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**RAYA HOLDING COMPANY FOR
FINANCIAL INVESTMENTS (S.A.E)
INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024
TOGETHER WITH LIMITED REVIEW REPORT**

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

INTERIM STANDALONE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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Limited Review Report of Interim Standalone Financial Statements

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

Introduction

We have reviewed the accompanying interim standalone statement of financial position of **Raya Holding Company for Financial Investments (S.A.E.)** as of 30 September 2024, as well as the related interim standalone statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim standalone financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim 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 interim standalone financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim standalone financial statements does not give a true and fair view, in all material respects, of the interim standalone financial position of the entity as of 30 September 2024, and of its standalone financial performance and its standalone cash flows for the nine months ended then in accordance with Egyptian Accounting Standards.

Cairo: 14 November 2024


Mohamed Ahmed Abu Elkassim
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FESAA - FEST

RAA 17553

CMAR 359

United for Auditing and Tax
UHY - United

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

INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2024

	Note	30 September 2024 EGP	31 December 2023 EGP
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	(3)	63,962,800	72,416,280
Intangible assets	(4)	411,690	816,498
Projects under construction		7,775,262	-
Investments in subsidiaries	(5)	3,403,902,303	3,250,817,090
Investments in associates	(6)	642,000	642,000
Investments at fair value through other comprehensive income	(7)	23,563,326	25,604,787
Deferred tax assets	(18-2)	30,090,443	15,530,199
TOTAL NON-CURRENT ASSETS		3,530,347,824	3,365,826,854
CURRENT ASSETS			
Notes receivable		-	53,500
Due from related parties	(9)	675,417,434	599,852,091
Prepaid expenses and other debit balances	(8)	94,872,397	213,386,499
Share based compensation	(15)	7,986,952	2,993,891
Cash on hand and at banks	(10)	1,659,813	2,441,123
TOTAL CURRENT ASSETS		779,936,596	818,727,104
TOTAL ASSETS		4,310,284,420	4,184,553,958
EQUITY AND LIABILITIES			
EQUITY			
Capital	(14)	1,070,324,442	1,071,997,595
Legal reserve		96,298,025	96,298,025
General reserve		36,195,199	36,195,199
Treasury shares	(21)	(4,883,071)	(7,868,548)
Reserve of revaluation of Investments at fair value through OCI (Accumulated losses)		3,842,326	5,424,459
(Losses) for the period / year		(399,794,977)	(222,208,562)
		(249,250,804)	(126,939,829)
TOTAL EQUITY		552,731,140	852,898,339
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term loans and finance lease arrangements	(16)	440,424,714	608,822,684
Other long-term liabilities	(20)	30,697,164	45,523,835
TOTAL NON-CURRENT LIABILITIES		471,121,878	654,346,519
CURRENT LIABILITIES			
Credit facilities	(11)	62,388,970	44,452,214
Accrued expenses and other credit balances	(12)	566,917,119	268,299,167
Accounts and notes payable	(13)	559,212,389	429,303,614
Due to related parties	(9)	1,829,669,218	1,598,806,518
Long term loans and finance lease arrangements	(16)	268,243,705	336,447,587
TOTAL CURRENT LIABILITIES		3,286,431,402	2,677,309,100
TOTAL LIABILITIES		3,757,553,280	3,331,655,619
TOTAL LIABILITIES AND EQUITY		4,310,284,420	4,184,553,958

CHIEF FINANCIAL OFFICER
HOSSAM HUSSEIN

CHIEF EXECUTIVE OFFICER
AHMED KHALIL

CHAIRMAN
MEDHAT KHALIL

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

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

INTERIM STANDALONE STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Note	For The nine months ended 30 September 2024 EGP	For The nine months ended 30 September 2023 EGP	For The three months ended 30 September 2024 EGP	For The three months ended 30 September 2023 EGP
Revenues of investing in subsidiaries	(17-C)	296,066,243	419,264,570	23,407,950	91,619,744
Service Revenue	(17-A)	110,952,615	71,686,099	43,007,517	24,871,849
Dividends from financial investments at a fair value through OCI		2,007,867	1,405,880	-	1,405,880
TOTAL REVENUES		409,026,725	492,356,549	66,415,468	117,897,473
General and administrative expenses		(69,375,980)	(70,916,249)	(31,133,077)	(28,273,288)
Board of directors Remuneration		(3,620,000)	(375,000)	(3,220,000)	-
Selling and marketing expenses		(5,993,024)	(2,890,001)	(3,536,779)	(1,652,195)
Finance cost (net)	(23)	(580,188,513)	(363,285,518)	(210,287,778)	(142,828,272)
Foreign currency exchange differences		(894,204)	300,425	275,201	514,630
Other Income		598,462	602,308	372,559	39,726
(LOSSES) / PROFITS FOR THE PERIOD BEFORE INCOME TAXES		(250,446,534)	55,792,514	(181,114,407)	(54,301,926)
Deferred tax	(18-1)	1,195,730	896,927	379,673	245,128
(LOSSES) / PROFITS FOR THE PERIOD		(249,250,804)	56,689,441	(180,734,734)	(54,056,798)
(LOSSES) / EARNINGS PER SHARE	(19)	(0.071)	0.023	(0.051)	(0.03)

CHIEF FINANCIAL OFFICER
HOSSAM HUSSEIN



CHIEF EXECUTIVE OFFICER
AHMED KHALIL



CHAIRMAN
MEDHAT KHALIL



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

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

INTERIM STANDALONE STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Note	For The nine months ended 30 September 2024 EGP	For The nine months ended 30 September 2023 EGP	For The three months ended 30 September 2024 EGP	For The three months ended 30 September 2023 EGP
(LOSSES) / PROFITS FOR THE PERIOD		(249,250,804)	56,689,441	(163,325,061)	(54,056,798)
OTHER COMPREHENSIVE INCOME					
Foreign currency translation differences	(26)	(57,356,375)	(55,365,636)	(1,579,193)	(7,310,766)
Income tax related to foreign currency translation differences	(18-2)	12,905,185	12,457,268	355,318	1,644,922
Total Foreign currency translation differences		(44,451,190)	(42,908,368)	(1,223,875)	(5,665,844)
Investment revaluation differences of fair value through OCI	(7)	(2,041,462)	208,312	1,599,840	3,041,363
Income tax related to other comprehensive income items	(18-2)	459,329	12,410,398	(359,964)	2,329,230
TOTAL COMPREHENSIVE INCOME		(1,582,133)	12,618,710	1,239,876	5,370,593
TOTAL OTHER COMPREHENSIVE INCOME		(206,381,747)	26,399,783	(163,309,060)	(54,352,049)

