Egyptian pound and move the exchange rate during 2022 and 2023, and this movement resulted in a decrease in the value of the Egyptian pound against the US dollar during that period, which resulted in companies with large balances of foreign currency liabilities, whether short-term or long-term, being affected by large losses as a result of retranslating these balances according to the exchange rate after moving it.

These losses were significantly reflected on the results of the business of these companies in the income statement (profit or loss statement), and affected the financial performance of those companies.

On 16 May 2023, the Prime Minister's Decree No. 1847 of 2023 was issued amending some provisions of the Egyptian Accounting Standards - Annex (B) of the Egyptian Accounting Standard No. (13) amended 2015 "The effects of changes in foreign exchange rates" in order to develop an optional special accounting treatment through which the effects of moving the foreign exchange rate can be dealt with on the financial statements of the entity whose dealing currency is the Egyptian pound. This optional special accounting treatment issued Annex shall not be considered an amendment to the amended Egyptian Accounting Standards currently in force, beyond the time period of validity of this Appendix.

The first treatment: Assets financed with liabilities in a foreign currency:

An entity that has established, during the period from the beginning of January 2020 until the date of moving the exchange rate, to acquire fixed assets and / or real estate investments and / or exploration and valuation assets and / or Intangible assets other than goodwill (funded by foreign currency liabilities), To make a Recognition in the cost of those assets the currency differences resulting from re-translation of the existing commitment balance related to the date of moving the exchange rate using the exchange rate on the date of exchange. The entity can apply this option for each asset separately, and the adjusted net cost should not exceed the recoverable value of the asset, which is measured in accordance with the requirements of Egyptian Accounting Standard No. (31) Modified "Impairment of Assets".

Second treatment: foreign exchange differences:

An exception from the requirements of paragraph No. "28" of the modified Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" for recognizing currency differences, an entity whose business results have been affected by the net profit or loss of currency differences as a result of moving the exchange rate of foreign currencies can recognize the items of other comprehensive income the debit and credit currency differences resulting from the re-translation of the balances of items of a monetary nature that existed on 31 March 2022 using the closing price on the same date deduct from it any currency translation differences that have been recognized in the cost of assets in accordance with the first treatment of this Appendix, considering that such differences are primarily due to exchange rate changes.

The amount of currency differences arising on the re-translation of monetary items, which were presented in other comprehensive income, is recognized in the profit or loss carried at the end of the same financial period to apply the accounting treatment in this appendix.

The group has applied the first and second treatments to this supplement and the result of the application is as follows:

Item	Amount of Increase (Decrease) EGP
Foreign Exchange Valuation Differences (Statement of Profit or Loss)	300,425
Foreign Exchange Valuation Differences (Statement of Comprehensive Income)	(55,365,636)

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2023

26 - SIGNIFICANT MATTERS (CONTINUED)

B- New issues and amendments to Egyptian accounting standards

on 6 March 2023, Council of Minister's was issued decision No. 883 of 2023 to amend some provisions of Egyptian Accounting Standards. The following is a summary of the most important of these amendments:

New or reissued standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
<p>Egyptian Accounting Standard No. (10) Amended 2023 "Fixed Assets and Their Depreciation" Egyptian Accounting Standard No. (23) Amended 2023 "Intangible Assets"</p>	<p>These standards were reissued in 2023, which were allowed to use the revaluation model for some of the prevailing accounting standards, and the following is a list of those standards:</p> <ul style="list-style-type: none"> • Egyptian No. 5 "Accounting policies and changes in accounting estimates and errors" • Egyptian Accounting Standard No. 24 "Income Taxes" • Egyptian Accounting Standard No. 30 "Interim Financial Statements" • Egyptian Accounting Standard No. 31 "impairment of assets" • Egyptian Accounting Standard No. 49 "Lease Contracts". " <p>2- In line with the amendments in amended Egyptian Accounting Standard No. 35 in 2023 "Agriculture", paragraphs (3), (6), (37) of the Egyptian Accounting Standard No. 10 "Fixed Assets and their Depreciation" were amended, and addition Paragraphs 22 (A), 80 (C) and 80 (D) in the same standard, with related to bearing plants.</p> <p>-The company is not required to disclose the quantitative information required under Paragraph 28 (f) of the Egyptian</p>	<p>In case the option of the revaluation model included in those standards is used, the company's management must study the possibility of changing the accounting policy followed and evaluate the potential impact on the financial statements if that option is used.</p> <p>If the management applied the amendments. the management must evaluate the potential impact on the financial statements."</p>	<p>Amendments application related to add the option of use the revaluation model beginning in or after 1 January 2023 retrospectively, in addition to mention the cumulative effect of applying the revaluation model initially by adding it to the revaluation surplus account in equity at beginning of the financial period which the company applied this model for the first time.</p> <p>The amendments will be applied for the annual periods that beginning of or after 1 January 2023 retrospectively, in addition to mention the cumulative effect of applying the accounting treatment of bearing plants initially by adding it to the profit or loss balance carried forward at the beginning of the financial period that the company will be apply this form for the first time.</p>