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

RAYA HOLDING COMPANY FOR FINANCIAL INVESTMENTS (S.A.E)
INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Capital	Legal reserve	General reserve	Treasury shares	Reserve of investments at fair value after taxes through OCI	Foreign currency translation differences through OCI	(Accumulated losses)	(Losses)/Profits for the period	Dividends distribution	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
1 January 2024	1,071,997,595	96,298,025	36,195,199	(7,868,548)	5,424,459	-	(222,208,562)	(126,939,829)	-	852,898,335
Transferred to (accumulated losses)	-	-	-	-	-	-	(126,939,829)	126,939,829	-	-
Foreign currency translation differences through OCI (note 26)	-	-	-	-	-	-	(44,451,191)	-	-	(44,451,191)
Reserve of revaluation of investments at fair value through OCI after taxes	-	-	-	-	(1,582,133)	-	-	-	-	(1,582,133)
Treasury shares (Note 21)	-	-	-	(9,876,132)	-	-	-	-	-	(9,876,132)
Transferred to share based compensation	-	-	-	4,993,061	-	-	-	-	-	4,993,061
Capital decrease through treasury shares retiring (Note 21)	(1,673,153)	-	-	7,868,548	-	-	(6,195,395)	-	-	-
(Losses) for the period	-	-	-	-	-	-	-	(249,250,804)	-	(249,250,804)
30 September 2024	1,070,324,442	96,298,025	36,195,199	(4,883,071)	3,842,326	-	(399,794,977)	(249,250,804)	-	552,731,141
1 January 2023	1,071,997,595	96,298,025	36,195,199	(7,868,548)	3,390,288	-	(33,412,543)	(52,886,840)	(86,266,480)	1,027,673,344
Transferred to (accumulated losses)	-	-	-	-	-	-	(139,153,320)	52,886,840	86,266,480	-
Foreign currency translation differences through OCI	-	-	-	-	-	(55,365,636)	-	-	-	(55,365,636)
Reserve of revaluation of investments at fair value through OCI after taxes	-	-	-	-	161,442	-	-	-	-	161,442
Profits for the period	-	-	-	-	-	-	-	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)	(172,339,215)	56,689,441	-	1,029,158,591

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

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

INTERIM STANDALONE STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Note	30 September 2024 EGP	30 September 2023 EGP
CASH FLOWS FROM OPERATING ACTIVITIES			
(Losses) / Profits for the period before income tax	9	(250,446,535)	55,792,514
Depreciation of fixed assets and amortization of intangible assets	(3,4)	12,006,320	11,079,965
Finance cost (net)	(23)	580,188,513	363,285,518
Dividends from investments in subsidiaries		(296,066,243)	(419,264,570)
Reversal of dividends from financial investments at fair value through OCI		(2,007,867)	(1,405,880)
		<u>43,674,188</u>	<u>9,487,547</u>
Change in notes receivable		53,500	-
Change in due from related parties	(9)	(132,921,718)	111,769,521
Change in prepaid expenses and other debit balances	(8)	118,514,101	(149,953,273)
Change in accrued expenses and other credit balances	(12)	298,617,953	(85,879,791)
Change in accounts and notes payable	(13)	129,908,775	222,265,910
Change in due to related parties	(9)	230,862,701	288,282,684
Change in other long-term liabilities		(14,826,671)	-
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		<u>673,882,829</u>	<u>395,972,598</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payments) for purchase of fixed assets	(3,4)	(3,148,032)	(8,599,317)
(Payments) for purchase of projects under construction		(7,775,262)	-
Proceeds from dividends	(17-C)	298,074,110	420,670,451
(Payments) for purchase of investments in subsidiaries		(153,085,212)	(341,100,000)
NET CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES		<u>134,065,604</u>	<u>70,971,134</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds From credit facilities	(11)	17,936,755	40,795,044
Finance cost paid	(23)	(580,188,513)	(363,285,518)
(Payments) to acquire treasury shares	(21)	(9,876,132)	-
(Payments) to short term / long term loans	(16)	(236,601,852)	(280,592,337)
Proceeds from short term / long term loans	(16)	-	150,000,000
NET CASH FLOW (USED IN) FINANCING ACTIVITIES		<u>(808,729,742)</u>	<u>(453,082,811)</u>
NET CHANGE IN CASH AND CASH EQUIVALENT – DURING THE PERIOD			
Cash and cash equivalent – beginning of the period	(10)	781,309	13,860,920
		<u>2,441,122</u>	<u>1,682,452</u>
CASH AND CASH EQUIVALENT- END OF THE PERIOD	(10)	<u>1,659,813</u>	<u>15,543,372</u>

Non-cash transactions:

- An amount of 14,560,244 deferred tax assets was excluded.
- An amount of 57,356,375 was excluded from foreign currency translation differences.
- An amount of 2,041,462 was excluded from financial investments at fair value through other comprehensive income.
- An amount of 12,861,609 was excluded from treasury shares, capital and retained earnings.

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

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

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS

30 SEPTEMBER 2024

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 interim standalone financial statements for the period ended 30 September 2024 have been approved according to the decision of the Board of Directors held on 14 November 2024.

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED

2-1 BASIS OF PREPARATION OF THE INTERIM STANDALONE FINANCIAL STATEMENTS

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

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

Statement of compliance

The interim standalone financial statements have been prepared in accordance with Egyptian accounting standards and applicable laws and regulations. On March 3, 2024, the Prime Minister issued Decision No. 636 of 2024, amending some provisions of the Egyptian accounting standards, as indicated in Note (26). On March 6, 2024, the Central Bank issued a decision to allow the Egyptian pound exchange rate to be determined according to market mechanisms. The Central Bank also decided to raise interest rates by 600 basis points (equivalent to 6%) to reach 27.25%. On October 23, 2024, the Prime Minister issued Decision No. 3527 of 2024, amending some provisions of the Egyptian accounting standards by adding Egyptian Accounting Standard No. 51 for Financial Statements in Hyperinflationary Economies. These amendments have no impact on the financial statements as of September 30, 2024.

The accounting policies applied this year are consistent with those applied in the previous year, except for changes in the new accounting policies.

2-2 CHANGES IN ACCOUNTING POLICIES

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

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

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

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 INTERIM STANDALONE FINANCIAL STATEMENTS

30 SEPTEMBER 2024

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 liability

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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

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. Providing 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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2-2-3 FINANCIAL LEASING (CONTINUED)

B) Lease liability

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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

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.

Impairment 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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

2- SIGNIFICANT ACCOUNTING POLICIES APPLIED (CONTINUED)

2-4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2-4-5 Investments (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 interim 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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

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 interim 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 31 March 2024, 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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

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 interim 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 interim 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 interim 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 interim 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 interim 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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 SEPTEMBER 2024

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.

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 Standalone statement of cash flows

The standalone 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 30 September 2024 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 INTERIM STANDALONE FINANCIAL STATEMENTS
30 September 2024

3 - FIXED ASSETS

	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
Cost																
1 January 2024	37,728,852		123,749,549		7,629,072	43,782,370	21,513,458	7,985,121	37,555,141	279,943,563						
Additions during the period	-	-	-	-	400,936	1,328,492	131,500	1,287,104	-	3,148,032						
30 September 2024	<u>37,728,852</u>	<u>123,749,549</u>	<u>123,749,549</u>	<u>8,030,008</u>	<u>45,110,862</u>	<u>21,644,958</u>	<u>9,272,225</u>	<u>37,555,141</u>	<u>283,091,595</u>							
Accumulated depreciation																
1 January 2024	-	(110,730,671)	(5,851,754)	(30,912,621)	(18,368,222)	(5,953,000)	(35,711,015)	(207,527,283)								
Depreciation for the period	-	(5,141,335)	(543,254)	(3,495,495)	(451,115)	(913,109)	(1,057,204)	(11,601,512)								
30 September 2024	<u>-</u>	<u>(115,872,006)</u>	<u>(6,395,008)</u>	<u>(34,408,116)</u>	<u>(18,819,337)</u>	<u>(6,866,109)</u>	<u>(36,768,219)</u>	<u>(219,128,795)</u>								
Net book value as of 30 September 2024	<u>37,728,852</u>	<u>7,877,543</u>	<u>1,635,000</u>	<u>10,702,746</u>	<u>2,825,621</u>	<u>2,406,116</u>	<u>786,922</u>	<u>63,962,800</u>								

- There is no mortgage or restriction on fixed assets.

- Depreciation expenses charged to general and administrative expenses.

- There are fully depreciated assets that are still used and their statement is as follows:

	30 September 2024
Electrical equipment	EGP 1,950,520
Leasehold improvements	3,823,642
Furniture & office equipment	3,125,950
Computers	1,393,552
Fixtures	13,453,388
	<u>23,747,052</u>

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

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
30 September 2024

3 - FIXED ASSETS (CONTINUED)

	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
Cost																
1 January 2023	37,728,852	-	123,749,549	-	6,651,676	38,076,577	19,366,037	6,056,000	37,555,141	269,183,832						
Additions during the year	-	-	-	-	977,396	5,705,793	2,147,421	1,929,121	-	10,759,731						
31 December 2023	<u>37,728,852</u>	<u>-</u>	<u>123,749,549</u>	<u>-</u>	<u>7,629,072</u>	<u>43,782,370</u>	<u>21,513,458</u>	<u>7,985,121</u>	<u>37,555,141</u>	<u>279,943,563</u>						
Accumulated depreciation																
1 January 2023	-	-	(103,875,557)	-	(5,288,974)	(26,847,640)	(17,861,666)	(5,186,853)	(34,030,715)	(193,091,405)						
Depreciation for the year	-	-	(6,855,114)	-	(562,780)	(4,064,981)	(506,556)	(766,147)	(1,680,300)	(14,435,878)						
31 December 2023	<u>-</u>	<u>-</u>	<u>(110,730,671)</u>	<u>-</u>	<u>(5,851,754)</u>	<u>(30,912,621)</u>	<u>(18,368,222)</u>	<u>(5,953,000)</u>	<u>(35,711,015)</u>	<u>(207,527,283)</u>						
Net book value as of 31 December 2023	<u>37,728,852</u>	<u>-</u>	<u>13,018,878</u>	<u>-</u>	<u>1,777,318</u>	<u>12,869,749</u>	<u>3,145,236</u>	<u>2,032,121</u>	<u>1,844,126</u>	<u>72,416,280</u>						

- There is no mortgage or restriction on fixed assets.

- Depreciation expenses charged to general and administrative expenses.

- There are fully depreciated assets that are still used and their statement is as follows:

	31 December 2023
Electrical equipment	EGP
Leasehold improvements	1,950,520
Furniture & office equipment	3,823,642
Computers	3,125,950
Fixtures	1,393,552
	13,453,388
	<u>23,747,052</u>

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

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS

30 September 2024

4 - INTANGIBLE ASSETS

	30 September 2024	31 December 2023
	EGP	EGP
Cost		
Beginning of the period / year	15,108,925	15,108,925
	<u>15,108,925</u>	<u>15,108,925</u>
Accumulated amortization		
Beginning of the period / year	(14,292,427)	(13,745,910)
Amortization for the period / year*	(404,808)	(546,517)
	<u>(14,697,235)</u>	<u>(14,292,427)</u>
Net book value	<u>411,690</u>	<u>816,498</u>

*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:

5 A - The following is a statement of all investments of subsidiaries at 30 September 2024:

Company name	Country of Incorporation	Contribution %	30 September 2024	Contribution %	31 December 2023
			EGP		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	570,496,447	99.56	570,496,447
Raya Network Services Company	Egypt	25	5,000	25	5,000
Raya International Service Company (A)	Egypt	-	-	90	5,262,810
Raya Contact Centre Company	Egypt	59.15	26,119,144	59.15	26,119,144
Raya Smart Building (B)	Egypt	99.937	549,645,455	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 (C)	Egypt	89	163,371,423	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
Tadweer company for advanced industries (D)	Egypt	99.2	248,000	99.2	248,000
Raya for advanced manufacturing Company	Egypt	99	412,790,000	99	172,790,000
Raya for Modern vehicles Company	Egypt	80	4,000,000	80	4,000,000
Aman holding company	Egypt	75.8	807,769,053	75.8	807,769,053
Raya Agricultural Company	Egypt	99	4,900,000	-	-
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>3,500,237,319</u>		<u>3,347,152,106</u>