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	<p>Accounting Standard No. 5 for the current period, which is the period of the financial statements in which applied the standard for the first time the Egyptian Accounting Standard No. 35 Accelerated 2023, and the Egyptian Accounting Standard No. 10 Amendment 2023 with related to bearing plants.</p> <p>However, the quantitative information disclosure was required by paragraph 28(F) of IAS 5 for each prior period presented.</p> <p>The company may choose to measure an item of bearing plants at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company applied the above amendments for first time and use that fair value as its default cost at this date. Any difference between the previous carrying amount and fair value in the opening balance, recognize the difference in surplus revaluation account in equity at the beginning of the earliest period presented.</p>		
<p>Egyptian Accounting Standard No. 34 Amended 2023 "Real Estate Investment"</p>	<p>1- These standards were reissued in 2023 which were allowed the use of the fair value model in subsequent measurement of real estate investments.</p> <p>2- as a result there was amendment to some of the paragraphs related to the use of the fair value model option in some prevailing Egyptian accounting standards, and the following is a statement of those standards:</p> <p>Egyptian Accounting</p>	<p>Recently, the management studied the potential of change accounting policy and using fair value model option and evaluated the impact on financial statements if the management used this option</p>	<p>The amendments will be applied for the annual periods that beginning of or after 1 January 2023 retrospectively, in addition to mention the cumulative effect when applying at first time the fair value model and add it to profit or loss balance would be transferred at the beginning of financial period that the company applied this model for first time.</p>

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	<ul style="list-style-type: none"> - Standard No. 1 "Presentation of Financial Statements" - Egyptian Accounting Standard No. 5 "Accounting policies, changes in accounting estimates and errors" - Egyptian Accounting Standard No. 13 "The Effects of Changes in Foreign Exchange Rates" - Egyptian Accounting Standard No. 24 "Income Taxes". - Egyptian Accounting Standard No. 30 "Interim Financial Statements" - Egyptian Accounting Standard No. 31 "impairment of assets" - Egyptian Accounting Standard No. 32 "Non-current assets held for sale and discontinuing operations." - Egyptian Accounting Standard No. 49 "Lease Contracts" 		
<p>Egyptian Accounting Standard No. 50 "Insurance Contracts"</p>	<p>1- This standard defines the principles of recognition insurance contracts that were in scope of this standard, and determines their measurement, presentation, and disclosure. The standard's objective is to ensure that the company provides appropriate information that fairly present those contracts. This information provides users of financial statements with the necessary basis for evaluating the impact of those insurance contracts on the company's financial position, financial performance, and cash flow.</p> <p>2- Egyptian Accounting Standard No. 50 replaces</p>	<p>Recently, the management evaluated the potential impact on financial statements from applying this standard.</p>	<p>The Egyptian accounting standards No. 50 must be applied for the annual periods that beginning of or after 1 July 2024. If the Egyptian Accounting Standard No. 50 was applied for an earlier period, the company must disclose.</p>

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	<p>and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p> <p>3- Any reference in other Egyptian Accounting Standards to Egyptian Accounting Standard No. (37) must be replaced by Egyptian Accounting Standard No. 50.</p> <p>4- Amendments have been made to the following financial accounting standards to comply with the requirements of applying Egyptian Accounting Standard No. 50 Insurance Contracts", which are as follows:</p> <ul style="list-style-type: none">• Egyptian Accounting Standard No. 10 "Fixed Assets and Their Depreciation".• And Egyptian Accounting Standard No. 23 "Intangible Assets".• Egyptian Accounting Standard No. 34 "Real Estate Investment		
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