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

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS

30 September 2024

5 - INVESTING IN SUBSIDIARIES (CONTINUED)

5 A - The following is a statement of all investments of subsidiaries at 30 September 2024 (CONTINUED)

(A) According to the ordinary general assembly of Raya Integration Company on April 18, 2024, a total of 4950 shares with a value of 4,950,000 were transferred from Raya Holding Company for Financial Investments to Raya Integration Company, and the legal procedures are being completed to approve the transfer of shares.

(B) During the first quarter of 2024, the investment in Raya Smart Building company was reduced by an amount of 225,000,000 EGP only by reducing the amount of investments in Raya Holding Company and the amount of capital in Raya Smart Building company.

(C) At the end of the year 2023, a part of the shares of Stool for Land Transport Company was purchased for an amount of 138,448,023 EGP, at a percentage of 26.69%, so that the percentage of Raya Holding Company for Financial Investments became 89%, with an amount of 163,371,423 EGP from the total shares of Stool for Land Transport Company, and the shares were transferred during the first quarter of 2024.

(D) During the second quarter of 2024, the investment in Raya for advanced manufacturing company was increased by an amount of 240,000,000 EGP.

5 B- SUSPENDED COMPANIES

	Country of Incorporation	Contribution %	30 September 2024 EGP	Contribution %	31 December 2023 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 Al Arabia 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
Ain 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
Total investments in suspended companies			<u>40,452,473</u>		<u>40,452,473</u>
			30 September 2024 EGP		31 December 2023 EGP
Total investments in subsidiaries			3,500,237,319		3,347,152,106
Total investments in suspended subsidiaries			40,452,473		40,452,473
Impairment of investments in subsidiaries			(136,787,489)		(136,787,489)
			<u>3,403,902,303</u>		<u>3,250,817,090</u>

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

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS

30 September 2024

5 - INVESTING IN SUBSIDIARIES (CONTINUED)

Impairment of investments in subsidiaries represented in:

	30 September 2024	31 December 2023
	EGP	EGP
Raya Algeria Company	(5,496,050)	(5,496,050)
Al Byoot Alarabia for Finance Lease Company	(3,000,000)	(3,000,000)
Raya Software Company	(7,881,711)	(7,881,711)
Best services company	(2,000,000)	(2,000,000)
Ain Company for Networks	(24,000)	(24,000)
Raya for Food and Beverages Company	(245,000)	(245,000)
Oratech for Management and Information Technology Company **	(500,000)	(500,000)
Oratech for communication and Information Systems Company*	(575,542)	(575,542)
Egyptian Company for Investment and Glass Production	(119,731)	(119,731)
International Business System Company – IBSE	(17,000,000)	(17,000,000)
Raya Smart Building	(99,945,455)	(99,945,455)
Impairment of investments in subsidiaries	<u>(136,787,489)</u>	<u>(136,787,489)</u>

6 - INVESTMENT IN ASSOCIATES

	Ownership percentage	30 September 2024	31 December 2023
	%	EGP	EGP
Allied Arab Company for Insurance	20%	<u>642,000</u>	<u>642,000</u>
		<u>642,000</u>	<u>642,000</u>

7 - INVESTMENTS AT FAIR VALUE THROUGH OCI

	Contribution %	30 September 2024	31 December 2023
		EGP	EGP
Smart village development & management company*	3.39	14,314,250	14,314,250
Qalaa holdings for financial consultancy	0.26	<u>9,249,076</u>	<u>11,290,537</u>
		<u>23,563,326</u>	<u>25,604,787</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 2024	31 December 2023
	EGP	EGP
Beginning of the Period / Year	11,290,537	8,665,800
Add/Deduct: Investment revaluation reserve during the Period / Year	<u>(2,041,462)</u>	<u>2,624,737</u>
Ending of the Period / Year	<u>9,249,076</u>	<u>11,290,537</u>

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

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS

30 September 2024

8 - PREPAID EXPENSES AND OTHER DEBIT BALANCES

	30 September 2024	31 December 2023
	EGP	EGP
Prepaid expenses	4,681,497	3,537,812
Suppliers down payments	13,846,243	6,890,222
Deposits to others	187,631	37,451
Letters of guarantee	1,923,011	1,923,011
Other debit balances	74,234,014	200,998,003
	<u>94,872,397</u>	<u>213,386,499</u>

9- DUE TO/DUE FROM RELATED PARTIES

	30 September 2024		31 December 2023	
	Debit EGP	Credit EGP	Debit EGP	Credit EGP
Raya Academy for It Training & Management	2,646,691	-	2,646,691	-
Raya Electronics Company (Previously Sama)	47,885,720	-	40,564,720	-
Raya Distribution Company	-	845,096,153	-	650,662,649
Best Service Company- Nigeria	-	1,197,661	-	1,197,661
Al Byoot Alarabia for Finance Lease Company	-	11,179,369	-	11,200,258
Raya Network Services Company	-	3,909,085	1,472,141	-
Raya International Service Company	22,247,315	-	18,176,363	-
Raya Contact Centre Company	-	-	5,930,534	-
Raya for Contact Centre Building Management Company	19,386,291	-	3,751,252	-
Raya for social media Company	9,445,469	-	9,441,792	-
Ostool for Land Transport Company	44,394,933	-	1,240,513	-
Raya logistics	-	341,738,983	-	341,758,092
Raya Network power Company	26,886,501	-	12,293,635	-
Raya for Food and Beverages Company	45,575,205	-	62,348,119	-
Raya for Data Centres Company	-	3,096,948	-	415,776
Raya Restaurants Company	107,197,879	-	97,391,058	-
Raya Venture and Investment Company	43,109,932	-	43,027,725	-
Raya Integration Company	-	484,716,759	-	450,553,811
Integrated Technology Systems Company	1,649	-	3,904	-
Aman for Electronic Payments Company	-	3,460,980	-	2,217,482
Eden for Import and Export Company	81,546,729	-	81,503,516	-
Raya for Manufacturing and logistics Services Company	97,274,495	-	96,651,511	-
International business ventures company	54,743,683	-	54,743,683	-
Aman for Financial Services Company	53,808,279	-	70,467,176	-
Raya Foods Company	35,000,000	81,200,093	35,000,000	76,804,173
Raya for advanced manufacturing Company	-	8,451,207	8,594,354	-
Aman for Micro finance Company	620,344	-	-	10,937,161
Aman holding company	1,040,806	-	163,298	-
Tadweer company for advanced industries	-	5,490,268	-	5,490,268
Raya for Modern vehicles Company	2,793,589	-	2,756,922	-
Raya Gulf Company	55,147,213	-	32,812,191	-
Raya Smart Building	-	27,081,438	-	42,250,287
Raya Haier Electric	60,029,621	-	54,863,393	-
Egypt international communication company	455,668	-	368,551	-
Raya Agricultural Company	2,658,904	-	2,627,587	-
Mazaya Company	50,079	-	13,686	-
Aman Consumer finance	1,423,457	-	84,751	-
United stores company	345,197	-	247,743	-
Aman Tawriq	1,898,066	-	2,865,262	-
Madova Company	-	13,050,276	-	5,318,900
Aman Taqa	3,700	-	-	-
Impairment in Due from related parties*	(142,199,980)	-	(142,199,980)	-
	<u>675,417,435</u>	<u>1,829,669,218</u>	<u>599,852,091</u>	<u>1,598,806,518</u>

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

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS

30 September 2024

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

*The Impairment (expected credit loss) movement in due from related parties represented in:

	30 September 2024 EGP	31 December 2023 EGP
Beginning of the Period / Year		
Raya Academy for It Training & Management	(2,595,309)	(2,595,309)
International Company for Electronic Business Systems (IBSE).	(44,797,117)	(44,797,117)
Raya for social media Company	(7,208,033)	(7,208,033)
Raya Network power Company	(15,599,521)	(15,599,521)
Raya Foods Company	(35,000,000)	(35,000,000)
Raya Restaurants Company	(37,000,000)	(37,000,000)
The Impairment in due from subsidiaries and associates	(142,199,980)	(142,199,980)
	30 September 2024 EGP	31 December 2023 EGP
Beginning of the Period / Year	(142,199,980)	(142,199,980)
Charged during the Period / Year	-	-
Ending of the Period / Year	(142,199,980)	(142,199,980)

10- CASH ON HAND AND AT BANKS

	30 September 2024 EGP	31 December 2023 EGP
Local currency		
Cash on hand	82,921	50,259
Time deposits – less than 3 months	1,405,199	1,405,199
Current accounts	89,578	117,541
	1,577,699	1,572,999
Foreign currency		
Current accounts	82,114	868,124
	1,659,813	2,441,123

11- CREDIT FACILITIES

The movement of credit facilities during the period ended 30 September 2024 and the year ended 31 December 2023 is as follows:

	30 September 2024 EGP	31 December 2023 EGP
Beginning of the Period / Year	44,452,215	34,241,654
Used during the Period / Year	1,132,130,506	1,619,570,969
(Payment) during the Period / Year	(1,114,193,750)	(1,609,360,409)
Ending of the Period / Year	62,388,970	44,452,214
Interest Rate	30 September 2024 EGP	31 December 2023 EGP
Credit facilities Current portion		
Credit facility (1) 2,60%+ CBE Corridor	(4,010,957)	(3,812,068)
Credit facility (2) 1,64%+ CBE Corridor	442,889	(3,959,562)
Credit facility (3) 1,97%+ CBE Corridor	(58,820,902)	(36,680,584)
Total credit facilities Current portion	(62,388,970)	(44,452,214)
Credit facilities non-Current portion		
Total credit facilities non-Current portion	-	-
	(62,388,970)	(44,452,214)

- 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)

NOTES TO THE INTERIM STANDALONE FINANCIAL STATEMENTS
30 September 2024

12- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	30 September 2024	31 December 2023
	EGP	EGP
Accrued expenses	59,552,760	61,482,640
Dividends payable	907,392	907,392
Other creditors	494,164,288	125,000,000
Other credit balances	12,292,679	80,909,135
	<u>566,917,120</u>	<u>268,299,167</u>

13- ACCOUNTS AND NOTES PAYABLE

	30 September 2024	31 December 2023
	EGP	EGP
Accounts payable	7,270,951	1,963,232
Notes payable	551,474,450	427,000,000
Accounts payable - subsidiaries	466,988	340,382
	<u>559,212,389</u>	<u>429,303,614</u>

14- CAPITAL

	30 September 2024	31 December 2023
	EGP	EGP
Authorized capital	5,000,000,000	5,000,000,000
Issued and paid-up capital	1,070,324,442	1,071,997,595
Shares number	4281297768	2143995190

- On 4 June 2024, the Extraordinary General Assembly held on 12 May 2024 was approved, to confirm the execution of treasury shares for 3346306 shares, and the company's capital was reduced by 1,673,153 EGP and the issued and paid up capital become 1,070,324,442 EGP after the reduction, and it was noted in the company's commercial register on 9 June 2024, and it was approved to split the nominal value of the company's share from 0.50 EGP per share to 0.25 EGP per share to become The company's capital consists of 4281297768 shares (the value of the share is 0.25 EGP only)

15- SHARE BASED COMPENSATION

	30 September 2024	31 December 2023
	EGP	EGP
Share based compensation*	7,986,952	2,993,891
	<u>7,986,952</u>	<u>2,993,891</u>

* On June 26, 2022, the Extraordinary Assembly unanimously approved the adoption of share-based compensation and the allocation of 107,199,760 shares, representing 5% of the company's shares, for the benefit share-based compensation 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 share-based compensation and/or through treasury shares to finance the company's share-based compensation.

- On May 27, 2024, the Board of Directors approved the purchase of treasury shares and allocated part of them to the incentive and reward system. During the period ending on September 30, 2024, a total of 2,173,000 shares were allocated to the incentive and reward system at an amount of EGP 4,993,061, bringing the total number of shares in the incentive and reward system to 9,687,876 shares, totalling EGP 7,986,952.

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 2024 EGP	Loans on 31 December 2023 EGP
Financial lease contract (Administrative building loan)	268,243,705	440,424,714	708,668,419	945,270,271
	<u>268,243,705</u>	<u>440,424,714</u>	<u>708,668,419</u>	<u>945,270,271</u>

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 70,000,000 Egyptian pounds, and the loan is paid in 60 monthly instalments starting from October 3, 2019 until September 3, 2024, and the loan balance on 30 September 2024 amounted to 9,888,820 EGP (31 December 2023 EGP 22,536,306)

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 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 40,000,000 with current interest rate. The loan will be paid over 60 monthly installments starting on 3 July 2020 until 3 June 2025. The balance of the loan on 30 September 2024 amounted to 8,367,784 EGP (31 December 2023 EGP 15,161,641)

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 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 USD 1,539,222. The loan will be paid quarterly installment over 20 installments starting on 30 January 2020 to 30 October 2024. The balance of the loan on 30 September 2024 amounted to 94,447 USD. equivalent to 4,574,993 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.

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

Fourth 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 58,000,000. The loan will be paid over 20 quarterly installments starting on 12 May 2020 to 12 February 2025. The balance of the loan on 30 September 2024 amounted to 4,236,301 EGP. (31 December 2023 EGP 15,309,107).

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.

Fifth 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 \$1,999,714 and the loan is repaid in 20 instalments. Quarterly starting from 05 March 2020, until 05 December 2024. The loan balance on 30 September 2024 amounted to 122,884 USD, equivalent to 5,952,478 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.

Sixth 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 113,400,000 Egyptian pounds, the loan is repaid in 20 quarterly instalments Annual starting from Apr 10, 2020 until January 10, 2025, and the loan balance on 30 September 2024 amounted to 16,235,941 EGP (31 December 2023 EGP 36,767,231).

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.

Seventh 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 40 owned by Raya Construction and Management Company The building 2020, amount 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 September 2024 amounted to 7,201,172 EGP (31 December 2023 EGP 16,272,734).

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.

Eighth 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 30 September 2024, amounted to EGP 4,313,095 (31 December 2023 EGP 9,746,448).

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.

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

Ninth 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 in Galleria 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 September 2024 amounted to 28,038,921 (31 December 2023 EGP 44,176,229).

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.

Tenth 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 2021 until 25 November 2025 the loan balance on 30 September 2024 amounted to 17,069,092 EGP (31 December 2023 24,786,310 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.

Eleventh 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 September 2024 amounted to 52,563,669 EGP (31 December 2023 EGP 65,379,812).

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.

Twelfth 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 September 2024 amounted to 57,853,423 EGP (31 December 2023 amounted to 69,730,378 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.

Thirteenth 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 September 2024 amounted to 86,204,499 EGP (31 December 2023 amounted to 104,948,644 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.

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

Fourteenth 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 September 2024 amounted to 71,249,324 EGP (31 December 2023 amounted to 86,459,572 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.

Fifteenth 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 September 2024 amounted to 105,685,537 EGP (31 December 2023 EGP 121,641,488).

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.

Sixteenth 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 September 2024 amounted to 110,149,128 EGP (31 December 2023 amounted to 125,152,502 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.

Seventeenth 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 September 2024 amounted to 119,084,243 EGP (31 December 2023 amounted to 131,824,493 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.

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 110,952,61 EGP for the period ended on 30 September 2024 was charged to some subsidiaries calculated as a percentage of the revenues of these subsidiaries (31 December 2023 amounted to EG 46,814,250).

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17- RELATED PARTY DISCLOSURES (CONTINUED)

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 year ended on 30 September 2024 amounted to 110,952,615 EGP (31 December 2023 amount of 46,814,250 EGP) and the general and administrative expenses were reduced by these amounts due to charging the subsidiaries.

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

Company	Nature of relationship	30 September 2024		
		Net financing EGP	Purchases EGP	Distribution EGP
Raya Integration Company	Subsidiary company	(434,409,251)	6,816,887	134,911,305
Raya Network power Company	Subsidiary company	-	6,861,491	-
Raya Distribution Company	Subsidiary company	(295,297,551)	18,687,341	82,292,758
Raya Network Services Company	Subsidiary company	-	(5,381,226)	-
Raya Contact Centre Company	Subsidiary company	(3,911,217)	2,026,765	-
Raya International Service Company	Subsidiary company	-	4,070,952	-
Ostool for Land Transport Company	Subsidiary company	-	286,614	42,867,806
Raya for Manufacturing and logistics Services Company	Subsidiary company	202,035	420,948	-
Raya for social media Company	Subsidiary company	-	(167,325)	-
Information Technology Centre Company	Subsidiary company	-	(2,255)	-
Raya Electronics Company (Previously Sama)	Subsidiary company	-	7,321,000	-
Raya for Data Centres Company	Subsidiary company	(371,065)	(3,060,443)	104
Raya logistics	Subsidiary company	-	19,109	-
Raya Restaurants Company	Subsidiary company	2,586,621	7,220,200	-
Raya Smart Building Company	Subsidiary company	(31,486,373)	46,655,222	-
Aman for Electronic Payments Company	Subsidiary company	(692,534)	(550,964)	-
Raya for Contact Centre	Subsidiary company	-	31,374,088	-
Raya Gulf Company	Subsidiary company	-	3,248,634	-
Raya Foods Company	Subsidiary company	(4,850,000)	454,081	-
Raya Venture and Investment Company	Subsidiary company	-	28,434	-
Aman holding company	Subsidiary company	129,642	747,866	-
Raya for Modern vehicles Company	Subsidiary company	-	36,667	-
Raya Haier Electric	Subsidiary company	1,711,619	3,454,608	-
Raya For Agricultural Products	Subsidiary company	-	31,318	-
United stores company	Subsidiary company	-	97,453	-
Egypt international communication company	Subsidiary company	-	87,117	-
Aman for Micro finance Company	Subsidiary company	(63,992,523)	75,550,027	-
Aman for Financial Services Company	Subsidiary company	(12,598,697)	(8,000,600)	-
Al Byoot Al Arabia for Finance Lease Company	Subsidiary company	-	20,889	-
Eden Import and Export Company	Subsidiary company	-	43,213	-
Mazyra Company	Subsidiary company	-	36,394	-
Madova Company	Subsidiary company	-	-	23,407,950
Aman Consumer finance	Subsidiary company	-	1,338,706	-
Raya for advanced manufacturing Company	Subsidiary company	(33,500,550)	3,877,669	12,577,320
Raya Food and Beverage Company	Subsidiary company	(16,317,657)	(455,253)	-
		<u>(892,797,501)</u>	<u>203,195,627</u>	<u>296,057,243</u>

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18 - INCOME TAX

18-1 INCOME TAX

	30 September 2024	30 September 2023
	EGP	EGP
Deferred tax	<u>1,195,730</u>	<u>896,927</u>
	<u>1,195,730</u>	<u>896,927</u>

18-2 DEFERRED TAX

	Statement of financial position		Statement of profit or loss		Statement of OCI	
	30 September 2024	31 December 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Depreciation of fixed assets	3,822,573	2,626,843	1,195,730	896,927	-	-
Investment at fair value through other comprehensive income	(1,115,513)	(1,574,842)	-	-	459,329	(46,870)
Differences of foreign currency translation	27,383,383	14,478,198	-	-	12,905,184	12,457,268
Net deferred tax	<u>30,090,443</u>	<u>15,530,199</u>	<u>1,195,730</u>	<u>896,927</u>	<u>13,364,513</u>	<u>12,410,398</u>

19 - (LOSSES) / EARNINGS PER SHARE

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

	30 September 2024	30 September 2023
	EGP	EGP
(Losses) / profits for the period	(249,250,804)	56,689,441
Deduct:		
Employees' share	-	(5,668,944)
Board of directors' share	-	(510,205)
Net (losses) / profit attributable to the equity holders (estimated)	<u>(249,250,804)</u>	<u>50,510,292</u>
Weighted average number of shares for the period	<u>3518842960</u>	<u>2143995190</u>
Losses / Earnings per share for the period	<u>(0.071)</u>	<u>0.023</u>
The effect of applying the second treatment of appendix E of the Egyptian accounting standards No.13 amended 2024 (Note 26) on earnings per share (losses) – increase in earnings per share (Note 26)	<u>(0.051)</u>	<u>0.0005</u>

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 June 10, 2022, the Board of Directors approved the company's purchase of treasury shares, for a period of one year within the limits of 60,000,000 (sixty million Egyptian pounds), which represents about 1.45% of the company's total shares.

The Extraordinary General Assembly was held on 12 May 2024 to approve the execution of treasury shares with 3346306 shares by reducing the capital by 1,673,153 Egyptian pounds, the price difference (between the purchase price of treasury shares and the nominal value of those shares) of 6,195,395 Egyptian pounds is charged to the accumulated losses in the statement of changes in equity.

The Extraordinary General Assembly was approved on 4 June 2024, and the company's capital was decreased by 1,673,153 EGP to become 1,070,324,442 EGP after the reduction and charged to the accumulated losses by the amount of EGP 6,195,395, and it was noted in the company's commercial register on 9 June 2024.

On May 27, 2024, the Board of Directors approved the company's purchase of treasury shares in the amount of EGP 10,000,000 million. And that for a period of one year within the limits of the prescribed legal percentage and the use of part or all those shares to finance the company's share-based compensation, and during the period treasury shares were purchased, number of 2466500 shares with a total value of 9,876,132 Egyptian pounds.

The balance of treasury shares during the financial period ended at 30 September 2024 amounted to 2760000 shares with an amount of 4,883,071 Egyptian pounds after allocating 2,173,000 shares for the Share based compensation amounting to EGP 4,993,

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22- CONTINGENT LIABILITIES

Contingent liabilities as of 30 September 2024 amounted to 3,310,599 EGP (31 December 2023 3,310,599 EGP) to guarantee Raya smart building with banks in exchange for granting long-term loans.

23- FINANCE COST (NET)

	30 September 2024 EGP	30 September 2023 EGP
Finance expenses	(586,561,325)	(363,285,518)
Finance income	6,372,812	-
	<u>(580,188,513)</u>	<u>(363,285,518)</u>

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 represented in the changes in foreign exchange rates that affect the values of payments and proceeds in foreign currencies as well as the values of assets and liabilities of a monetary nature in foreign currencies and the most important financial instruments in foreign currencies are limited to some balances included in cash on hand and at banks, due from / to subsidiaries, accrued expenses and other credit balances and loans.

The value of assets in foreign currencies at the date of the financial position amounted to;

	30 September 2024 NET	31 December 2023 NET
	EGP	EGP
USD	23,271	716,989
EURO	52,100	149,642
GBP	6,743	1,492

24- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign Currency Risk – continued

Currency	30 September 2024		31 December 2023	
	Change Ratio	The effect in profit before Tax	Change Ratio	The effect in profit before Tax
	%	EGP	%	EGP
USD	%10+	2,327	%10+	71,699
USD	%10-	(2,327)	%10-	(71,699)
EUR	%10+	5,210	%10+	14,964
EUR	%10-	(5,210)	%10-	(14,964)
GBP	%10+	674	%10+	149
GBP	%10-	(674)	%10-	(149)

Interest rate risk

Interest risk is the risk that changes in interest rates may have an adverse effect on business results. The company's total obligations (loans, credit facilities, and balances due to subsidiaries and sister companies) on September 30, 2024 amounted to 2,600,726,607 Egyptian pounds (December 31, 2023, the amount of 2,588,529,003 Egyptian pounds). The total interest charged on these obligations during the year ending on September 30, 2024 amounted to an amount of 369,900,735 Egyptian pounds (December 31, 2023, an amount of 520,271,054 Egyptian pounds included in finance expenses).

The company's management always works to obtain the best borrowing terms available in the market

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

	30 September 2024		31 December 2023	
	Change in rate	Effect on profit before tax EGP	Change in rate	Effect on profit before tax EGP
Financial asset	+1%	2,600,727	+1%	2,588,529
	- 1%	(2,600,727)	- 1%	(2,588,529)
Financial liability	+1%	36,990,074	+1%	52,027,105
	- 1%	(36,990,074)	- 1%	(52,027,105)

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.

24- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – (CONTINUED)

Liquidity risk – continued

Financial liabilities 30 September 2024	Less than 3 Months EGP	From 3 to12 Months EGP	From 1 to 5 years EGP	Total EGP
Loans & finance lease arrangement contracts	-	198,834,983	509,833,435	708,668,419
Credit Facilities	62,388,970	-	-	62,388,970
Accounts payable and other credit balances	559,212,389	-	-	559,212,389
Accrued expenses and other credit balances	-	566,917,119	-	566,917,119
Due to related parties	-	609,889,738	1,219,779,480	1,829,669,218
Long term liabilities	-	30,697,164	-	30,697,164
Total undiscounted financial liabilities	621,601,359	1,406,339,004	1,729,612,915	3,757,553,280

Financial liabilities 31 December 2023	Less than 3 Months EGP	From 3 to12 Months EGP	From 1 to 5 years EGP	Total EGP
Loans & finance lease arrangement contracts	-	265,219,662	680,050,609	945,270,271
Credit Facilities	44,452,215	-	-	44,452,215
Accounts payable and other credit balances	429,303,614	-	-	429,303,614
Accrued expenses and other credit balances	-	268,299,168	-	268,299,168
Due to related parties	-	532,935,505	1,065,871,013	1,598,806,518
Long term liabilities	-	45,523,836	-	45,523,836
Total undiscounted financial liabilities	473,755,829	1,111,978,171	1,745,921,622	3,331,655,622

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 2023. 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 2023.

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 2023.

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 2023.

Property Tax

- The property tax has been paid until 30 June 2022.

Deduction and collection under the tax account

- The company's accounts and books were examined until 2017, and the differences were paid.
- The years from 2018 to 2023 were not examined.

26 - SIGNIFICANT MATTERS

A- On march 3, 2024 in accordance with prime minister resolution No. 636 of 2024, amendments were issued to the following Egyptian accounting standards:

- (1) Egyptian Accounting Standard No. (13) Effects of changes in foreign currency exchange rates.
- (2) Egyptian Accounting Standard No. (17) Standalone Financial Statements.
- (3) Egyptian Accounting Standard No. (24) Real Estate Investment.

The company is studying the impact of applying these amendments to the financial for the year 2024.

B- On March 6, 2024, the Central Bank of Egypt issued a decision to allow the exchange rate of the Egyptian pound to be determined according to market mechanisms, and the Central Bank decided to raise interest rates by 600 basis points, equivalent to 6%, to reach levels of 27.25%.

C- Foreign currency translation differences

On 23 May 2024, the Prime Minister's Decree No. 1711 of 2024 was issued amending some provisions of the Egyptian Accounting Standards - Annex (E) of the Egyptian Accounting Standard No. (13) amended 2024 "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, before 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 of these obligations at the end of march 6,2024 or at the end of the day of the closing date. 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 6 March 2024 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:

	30 September 2024	30 September 2023
	EGP	EGP
Foreign Exchange Translation Differences (Statement of Comprehensive Income)	(57,356,375)	(55,365,636)
Deferred Income tax	12,905,184	12,457,268
	<u>(44,451,191)</u>	<u>(42,908,368)</u>

26 - SIGNIFICANT MATTERS (CONTINUED)

According to paragraph No.11B of appendix (E) of Egyptian accounting standards No. (13) Amended 2024 "Effects of changes in foreign currency exchange rates" the effect of applying the second treatment of the appendix on the per share in (Losses)/profit for the period is as follows:

	30 September 2024	30 September 2023
	EGP	EGP
(losses)/Profit for the period	(249,250,804)	56,689,441
Foreign currency translation differences were charged to the statement of Comprehensive income	<u>57,356,375</u>	<u>(55,365,636)</u>
Net (losses) / profit for the period	<u>(191,894,429)</u>	<u>1,323,805</u>
Deduct:		
Employees' share (estimated)	-	(132,381)
Board of directors' share (estimated)	-	(13,238)
Net losses / profit attributable to the equity holders	<u>(191,894,429)</u>	<u>1,178,186</u>
Number of shares outstanding during the period	<u>3518842960</u>	<u>2143995190</u>
(Losses) / profit per share for the period	<u>(0.051)</u>	<u>0.0005</u>

D- On October 23, 2024, Prime Ministerial Decision No. 3527 of 2024 was issued, adding a new accounting standard, No. 51 "Financial Statements in Hyperinflationary Economies", to the Egyptian accounting standards to address hyperinflationary economies for any entity that accounting currency is in a high-inflation economy. The aim of Egyptian Accounting Standard No. 51 is to adjust financial statements to reflect current purchasing power, providing a more accurate and objective picture of the financial position and performance of the entity. The standard applies to financial statements prepared in the currency of a hyperinflationary economy, whether the statements are standalone or consolidated. This includes parent companies and subsidiaries operating under the same economic conditions. The classification of economic transactions as hyperinflationary is studied based on the characteristics of the economic environment, which include, but are not limited to:

- Most of the population prefer to keep their wealth in non-monetary assets or in a relatively stable foreign currency.
- The general population measures monetary amounts in the local currency in terms of a relatively stable foreign currency, and prices may be quoted in that foreign currency.
- The cumulative inflation rate over the past three years approaches or exceeds 100%.

The required amendments cover all components of financial statements, such as the balance sheet, comprehensive income statement, and cash flow statement, which must be presented in a unit of measurement that is current at the end of the period. This standard takes effect on October 24, 2024, with the start and end dates of the financial period(s) for which this standard must be applied to be determined by a decision of the Prime Minister or his delegate.

The standard requires the use of a general price index to measure changes in purchasing power, where assets, liabilities, expenses, and revenues are adjusted according to this index. The Chairman of the Financial Regulatory Authority, after coordination with the Central Bank of Egypt and the Ministry of Finance, issues a decision to determine the appropriate index to be used when applying this standard to the local currency. This procedure contributes to increasing the comparability between different financial periods, aiding in more informed investment and managerial decisions. Additionally, the standard requires disclosure of the adjustment method and any personal estimates or judgments made to ensure transparency. It should also clarify how inflation affects the items in the financial statements.

There is no impact on the financial statements for the period ending on September 30, 2024.